

## Article – Corona crisis: ensuring aid and protection for those in need



The Covid-19-crisis has made getting aid to the most vulnerable members of our societies more challenging. To better protect people at risk of poverty or social exclusion and to ensure continuity of support at a time of social distancing, [Parliament approved changes to the rules](#) for the [Fund for European Aid to the Most Deprived](#) on 17 April 2020.

National authorities will be able to adjust their aid schemes to reduce the risk of contamination. For example, food aid and basic material assistance can be delivered through electronic vouchers or vouchers in any form. Where needed, those delivering aid should be provided with the necessary protective equipment.

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## #EURegionsWeek 2020: Thank You!



□□□□The call for partners for the [18th European Week of Regions and Cities](#) has just been closed and the organizers are thrilled to reveal the unprecedented number of applications received: over 600!

The results of the evaluation process and the final list of partners will be unveiled on 19 May.

In the meantime the European Commission/DG REGIO and the European Committee of the Regions would like to thank you all for the interest shown and ensure our commitment in continuing working on the next edition of the [#EURegionsWeek](#) to facilitate your active participation in the event but also increase its digital dimension.

Your commitment in these difficult time is a big encouragement for us.

Thank you and stay strong and safe!

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## [Fabio Panetta: Why we all need a joint European fiscal response](#)



INTERVIEW

**Contribution by Fabio Panetta, Member of the Executive Board, European Central Bank, published by Politico on 21 April 2020**

21 April 2020

The case for common European economic action in response to the coronavirus crisis has often been presented as a call for solidarity. As noble as that motivation may be, it's not the only reason for governments to act together. A strong, symmetric fiscal response that offsets the economic damage from the pandemic is in the economic interest of all countries in the eurozone.

The disadvantages of an asymmetric response are self-evident.

In the realm of public health, if countries are forced to lift necessary public health measures (e.g. lockdowns) prematurely because the economic costs of containment are too high, the virus will inevitably begin to spread again and will further damage the economy.

When it comes to the European economy, there's a similar risk of contagion. The economies of the eurozone are tightly interlinked through supply chains, financial connections and trade relationships. As a result, a slump in a large part of the eurozone will depress growth and employment across the entire region.

These dynamics were on display a decade ago during the sovereign debt crisis, but today's crisis exacerbates them in two ways.

First, because of the global nature of the shock, European countries cannot redirect their production to satisfy demand from the U.S. or China, as they did a decade ago. This makes member countries dependent on trade within the eurozone, which represents 45 percent of the currency area's GDP.

Second, the amplification of the shock across supply chains will be greater this time. Eurozone firms are strongly integrated into global value chains, with participation rates 60 percent higher than for U.S. or Chinese firms. This integration is today three times tighter within the region than with the rest of the world.

Analysis by the European Central Bank has found that these supply chain interlinkages will multiply the economic damage of the coronavirus lockdowns. As an illustration, we estimate that an initial GDP decline of 5 percent in major eurozone economies would turn into a 7 percent fall in output for the whole area. A GDP decline of 15 percent would provoke a 20 percent loss across the eurozone. And this only considers the recessionary phase, not the subsequent phase of weak trade if the euro area economy remains depressed.

Only if all economies act with the necessary force to contain the recession will the loss in output for the entire eurozone be minimized.

Then there's the risk of political spillovers if responses are asymmetric. Any perception that common action is absent in times of desperate crisis would dilute public support for the European Union – an effect that is already visible in countries on the frontline of the health crisis. Unchecked, these perceptions will weaken centripetal forces in the union and strengthen centrifugal ones. Ultimately, they could erode trust in the euro.

So it's clear why a forceful, symmetric European response is needed. Failure to act now will not insulate taxpayers from the costs of this crisis. Quite the opposite: it will amplify those costs when they finally come due. It will also weaken the policy responses already being undertaken. For example, without visibility on future sovereign funding costs and rollover risks, government guarantees on bank loans will either be priced differently across countries – or fewer such loans will be extended. Either way, the result will

be fragmentation and a more persistent loss of economic potential.

