

# [#EUvsVirus pan-European hackathon: can you hack it](#)



□ Innovators, start-ups and makers of all sorts in Europe are working to develop innovative solutions to be deployed in the short-term to alleviate the negative consequences of the corona crisis. This work complements what researchers are doing in areas such as vaccines. There are five areas that have been identified as targets for these innovative solutions: Health & Medicine, Business Continuity, Social Cohesion, Protection of Risk Groups, and Education.

We all know that hospitals and elderly residences are having problems with supplies in health material, from respirators to masks. Business continuity is also disrupting the economy in many European Member States. Students are moving into e-learning without a transition phase. All these issues need urgent short-term solutions that only innovators and startups can provide in a fast and efficient way.

Many online hackathons have been organised across Europe since the beginning of March. There have been hackathons in Estonia, Finland, Poland, Italy, Belgium, and many more are also planned to take place in the coming weeks. The largest hackathon has been the one organised in Germany on 20 March for 48 hours with 42869 participants who developed 800 projects.

## **#EUvsVirus – The pan European hackathon**

Together with European society, the European Commission is looking for solutions to challenges related to the coronavirus. Between 24 and 26 April, the first pan-European hackathon is organised to address the very acute problem of COVID-19. The Pan-European hackathon #EUvsVirus is a joint event between the European Commission and actors from similar national initiatives from Member States on whose experiences the EU hackathon is building. It is expected a participation of 60k European citizens to #EUvsVirus hackathon.

Innovators from all industries, as well as committed citizens, are invited to take part in this important event. Participation is possible on the dedicated website <https://euvsvirus.org/> and on Twitter at #EUvsVirus. The hackathon offers a common organizational and technical framework in which the participants can get involved online and develop working prototypes and solutions for technically, politically and socially relevant issues with regard to the corona crisis. It aims at commonly developing innovative solutions, e.g. high tech, low tech, hardware, software, etc., using biotech, digital tech, societal science and other innovation domains.

The event will be open to the European community of innovators, startups, makers, retailers, public and private buyers, end users etc. The overarching purpose of this event is to match-make and connect innovators, partners, buyers across Europe for the benefit of addressing imminent corona crisis

issues (e.g. fast production of equipment, scaling up production capabilities, knowledge and solutions transfer from one country to another) and across various technological fields.

#EUvsVirus will allow for the submission of ideas and creation of teams in all EU languages. This means that there will be teams composed of individuals from several EU Member States and others where the participants will come exclusively from one MS. We do not want to miss any good idea simply because it is not in English.

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## [Luis de Guindos: Interview with La Vanguardia](#)



INTERVIEW

### **Interview with Luis de Guindos, Vice-President of the ECB, conducted by Manel Pérez and published on 12 April 2020**

12 April 2020

**What is your assessment of the global economic situation in the midst of this coronavirus crisis?**

The global economy will enter recession and so will the European economy, albeit an even more severe one. The ultimate fall in GDP will depend on how long the lockdown lasts. International bodies have calculated that the

economy will shrink by 2% to 3% for each month of lockdown. So one and a half months would be around 5%. Three months would be double that.

**Do these calculations also apply to the Spanish economy?**

Spain had an advantage at the start of this crisis – it was seeing growth that was higher than the average of its euro area peers. But it also had a problem – its economy is more exposed to the crisis as it is more dependent on services like tourism, which are heavily affected by the pandemic. This makes it very likely that Spain will experience a deeper recession.

**And coming out the other side of the crisis, what do you think the economic recovery will look like?**

In the euro area, the most likely scenario is that we will see some signs of growth starting in the third quarter, but we will have to wait until 2021 to see a genuine recovery in economic activity. In any case, 2021 will not be able to make up for all of the downturn in 2020. I think the shape of the recovery will be somewhere between a V and a U, but we have to remember that everything will depend on the length of the economic shutdown imposed by the fight against the pandemic.

**Governments are implementing active fiscal policies to stop the crisis getting worse. In Spain, business associations are complaining that the tax payment schedule has remained the same, which could lead to liquidity problems. They are calling for tax deferrals and even exemptions. What is your opinion?**

First of all, it's important to remember that the basis for the recovery will depend on successfully protecting the economy's productive capacity. If this is achieved, economic activity will rebound more strongly.

To answer your question: first you have to consider that firms will see a drastic fall in their revenue, so it's essential that they receive relief from their tax burden. The State's tax receipts will also fall dramatically. It's important to come up with temporary plans to help firms, as has been done in the area of employment with the temporary layoffs [in Spanish: *expedientes de regulación temporal*, or ERTes].

