

[Press release – Positive from EUCO: Europe shows it is united and ready to act](#)



“Europe is correcting the selfishness and lack of coordination between national governments in the face of the COVID-19 crisis. Today the extraordinary meeting of the European Council gave the green light to the Commission’s proposals, also indicated by the European Parliament, to tackle the spread of the virus and help countries in need.

Finally, we are showing a real sense of solidarity: preferential lanes for the passage of medical equipment, defending the free movement of goods in the EU, and the first important economic support for our families and businesses. A united Europe, willing and ready to act, is finally on the field to tackle this dramatic challenge. We are a European family – nobody will be left alone and nobody will have to act alone. The European Parliament is ready to do its part to protect the lives and livelihoods of all our people. We will not give up living as Europeans.”

[Press release – Coronavirus: urgent](#)

response to support citizens, regions and countries



On behalf of the Regional Development Committee, Chair Younous Omarjee, in agreement with the political coordinators, requests that the European Parliament use the “urgent procedure” (defined under [Rule 163](#)), to allow the proposed measures to be efficiently adopted.

The committee agrees, therefore, to speed up the legislative process by referring the proposal without amendments to be adopted directly by plenary, in order to channel available EU funds as soon as possible to citizens, regions and countries hit the hardest by the Coronavirus pandemic.

EP Regional Development Committee Chair, Younous Omarjee (GUE/NGL, FR) said: *“We must respond as urgently as possible, by channelling all means available under the cohesion policy, to mitigate the catastrophic situation caused by the Coronavirus epidemic. Any delay would result in more lives being lost and additional difficulties for European regions, companies and citizens. Our committee is fully briefed about the situation and ready to act. All political groups are united. We are opening the door and I am convinced that the same spirit will prevail within the Council. In this critical moment in time, seeking something better than what we have on the table may do more harm than good”.*

Next steps

Amending EU funding rules falls under the co-decision procedure, so both Parliament and Council will need to adopt them. The Parliament will shortly announce the details of the urgent procedure.

Background

A legislative proposal to amend the Common Provisions Regulation, the

European Regional Development Fund and the European Maritime and Fisheries Fund regulations was published on 13 March.

The Commission proposed to direct EUR 37 billion under the cohesion policy to fight against the Coronavirus crisis, by means of relinquishing its obligation this year to request that pre-financing for the structural funds be returned. This amounts to about EUR 8 billion from the EU budget, which member states will be able to use to supplement EUR 29 billion of structural funding across the EU.

[Relocating unaccompanied children from Greece: what works and what does not](#)



FRA provides [practical suggestions to the EU and its Member States on the relocation process](#). At the same time, FRA urges Member States to agree on a simple and practical workflow as soon as possible to avoid lack of clarity and delays in the relocation process.

FRA's practical suggestions to relocate unaccompanied children from Greece builds on lessons learned from previous mandatory and voluntary relocation schemes.

The suggestions concern all stages of the relocation process:

- Identifying children for relocation
- Appointing a guardian
- Assessing the child's best interests and providing information
- Preparing the departure and transfer
- Funding relocation of unaccompanied children

The practical suggestions are based on desk research and almost 50 interviews with national authorities and civil society organisations.

FRA conducted the interviews between November 2019 and March 2020 in 10 EU Member States: Belgium, Finland, France, Germany, Greece, Ireland, Italy, Malta, the Netherlands and Portugal.

In May 2020, the agency will publish a full report on the relocation of unaccompanied children.

It will explore the challenges and good practices gathered in the implementation of different relocation programmes since 2015.

The report will support national authorities to take measures, which fully comply with children's fundamental rights and are practically feasible.

[Remarks by Mário Centeno following the Eurogroup meeting of 16 March 2020](#)

We have held a videoconference today on our response to the extraordinary human and economic crisis caused by the Coronavirus. Finance ministers are often posed very hard choices, but seldom are they matters of life and death. On behalf of all the ministers attending, let me start by expressing my deepest sympathy with the citizens and the Member States hit by this crisis, and a deep-felt gratitude for all those risking their health to save lives.

We will protect our citizens and our currency. Come what may and with everything we have got. Our commitment to provide support in this time of need is unlimited.

We will do whatever it takes and more, to restore confidence and support a rapid recovery. Whatever further coordinated and decisive policy is needed, we stand ready to take it. This includes fiscal measures to support growth and employment. We are working on the necessary measures needed to help the

economy rebound.

Today we have put together a first set of national and European measures while setting a framework for further actions to respond to a rapidly evolving crisis.

The total fiscal support to the economy will be very significant. In addition to our powerful automatic stabilisers, the combined fiscal measures at national and European levels amount to about 1% of GDP on average and the combined liquidity measures to around 10% of GDP. Liquidity measures are mostly comprised of public guarantee schemes and deferred tax payments.

Let me go into more detail now on the measures taken.

First, member states are taking strong action to support healthcare systems and to contain the virus. They will also provide liquidity support to firms and support affected workers. Measures are tailored to the needs and circumstances of each individual member state.