A European fiscal response must be based around three principles. First, the size of the fiscal reaction should be proportionate to the magnitude of the shock. Second, it should not aggravate fragmentation stemming from differences in initial fiscal positions. Third, it should not skew the playing field within the European single market. Viable firms should be able to withstand this crisis no matter where in the eurozone they are located.

The fiscal response of European countries has thus far been inconsistent with these principles. The countries least affected by the pandemic have enacted the largest fiscal responses, while the worst-affected countries have taken the smallest steps. This appears to be, in part, because the latter fear being unable to shoulder the debt burden that an optimal response would entail.

The threat to the single market is clear: uneven fiscal support implies that a firm's location, rather than its business model, will be the decisive factor in determining whether it survives this crisis.

Rather than transfers between member states or a mutualisation of existing debts, what is needed now is for countries to use their collective strength to ensure that the European response is commensurate with the size of the shock and that all countries can benefit from low funding costs and zero rollover risk.

As policymakers debate the proper response, various possible funding models are being considered. These include making serious use of the eurozone's ability to borrow and spend, using the financing capacity of the European Stability Mechanism to scale up European interventions or creating a new facility to finance the reconstruction.

Whichever path is taken, the goal of fiscal policy must be to push the financing costs of this crisis far – very far – into the future. Debt that is issued at very long maturities becomes more sustainable over time as growth rates outstrip interest rates. And European issuance today will create the additional fiscal policy space needed to secure those higher growth rates in the future. An adequate European response would also facilitate the implementation of the ECB's securities purchase programmes, increasing the effectiveness of monetary policy.

Once the immediate emergency recedes, countries will have to deal with concerns of competitiveness and long-term sustainability, in the context of prevailing growth and interest rates. That's an important and necessary battle, but not for today. In fact, the faster the current emergency is addressed, the faster countries will be in a position to remedy these concerns and the faster the single market will return to its normal functioning.

Acting now to create the conditions for a symmetric fiscal response will help all member countries to shorten the duration of the crisis period, protect the economic base on which their future production structures and exports

rely, and – perhaps most importantly – uphold the promise of a shared and indivisible European destiny.

Eurozone countries should shoulder the cost of financing this crisis together, because they all stand to benefit by doing so.

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## [Germany/Austria: EIB supports upgrade to A3 motorway in Bavaria](#)

- **A3 Nordbayern GmbH & Co. KG to receive €400 million in long-term financing**
- **The operation is Germany's biggest public-private partnership**
- **The EU bank financing is being provided under the Investment Plan for Europe**

The European Investment Bank (EIB) is providing €400 million to support the upgrading of the A3 motorway in Bavaria between the AK Biebelried and AK Fürth/Erlangen junctions, via a public-private partnership (PPP). The 29-year, long-term loan from the EU bank is backed by a guarantee from the European Fund for Strategic Investments (EFSI). Under the Investment Plan for Europe (the Juncker Plan), the EIB Group and the European Commission are working together as strategic partners to boost the competitiveness of the European economy.

The A3 upgrade contract was awarded to the A3 Nordbayern consortium, comprising Eiffage S.A and JOHANN BUNTE Bauunternehmung GmbH & Co. KG as shareholders. The A3 upgrade – the largest PPP project to have been commissioned in Germany – concerns the widening of a 76 km stretch of motorway from Biebelried to west of the Rhine-Main-Danube canal bridge from four to six lanes. Works are expected to last until 2025, with an estimated total project cost of over €1 billion. The A3 upgrade is part of a comprehensive German Federal Government infrastructure programme to modernise and upgrade 10 sections of the country's motorway network.

The EIB Vice-President responsible for operations in Germany, **Ambroise Fayolle**, welcomed the completion of this transaction on a very tight timetable: "Providing efficient and effective infrastructure is key. Despite the current difficult context, the EIB has proven to be a reliable cornerstone financier for the project. This once again shows that the EU bank – with Juncker Plan support – is able to fulfil its aim to strengthen the European economy, even in complicated circumstances."