**What is your opinion on the public loan guarantee programmes to enable the banking sector to finance firms with credit lines and loans?**

They are very important, of course. All countries have put in place loan guarantees for firms. This is a good thing. But we also have to avoid the fragmentation of the Internal Market. Not all guarantees are identical. The European Investment Bank (EIB), for example, is offering a very sound shared system of guarantees. We are now seeing national guarantee schemes and we should work towards making these converge to ensure that credit continues to flow, that banks' balance sheets remain healthy, and that we don't see fragmentation along national lines. Although different countries will always be given different ratings by the ratings agencies.

**The ECB has been very active since the beginning of this crisis. Do you think**

## **that what's been done so far is enough?**

The ECB has intervened on three levels. First, we have provided liquidity to the banks, under very good conditions, and we have launched a package of temporary collateral easing measures. In addition, in our role as the single banking supervisor, we have given banks the flexibility to make use of the capital buffers they had built up, so that they can continue financing and providing credit to firms and households. And finally, we have expanded our monetary policy operations. In 2020, asset purchases will reach €1.1 trillion (mainly of public debt) to avoid fragmentation of the euro area. Spain will receive between €120 billion and €130 billion of this money. In the current crisis, this is the main financial shield for Spain and the other euro area countries.

## **But countries are staring down the barrel of increasing expenditures and decreasing revenues...**

Countries will experience a deep recession that will have an impact on their public finances. This will entail greater funding needs, of between €1 trillion and €1.5 trillion, an amount the likes of which we've probably never seen before. They will also issue public debt to finance themselves, which is precisely why the ECB's intervention in the bond markets aims to avoid fragmentation at an extremely difficult time.

## **The ECB balance sheet is overflowing with debt from euro area countries. Where will this end? Is it possible that in the future this debt could be forgiven or written-off?**

Debt levels in the euro area are sustainable and when this crisis is over, economic conditions will get back to normal. We are not looking at any scenarios where this debt is a problem. It's not a scenario I'm considering.

## **Nevertheless, EU institutions are going through a severe crisis as they finance the cost of the pandemic. At the most recent EU summit and last Eurogroup meeting, we saw unprecedented clashes involving EU founding members, such as Italy.**

Europe currently has three main instruments at its disposal. First, the EIB guarantee fund that I mentioned previously, with €25 billion made available to provide support of up to €200 billion. Second, the SURE programme [a European instrument for temporary Support to mitigate Unemployment Risks in an Emergency], which will provide additional lending of €100 billion to avoid job losses during the most acute phase of the crisis. And lastly, the European Stability Mechanism (ESM), which provides low-conditionality precautionary credit lines and already has €240 billion available, which can be increased up to €400 billion. Following the agreement the Eurogroup reached on Thursday, governments will be able to use the ESM to access the equivalent of 2% of their GDP and thus finance healthcare spending related to the pandemic.

## **The Eurogroup has finally reached an agreement. The ESM, which was the sticking point in the negotiations, will offer loans to finance the**

**healthcare response of up to 2% of a country's GDP. That aside, ESM loans continue to have the same conditions attached as they did before. Do you think this will be enough? Or will recourse to this fund go beyond that?**

The funds the ESM is making available, of up to 2% of GDP to finance healthcare spending, have no additional conditions attached. For Spain, this means access to around €24 billion. In any case, the most important part of this agreement is that it represents a commitment that points in the right direction. It sends a clear signal of the willingness of the euro area countries to act together in the economic and budgetary realm. It's also crucial because it complements, on the one hand, the fiscal stimuli launched by national governments, and on the other, the rapid and powerful intervention by the ECB since the start of this crisis. With all these measures now in play, Europe is better equipped to respond to this unprecedented crisis.

**The agreement includes a generic reference to a future recovery fund that is yet to be defined. What criteria do you think it should meet?**

The ECB has always stressed the need for our Economic and Monetary Union to be completed in order for the euro area to become more resilient. On the one hand, we need a European deposit insurance scheme so that savings have the same protections in every country. We've also called for progress in capital markets so that euro area firms have access to more sources of funding. And in the fiscal sphere, we need a shared budgetary instrument that completes the monetary union. The fund that has been proposed could go in that direction, but its size and how it is funded remain open to discussion and will depend on future decisions by governments. In any case, the determination to present a shared response is very significant, because it is a strong political signal, and also a strong signal to the markets.