Second, coordinated efforts at the European level will complement national measures.

We welcomed the Corona investment initiative worth of 37 billion euros, which will support healthcare systems, SME's and the labour market. Another 28 billion euros of structural funds will be made fully eligible for these expenditures.

We welcome the initiative of the Commission and the EIB Group to mobilise €8 billion of working capital lending, backed by the EU budget, by enhancing programmes for guaranteeing bank credits to SMEs. We also welcome the ongoing efforts to increase this amount to up to 20 bn.

We also welcomed the package of monetary policy measures taken by the ECB last week aimed at supporting liquidity and funding conditions for households, businesses and banks. It will help the smooth provision of credit to the real economy: And – importantly – it will avoid fragmentation of euro area financial markets to preserve a full transmission of monetary policy.

A few words on flexibility. Rules and regulation will support the fight against this disease and the economic fallout

We emphasised today that the Stability and Growth Pact has all the flexibility needed to cater for this situation. And we will use it so that we can take the far-reaching measures needed to fight this crisis.

We welcomed the Commission guidance on the scope for supporting firms that is available within state aid rules. The Commission will approve additional measures needed to remedy this serious disturbance in the economy, which is already the case for Italy and increasingly across the EU.

The banking system has a key role in preventing this health emergency from morphing into a social and economic crisis for our citizens. We welcomed the statement by the European Banking Authority to make full use, where

appropriate, of the available flexibility to support the banking sector. In particular, we also welcomed the decisions taken by ECB Banking Supervision providing temporary capital and operational relief to euro area banks.

All the resources available at EU level must be mobilised to fight this crisis.

All institutions will participate in our collective effort to defeat this virus. In this context, I have also asked the Commission and the ESM to explore ways, within their mandates, to address the challenges posed by the coronavirus.

Let me close this topic by stressing that this is a first step and the Eurogroup will continue to follow the situation very closely and stand ready to act swiftly. We have agreed to follow-up with regular calls, at least once a week. We will continue to act swiftly and decisively to developments as they unfold.

Today ministers also agreed to very briefly review a few other pending issues in our agenda, namely ESM treaty reform and enhanced surveillance in Greece.

On the Treaty, back in December we reached an agreement – in principle – on all elements related to the ESM reform, but a left a few legal issues to be clarified.

Work done by our deputies clears up our remaining open issues. I am confident that we will be able to close this big chapter shortly. Also on the so-called Amending Agreement to the IGA. Our focus is now fully on the corona virus and we will thus politically finalise the treaty reform at a more appropriate time.

A final word on Greece, we shortly discussed the fifth enhanced surveillance report today. We welcomed the good progress with reform implementation. Greece has been able to outperform its fiscal targets for the fifth year in a row, reaching a primary surplus of 4% in 2019. We all agree that of course Greece will also be able to make full use of the flexibility with the fiscal rules to deal with the consequences of the corona virus.

Let me close this press conference by wishing everyone well. These are extraordinary times in which we must support each other wherever we can. Especially to the people and families affected by this disease I wish you all the strength needed to get through this.

[Visit the meeting page](#)

Statement on COVID-19 economic policy response

Following up on the videoconference on 10 March 2020 between European Council Members, as well as the ECB President, the Eurogroup President and the High Representative, the Eurogroup held an in-depth discussion today, together with non-Euro Area Members, on how to respond to the extraordinary human and economic crisis caused by the Corona virus.

The Eurogroup expressed its sympathy and solidarity with the citizens and the Member States particularly hit by this crisis and its gratitude to those risking their own health to save lives. The Eurogroup is following the situation very closely and is in permanent contact and coordinated to give a strong economic policy response to the exceptional situation. Our commitments of today reflect our strong determination to do whatever it takes to effectively address the current challenges and to restore confidence and support a rapid recovery.

Today, we welcomed all the measures taken by Member States and by the European Commission, in particular those taken to ensure that health systems and civil protection systems are adequately provided for to contain and treat the disease, preserve the wellbeing of our citizens and help firms and workers that are particularly affected.

Facing these exceptional circumstances, we agreed that an immediate, ambitious and co-ordinated policy response is needed. We have decided to act and will respond swiftly and flexibly to developments as they unfold. We will make use of all instruments necessary to limit the socio-economic consequences of the COVID-19 outbreak. We have therefore put together a first set of national and European measures while setting a framework for further actions to respond to developments and to support the economic recovery. Preliminary estimates of the European Commission show that total fiscal support to the economy will be very sizeable. We have, so far, decided fiscal measures of about 1% of GDP, on average, for 2020 to support the economy, in addition to the impact of automatic stabilisers, which should work fully. We have, so far, committed to provide liquidity facilities of at least 10% of GDP, consisting of public guarantee schemes and deferred tax payments. These figures could be much larger going forward.

The following measures are part of our co-ordinated responses to protect our economies.