### **Background information**

#### **About Eiffage**

Eiffage is one of Europe's leading construction and concessions companies. The Group's activities are organised around the following business lines: construction, real estate and urban development, civil engineering, metal, roads, energy and concessions. Thanks to the experience of more than 72 500 employees, Eiffage generated revenues of €18.1 billion in 2019, almost 26% of which was outside France.

Eiffage Infra-Bau SE and its subsidiaries have more than 150 years of construction experience across Germany and Europe. A grouping of skilled and successful construction firms, Eiffage Infra-Bau Group offers a wide range of services and a high level of in-house production for complex infrastructure projects.

### **About Bunte**

Bunte is a leading German construction contractor. Over the last 148 years, it has evolved from a small transport company to a comprehensive general construction services provider.

We serve our customers across Germany and neighbouring European countries by offering state-of-the-art construction work, efficient project management, innovative solutions, first-class quality and a high level of adherence to contracts and deadlines. This successful development has seen the implementation of complex and demanding large-scale projects that, with the help of approximately 1 700 employees and an impressive stock of equipment and machinery, result in annual output of around €600 million.

Bunte is active in the following business areas: earthworks and road construction, asphalt production, railway construction, engineering, hydraulic engineering, bridge construction and building construction. We also have extensive experience in the PPP market segment – as well as in real estate project development and project financing – via our project investment business.

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## **[Media interview: Celebrating 25 Years of CPVO](#)**

In this [media interview](#) given to [European Seed Magazine](#), Martin Ekvad, President of the CPVO, speaks about the 25th anniversary of the Community Plant Variety Office.

- How the developments of the CPVO have been for the past 25 years?
- What are CPVO's international relations and outreach activities?
- What are the main achievements of the CPVO?
- What are the remaining challenges?
- How does BREXIT impacts the work of the CPVO?

• Views on molecular tools for plant variety testing?

# Celebrating 25 Years of CPVO

PRESIDENT MARTIN EKVAD LOOKS BACK AND AHEAD. BY MARCEL BRUNIS

The Community Plant Variety Office (CPVO) is an agency of the European Union, located in Angers, France. Its task is to administer the EU system of plant variety protection. The CPVO manages the largest, regional system of plant variety rights, based on the 1991 Act of the UPOV Convention in the world. Since the creation of the CPVO in 1995, the office has received over 68,000 applications — of which 15 granted over 59,000 — with over 58,000 titles still currently in force. As the CPVO is celebrating its 25th anniversary, it was a good moment to European Seed visit down with CPVO President Martin Ekvad.



Martin Ekvad

**EUROPEAN SEED (ES): MARTIN, THE COMMUNITY PLANT VARIETY OFFICE IS NOW 25 YEARS IN EXISTENCE. HOW HAVE THE DEVELOPMENTS BEEN?**

**MARTIN EKVAD (ME):** The past 25 years have been an amazing journey. We feel privileged to contribute to the development of a fascinating sector, working with breeders and farmers who are passionate about new plant varieties, with experts from national public authorities and with innovative leaders from the industry.

But the CPVO is above all a success story for all plant breeders who are granted, with one single application, a Community Plant Variety Right (CPVR) that protects them everywhere in the European Union. Let us not forget that, at the beginning of the 1990s, breeders had to file individual applications in every European country which provided for protection and where they wanted protection.

There were huge expenditures from the industry at the time the CPVO was established in 1995 and, after six months, the CPVO had already received over 8,000 applications. That number dropped by half in 1996 and has increased year after year since then to exceed 6500 applications in 2018 and 2019.

Today, there are almost 60,000 CPVR in force and the CPVO granted more than 3,000 titles in one calendar year for the first time ever in 2019 — with almost half of those being for ornamentals (48.8%), more than a quarter for agricultural crops (27.8%) and the rest for vegetables (18.7%) and fruits (5%).

I would draw two conclusions out of this. First, through the creation of a uniform and harmonized system in 1995, equally noticeable in all EU Member States, legal certainty was improved and barriers to entry within the internal market reduced. Second, the CPVO has become

the natural choice to plant breeders looking for plant variety protection in the EU.