**Spain started the debate when it too voiced its opposition to the use of the ESM. Minister Calviño has now stated that Spain should not resort to using it and that, in any case, she only believes it is an option if conditionality is extremely low...**

Before this crisis, Spain was growing, it was competitive, its debt-to-GDP ratio was below 100%, its government deficit was 2.6% and its unemployment rate stood at 14%. Currently it has been able to obtain the funding it requires on the markets, it is not experiencing any difficulties, and the spread against the German bund is 110 basis points. Let's hope that Spain can maintain this relatively comfortable position.

**Italy is not in the same position; could that be why it is adopting a more combative stance?**

I don't want to start making those kinds of comparisons.

**Let's come back to Spain then. There is talk of making a political pact, like the Moncloa Pacts of 1977. What's your opinion? Are you in favour of pacts?**

I think we must always be in favour of political pacts during extraordinary

times such as these. Although a comparison with the 1977 Moncloa Pacts is perhaps not possible. At that time, Spain was not a member of the EU and the euro did not exist. The main goal was to reduce inflation and change the income policy. Today, there is a deep recession that will have a very severe impact on the public finances and which will require a huge effort to get the economy back to normal. This is the most serious economic situation since the Civil War.

**Some are also calling for a government of national unity..**

I am simply suggesting that joint action by consensus would be the best approach to take for the Spanish economy. It is up to the elected representatives to decide on whether or not the best approach, within a framework of understanding, is to make an explicit pact or establish a certain type of government.

**What conditions are required to reach an understanding of this nature?**

I think the important thing is to establish a framework of mutual trust and loyalty between the government and the opposition; and that is a two-way street.

**Banks are in a difficult position: at a time when they still have not restored their business models after years of low interest rates, the current scenario has again been prolonged indefinitely. How do you think this will affect the sector?**

The banking sector is facing this situation from a much more robust position than ten years ago. It is true that it has profitability issues and the deep recession will affect its bottom line. But there are no solvency problems. The financial markets experienced some problems during the initial days of this crisis, but they were not caused by the banking sector. The situation has to a certain extent returned to normal, although not completely, while prices have partially recovered and volatility has eased.

**Yes, to a large extent, the current situation already existed, and in theory mergers offered a solution, but these mergers have not taken place..**

Well, in Spain there has actually been some banking consolidation, which has reinforced the system's robustness. And there will now be more pressure in Europe in relation to the falling profitability conditions I mentioned before.

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**[Statement by the President of the](#)**

# European Council Charles Michel following the agreement of the Eurogroup



The agreement of the Eurogroup is a significant breakthrough. More than half a trillion Euros are now available to shield European Union countries, workers and businesses. With this unparalleled package we shoulder the burden of the crisis together. This compromise is aimed at quick targeted relief.

*Charles Michel, President of the European Council*

The deal of the Finance Ministers focuses on support for Europe's economies. The European Stability Mechanism will provide pandemic crisis support, in the form of precautionary credit lines.

Second, a temporary solidarity instrument should be established to provide Union's loans granted on favourable terms to EU Member States with a view to protecting workers and jobs in the current crisis.

And thirdly, the European Investment Bank will implement its proposal to create a pan-European guarantee fund to support EU businesses, in particular SME's, throughout this crisis.

It has also been agreed to explore the setting up of a temporary Recovery Fund to ensure a robust European economic recovery in all Member States.

The president will take this work forward in view of the next videoconference with the members of the European Council on Thursday April 23, 2020.

"It is time to lay the ground for a robust economic recovery. This plan has to relaunch our economies whilst promoting economic convergence in the EU. The EU budget will have to play a meaningful role here. Together with the President of the Commission, I am working on a Roadmap and Action Plan to ensure the well-being of all Europeans and to bring the EU back to strong, sustainable and inclusive growth based on a green and digital strategy."

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# Members Speak: Messages from CoR Members and Partners on the coronavirus crisis



**Mikel Irujo Amezaga** (ES/EA) writes that the Government of Navarra has created a special fund – with an initial sum of €100 million – to provide extraordinary support for health and education services, social care, and for the unemployed, self-employed, and small businesses. Companies can benefit from lines of credit (up to €30 million) and guarantees (up to €40 million). A particular aim has been to guarantee that vulnerable children can enjoy their basic right to food; to that end, the government is providing extra funds and ensuring a coordinated response by social and educational services. Many more details are available [here](#) (in Spanish).

The **Łódź Region** in central Poland has transferred PLN 165 million (€36 million) to fight the coronavirus, sourced from the EU, the national government and the region itself. It has earmarked PLN 146 million (€32 million) for 13 hospitals, of which PLN 93.5 million (€20.3 million) comes from EU funds. The region's civil servants are now teleworking, and – in line with national recommendations – residents have been asked to stay at home in all but exceptional circumstances. More details are available on the regional government's dedicated webpage (in [Polish](#)).