1. All national authorities will allow automatic stabilisers to function and in addition implement all necessary measures to ensure that the economic consequences of COVID-19 are tackled and that they do not put in danger our economic and social achievements. To the extent required by the evolving situation in each country, they will implement temporary measures such as:

- Immediate fiscal spending targeted at **containment and treatment of**

the disease. Adequate resources will be provided to our health sectors and civil protection systems;

- **Liquidity support for firms** facing severe disruption and liquidity shortages, especially SMEs and firms in severely affected sectors and regions, including transport and tourism – this can include tax measures, public guarantees to help companies to borrow, export guarantees and waiving of delay penalties in public procurement contracts;
- **Support for affected workers** to avoid employment and income losses, including short-term work support, extension of sick pay and unemployment benefits and deferral of income tax payments.

2. Coordinated efforts **at the European level** will supplement national measures:

- We welcome the Commission's proposal for a €37 billion "**Corona Response Investment Initiative**" directed at health care systems, SMEs, labour markets and other vulnerable parts of our economies, and to make a further €28 billion of structural funds fully eligible for meeting these expenditures. We agreed on the need to implement the necessary legislative changes as quickly as possible;
- We welcome the initiative of the Commission and the EIB Group to mobilise up to €8 billion of **working capital lending for 100,000 European firms**, backed by the EU budget, by enhancing programmes for guaranteeing bank credits to SMEs. We also support the ongoing efforts of the Commission and the EIB Group to increase this amount to up to €20 billion, which would reach a further 150,000 firms. We also welcome the ongoing work to make further funds available as swiftly as possible and to enhance the flexibility of the financial instruments leveraged;
- We welcome the initiative of the EIB Group to catalyse €10 billion in additional investments in SMEs and midcaps for their own account and to accelerate the deployment of another €10 billion backed by the EU budget;
- We invite the EIB to further **enhance and accelerate the impact of the available resources**, including through enhanced collaboration with the National Development Banks;
- We also welcomed the **package of monetary policy measures** taken by the ECB last week aimed at supporting liquidity and funding conditions for households, businesses and banks, help the smooth provision of credit to the real economy, and avoid fragmentation of euro area financial markets in order to preserve the smooth transmission of monetary policy.

3. Beyond the immediate, targeted response, we are working on all the necessary measures, to **help the economy recover** once the coronavirus has receded. We acknowledge the need to reflect on the resilience of our European strategic value chains to better protect Europe from product and capital market disruptions in the future. We have already significantly strengthened our crisis management framework, including with the establishment of the ESM. Today we recommit to continue our work to further strengthen the architecture

and resilience to shocks of the Economic and Monetary Union.

Our shared rules will support this response. In particular, we discussed the application of the SGP, state aid rules and prudential rules:

- The economic shock of the coronavirus, with an economic contraction now expected this year, together with the cost of our agreed measures, will have a substantial budgetary impact. The SGP has the flexibility needed to cater for this situation and we will make full use of this flexibility in all member states.
- Automatic stabilisers will fully play their role. This means that automatic revenue shortfalls and unemployment benefit increases resulting from the drop in economic activity will not affect compliance with the applicable fiscal rules, targets and requirements. In addition, we agreed that the budgetary effects of temporary fiscal measures taken in response to COVID-19 will be excluded when assessing compliance with the EU fiscal rules, targets and requirements. This includes the budgetary impact of temporary and targeted measures, such as those urgently needed to contain and treat the pandemic, ensure liquidity support to firms and sectors, and protect jobs and incomes of affected workers. The flexibility to cater for unusual events outside the control of government is applicable to the current situation. We welcome the readiness of the Commission to activate the general escape clause, allowing for further discretionary stimulus, while preserving medium-term sustainability.
- We welcomed the Commission guidance on the scope for supporting firms that is available within state aid rules in the current circumstances, together with the Commission announcement that it has accelerated its state aid approval processes. The Commission has announced it will approve additional measures needed to remedy this serious disturbance in the economy, which is already the case for Italy and increasingly across the EU. Taking urgent action and making full use of the flexibility foreseen in the state aid rules is necessary to cushion the effect of the crisis for those companies and sectors which are affected, whilst ensuring a consistent framework and a level playing field in the single market. The Commission stands ready to issue a specific framework shortly.
- The banking system has a key role in preventing this health emergency from turning into a social and economic crisis for businesses and households. We therefore welcomed the statement by the European Banking Authority that competent authorities should make full use, where appropriate, of the flexibility embedded in existing regulation to support the banking sector in view of the current exceptional circumstances.
- In particular, we also welcomed the decisions taken by ECB Banking Supervision providing temporary capital and operational relief to euro area banks, with a view to ensuring that supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the coronavirus become apparent. Such flexibility is needed to avoid, as much as possible, pro-cyclical, unintended consequences for the financial sector.

We will take whatever further coordinated and decisive policy action is necessary, including fiscal measures, to support growth and employment.

[Visit the meeting page](#)