COMMISSION EUROPEENNE



Brussels, 8 April 2020

NOVEL CORONAVIRUS (COVID-19) CRISIS STATE OF PLAY OF MEASURES TAKEN BY THE COMMISSION

INFORMATION NOTE FROM THE EUROPEAN COMMISSION

1. Situational update

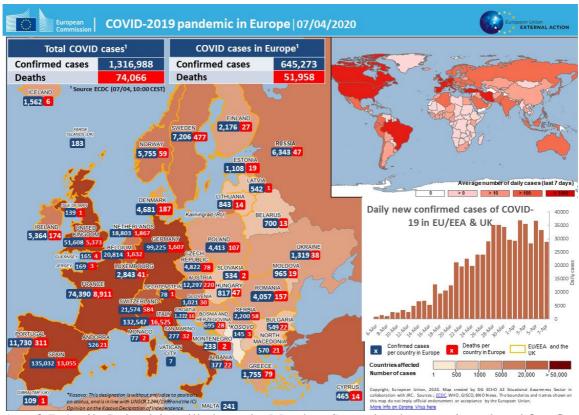
The ongoing COVID-19 pandemic has shown few signs of abating. It continues to impact severely the EU and represent a **severe public health emergency** for the European citizens, societies and economies, requiring the Member States to adopt exceptional measures.

Since 31 December 2019, more than 1.3 million cases of COVID-19 have been reported globally, including almost 75,000 deaths. More than 4 billion people, or half of the world's population, are now following the confinement measures put in place by many national governments around the world to prevent the virus from spreading.

Europe continues to be the **epicentre of this global pandemic**. The current situation is characterised by the number of new cases in the EU increasing continuously, rising on average by up to 5% every day, with the amount of daily new fatalities remaining almost constant.

The overall pandemic situation within the EU has deteriorated dramatically since the first confirmed case in France on 24 January. As of 7 April 2020, there have been 645,273 confirmed cases and 51,958 deaths of coronavirus across Europe. These figures represent more cases and deaths than the rest of the world combined.

Italy and Spain continue to be the hardest hit countries in the EU. The first confirmed case in Italy was reported on 31 January 2020. Since then, Italy has reported 132,547 cases, and 16,525 deaths. In Spain, the first confirmed was reported on 1 February 2020. Since then, Spain has reported 135,032 cases, and 13,055 deaths.



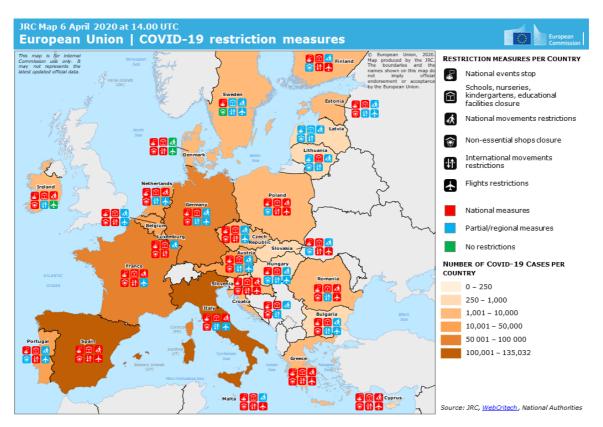
As of 7 April, Ireland is still the only Member State that has not introduced **border restrictions or border closures**. Eleven Member States have fully closed their borders

and a further fifteen Member States have partially closed their borders. Airports are currently open in nine Member States, while the remaining Member States have implemented restrictions on arrivals and flights.

No Member State has introduced a ban on freight, land-based supply chains, particularly roads that today account for 75% of freight transport, and **delays at border crossings have been reduced** since the last report as more green lanes have been introduced to ease congestion. There are **punctual difficulties** at specific (and recurring) border crossings, with waiting times exceeding the recommended 15 minutes (see section 2.2).

In terms of **movement restrictions on citizens**, there are currently national lockdowns in force in twenty-six Member States, with varying degrees of severity. Schools and kindergartens are closed in all Member States bar Sweden, while universities are closed in all Member States. Shops, restaurants and bars are closed in twenty-six Member States, either voluntarily or through decree, with Sweden being the only Member State that has no restrictions in place.

Most Member States have started to put **economic and financial aid packages** in place to mitigate the economic effects of COVID-19 pandemic. So far, seventeen Member States have officially declared a state of emergency.