Since France introduced containment measures on 17 March, every community in the country has had to reorganise its services, activate business-continuity plans, and adopt extraordinary measures. An area of major importance, the **Assembly of Departments of France** writes, is maintaining agricultural activity, to meet the country's food needs. *Départements* are supporting local artisans and farmers, promoting local producers, and inviting large retail players to use local supply chains. They are also boosting financial support for associations that help farmers in need, and putting grocery stores in contact with local producers. Under business-continuity plans, government services have moved online and to the telephone, with priority given to first-time requests for support and to extending established rights. Social workers continue to visit homes, and public offices continue to provide family-planning services and consultations for pregnant women. Departmental fire and rescue services form part of the national health crisis-management system, with additional local initiatives to help the health sector and general public. More details on the role of French departments are [here](#).

**Malta's Local Councils Association** together with the country's regional and local councils have set up a community support platform on Facebook. The platform, [YouSafe](#), enables over 500 politicians and staff in the local councils to keep in contact with their community at all times during the crisis. It provides of means of ensuring that the elderly are not forgotten, neighbours are safe, and that communities stay in good health. YouSafe also facilitates a dialogue between councils and residents, and energises the



business community, NGOs, civil-society networks and individuals to develop ideas, initiatives and solutions intended to help communities support each other. It is also enabling residents to take part in swift decision-making processes.

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## COVID-19: Case studies of CoR Members from the Political Groups



The political groups in the European Committee of the Regions have collected a many examples of the challenges faced by their members, and their responses, as well as ideas about how the EU could help them. The following is just a new sample.

**European People's Party:** Among the examples available [on a special webpage](#) is the work of the former prime minister of Romania, Emil Boc, now mayor of Cluj Napoca. His 'Single Cluj' project has mobilised funding and resources for hospitals, and has enabled civil-society initiatives as well as the centralisation of information. Andrea Turčanová, mayor of Prešov in Slovakia, says her municipality is providing the most vulnerable people in society with protective clothing and is delivering food and medicine to the elderly (using an electric vehicle, she noted in passing).

**Party of European Socialists:** The group's [COVID-19 webpage](#) includes a video [message](#) from the former prime minister of Belgium, Elio De Rupo, with details of the response in region of Wallonia – of which he is president – and with a message to other regions: "All European regions must come together and help each other. And, after the crisis, we must reflect. We need strategic stocks and we also need to be able to anticipate the risk of a new pandemic. It is not normal that we are so destitute in a Europe as rich as it is today." Meanwhile, the mayor of Zerbst in Germany, Andreas Dittmann, has special plans for Easter – a campaign, called "Giving closeness while maintaining distance", in which local shops prepare Easter presents that are then delivered by local officials.

**Renew Europe:** Examples of local action on group's [dedicated webpage](#) are available in French and Spanish, as well as in English. Willy Borsus, vice-president of the Wallonia region (and deputy to follow CoR member Elio De Rupo, highlighted above), a run-down of public services and economic measures in Wallonia. Rait Pihelgas, mayor of Järva, says that in Estonia a particular concern is the false sense of security created by the relatively small number of cases in the country, he wants volunteers to help limit the number of people trying to enter the typically small stores open in rural areas.

**European Conservatives and Reformists:** Ilpo Heltimoinen, a CoR member from the city of Lappeenranta close to Finland's border with Russia, [reports](#) – on

page 4 of the ECR's compilation – that some early-childcare facilities remain open and that an online 'corona neighbour help' page swiftly proved a success, ensuring that the elderly can get food without leaving their homes. The president of the Bratislava Region, Juraj Droba, says – on page 14 – that the regional government is working with local businesses to equip doctors and nurses with masks and protective gear; medical staff can sleep in re-purposed student dormitories, to avoid infecting their families. Slovakia requires everyone to wear a mask when they leave their homes. Mr Droba also has a message to the EU: redirecting money from the European Regional and Development Fund would worsen the impact of the crisis on his region's social and educational infrastructure.

**European Alliance:** The group's coordinator in the CoR's natural resources (NAT) commission, welcomed proposals by the European Commission to ease some rules in its cohesion policy and release unused money to tackle the COVID-19 pandemic. In a statement on the group's [website](#), Dariusz Strugała, mayor of Jaraczewo, said the changes would increase flexibility and accelerate implementation. As a member of the board of the Association of Rural Municipalities of Poland, he highlighted the benefits of giving farmers to submit applications and the increase in advance payments. The group has brought together the experiences and response of its members to the crisis on this [page](#).

**Greens:** The position of the European Greens on the crisis and what is needed now can be found on the group's [website](#). □