**ES: SO, IT IS A VERY GOOD RUNNING SYSTEM, AND OTHERS WISH TO COPY THAT. DO YOU CARRY OUT ANY OUTREACH?**

**ME:** One of the key success factors of an organisation like the CPVO lies in its ability to work hand in hand with EU and national authorities, and to remain open and constructive with a wide range of stakeholders from the private sector. We also cooperate with public authorities from outside the EU.

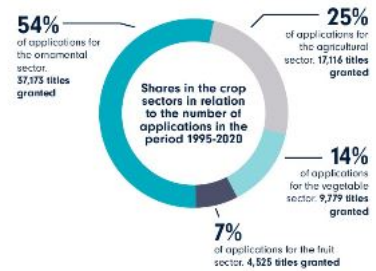
The CPVO has always been seen to involve breeders' organisations in its work. Euroseeds, EUROFORA and Plantum are observers to the CPVO Administrative Council, and bilateral meetings are held with organisations such as AIPH and VSCAIP on a yearly basis.

We participate in all sorts of events organised in close co-operation with the industry to inform relevant professionals and the public about the CPVR system. We are also partners in a series of ventures with other IP offices in the EU Member States as well as with the International Union for the Protection of New Varieties of Plants (UPOV), European Union Intellectual Property Office (EUIPO), European Patent Office (EPO), United States Patent and Trademark Office (USPTO), United States Department of Agriculture (USDA), Ministry of Agriculture, Forestry and Fisheries (MAFF), China, African Regional Intellectual Property Organisation (ARIPO) and Organisation Africaine de la Propriété Intellectuelle (OAPI).

The CPVO has been directly involved in important international projects funded by the EU. For instance, we are currently providing know-how and training to the OAPI office and its member states so that they can learn from experiences made in the EU on technical and administrative procedures. The overall aim is to support efficient agricultural policies and food supply. Innovation and plant breeding are one important piece in achieving such goals. Uniform or at least similar IP systems in the EU and Africa contribute to these aims.

The CPVO is also active in the EU funded IP Key South-East (IPKEY) project, which aims at updating and harmonising IP standards with important EU trading partners. In this context, we have been promoting UPOV based PVR systems in China, Latin America and Association of Southeast Asian Nations (ASEAN) countries and we have shared the experience gained in the EU. A similar project targeting Caribbean countries will also see CPVO's involvement in the coming months.

I believe that it is CPVO's duty to share our expertise gained through the CPVR system and it is important that CPVO promotes the robustness of the 1991 Act of the UPOV Convention worldwide so that European consumers benefit from



## CPVO BY THE NUMBERS

**68,593**  
applications received from 1995 to 2020

**53,583**  
titles granted received from 1996 to 2020

**28,228**  
titles in force as of 01/01/2020

**23,136**  
online applications since 2010

higher quality products and European breeders can perform in a global level-playing field.

**ES: WHAT WOULD YOU SAY ARE THE MAIN ACHIEVEMENTS OF THE CPVO?**

**ME:** One thing is sure, the creation of the EU plant variety right system in the mid 1990s was an excellent decision for Europe. One application, one language, one procedure and one decision for a Plant Variety Right valid in all EU Member States. And while the CPVO administers the PVR system, the technical work is done by Examination Offices throughout the EU. An excellent way to share the tasks at hand!

The CPVR system, based on the 1991 Act of the UPOV Convention, is the largest and most efficient regional system for plant variety rights protection. Over the past 25 years, the CPVO processed nearly 70,000 applications and granted over 60,000 plant variety rights titles. Today, almost 30,000 new plant varieties are being protected in the European Union by the CPVO.

The CPVO has become a source of excellence in the sense that technical and legal expertise from the EU Member States co-operate in the CPVO network and contribute to smart solutions available to all. Therefore this role will increase as digitalisation and the use of common IP tools are becoming increasingly important. The con-

Source: [European Seed](https://www.europeanseed.com).

You can also read the [digital version of the April 2020 issue of the European Seed magazine](#), in which you will find the CPVO article on page 32-36.