2. The European Union's response

The depth and the breadth of this crisis continues to **require a response of unprecedented scale, speed and solidarity**. Saving peoples' lives and protecting peoples' livelihoods is the driving force behind the **Commission's wide-ranging response** since the beginning of the outbreak.

Over the past weeks, the Commission has acted to coordinate, speed up and reinforce the procurement efforts of **medical equipment** and has directed research funding to the development of a vaccine. It has created a common stockpile of protective equipment for distribution where most needed. It has worked to ensure that **goods and cross-border workers** can continue to move across the EU, to keep hospitals functioning, factories running and shop shelves stocked. It has and continues to support the **repatriation of EU citizens**, their families and long-term residents to Europe from across the world. And it has proposed two **unprecedented economic packages** to provide all the flexibility Member States need to support financially their health care systems, their businesses and workers, and to mobilise every euro of the EU budget to protect lives and livelihoods.

2.1 Public health measures

The European Commission is taking all necessary steps to coordinate with Member States and to facilitate the **supply of protective and medical equipment** across Europe. The availability and supply of personal protective equipment and other medical devices, particularly ventilators, across Europe remains concerning. Most Member States have limited stockpiles and limited capacity to scale up production. A number of Member States are receiving or expecting to receive equipment from China in the next few days. The Commission has signalled the importance of monitoring closely the quality standard of all equipment. Given the shortages, the Commission has launched four **joint procurements** with Member States to facilitate and accelerate the procurement process for medical equipment. An additional fifth joint procurement on therapeutics is in preparation, and further joint procurements may be launched at any time if the need arises. The current state of play of these procurements is summarised in the table below.

	TENDERING						CONTRACTING		
Tender	Items covered	Publication date	DDL for offers	MS partici pating	Invited companies	Award Decision	Signature date	Selected companies/esti mated delivery after orders are placed	Ceiling Budget
PPE1	Gloves and coveralls	28-02-2020	09-03	20	16	28-03	Contracts sent to companies for signature on 30-03	2 companies From 2 (hand protection) to 5 weeks (coveralls).	1.402.836.634 €
PPE2	Eye and respiratory protection	17-03-2020	23-03	25	28	30-03	Contracts sent to companies for signature on 31-03	From 2 to 18 weeks after the orders are placed	150.851.116 €
3	Ventilators	17-03-2020	26-03	26	17	01-04	Contracts sent to companies for signature on 3 April	7 companies Companies indicated long delivery times, from 10 to 52 weeks	790.000.000 €
4	Laboratory equipment	19-03-2020	12-04	19	56		End April		

Following the European Council videoconference of 26 March where Leaders called to open the Joint Procurement Agreement to the Western Balkans, contacts with the six concerned countries are ongoing and North Macedonia has already expressed its intention to sign soon.

Simultaneously, the Commission **continues to work with the industries and Member States** to maximise the availability of masks, gloves, gowns and other medical supplies. As part of its response, the Commission adopted an <u>implementing Regulation</u> making the exports of personal protective equipment subject to an **export authorisation**. The Commission continues to address forcefully the existing national restrictions on exports of protective equipment and other medical equipment and pharmaceuticals.

On 25 March, the Commission adopted <u>harmonised standards for medical devices to</u> <u>respond to urgent needs</u>. These new standards will help speed up the entry of essential and safe medical equipment and devices such as masks, gowns, surgical drapes, suits, and washer-disinfectors in the EU market. The standards will facilitate a faster and less expensive conformity assessment procedure and thus playing a pivotal role in the current coronavirus pandemic.

On 30 March, the Commission published guidance to assist manufacturers in ramping up production of essential medical equipment and material in three areas: the production of masks and other personal protective equipment, leave-on hand cleaners and hand disinfectants and 3D printing in the context of the coronavirus outbreak. This guidance assists manufacturers and market surveillance authorities in making sure these products comply with necessary safety standards and are effective.

European private actors from sectors such as textile, automotive or aeronautics industries have informed the Commission of their readiness to switch their production lines to meet the new demand. In order to match the proposals from the private sector with Member States' needs and demands, on 1 April the Commission created a clearing house for medical equipment for a period of six months.

Additionally, on 1 April, the Commission adopted <u>guidance on the options and flexibilities under the EU public procurement rules</u>. This guidance focusses especially on procurements in cases of extreme urgency, which enable public buyers to buy within a matter of days, even hours, if necessary. The guidance provides possibilities, which range from considerable shortening of the generally applicable deadlines to procuring without prior publication of tender notices in exceptional circumstances, such as the extreme urgency linked to the fight against the coronavirus.

The Commission wants to directly support the healthcare systems of the Member States in their fights against the coronavirus pandemic through measures that can best be taken at EU level. For this purpose, and based on the solidarity principle, the Commission will quickly, flexibly and directly complement ongoing efforts at national level. To finance this action, on 2 April the Commission mobilised \in 3 billion from the EU budget, of which \in 2.7 billion will be channelled through the **Emergency Support Instrument** and \in 300 million though the rescEU medical equipment capacity. Additional contributions will be possible from Member States and also individuals, foundations and even crowd funding.

To make use of efficiency gains and generate economies of scale, the Commission will directly procure on behalf of Member States and focus the help where the needs are. In the medium- to long-term and thanks to these tools, the EU will be able to support testing

capacities of its Member States and to support any relevant medical research. In this way, the Commission will be providing an EU response throughout the health crisis, until its exit. To implement the initiative, the Commission will work with Member States national health authorities, international organisations and with the non-governmental sector.

To further reinforce the **rescEU** medical equipment capacity, the Commission put forward a proposal to reorganise part of the EU spending for the year (draft amending budget) to secure €300 million for the rescEU stockpile, as explained above. This will help to procure and distribute further medical supplies across the EU such as ventilators, personal protective equipment, reusable masks, therapeutics and laboratory supplies. The funding comes on top of the €80 million already allocated last month. A first grant agreement has been signed with Romania to host the rescEU stockpile.

In addition, on 3 April, the Commission approved requests from Member States and the UK to temporarily waive customs duties and VAT on the import of medical devices and protective equipment from third countries in order to help in the fight against coronavirus. It will apply for a period of six months, with a possibility for further extensions. This measure will make it easier financially to get the necessary medical equipment and at more affordable prices¹.

The coronavirus crisis has also increased demands for certain vital medical devices. It is crucial to avoid any further potential shortages or delays in the availability of such devices caused by capacity limitations or conformity assessments related to the implementation of the Medical Devices Regulation. On 3 April, the Commission adopted a proposal to postpone application date of the Medical Devices Regulation by one year, to allow Member States, health institutions and economic operators to prioritise the fight against the coronavirus pandemic. This decision takes the unprecedented challenges of the coronavirus pandemic and the need for an increased availability of vitally important medical devices across the EU into account, whilst continuing to ensure patient health and safety until the new legislation becomes applicable.

The coronavirus pandemic is putting healthcare systems under unprecedented and increasing pressure across the EU. To support and encourage cross-border healthcare cooperation between national, regional and local authorities, on 3 April the Commission issued <u>practical guidance</u> to Member States on healthcare cooperation across borders. These guidelines help ease the pressure on overburdened hospitals by transferring patients across borders to hospital places are available. The Commission will also support Member States or non-governmental organisations to send qualified teams of medical personnel to offer assistance across borders.

In terms of **research funding**, the Commission has worked with the Member States to create the **first joint Action Plan for Research and Innovation "ERAvsCorona**". The purpose of the Action Plan is to identify first priorities in the research and innovation area for coordinated action between the Commission and the Member States, and where the

¹ For instance, in Italy, customs duties of 12% and a value added tax of 22% is levied on some facemasks or protective garments imported from countries like China. The decision to temporarily waive customs duties and VAT will make them one third cheaper. For ventilators, the average value added tax rate is 20%. There too, temporarily waiving taxes allows for the purchase of more ventilators.

added value and the impact could be maximised. The Action Plans focusses on pooling resources and sharing data and information and it will be updated on a regular basis.

In addition, the Commission has decided to fund **a new project** as part of its emergency call for urgently needed research into the coronavirus. This brings the number of supported projects up to 18 from the 17 originally announced. The Commission is preparing to further support research using the Horizon 2020 programme, and to contribute to large-scale production and to review regulatory steps.

2.2 Border and travel measures

Since the beginning of COVID-19 outbreak in Europe, the Commission has been working closely with Member States to ensure the flow of essential goods across land borders and to avoid major disruptions of the European cross-border mobility and transportation.

As the developments over the last weeks have shown, the reintroduction of **internal border controls** across the EU, together with different measures affecting the normal operation of industry and services, are having a serious impact on the functioning of the internal market. These measures affect the supply chains of vital products such as food, medicines and protective equipment and products are not always received at their destinations or arrive with a delay. For precisely this reason, on 16 March the Commission presented practical guidance to ensure the continuous flow of such vital goods across EU via green lanes.

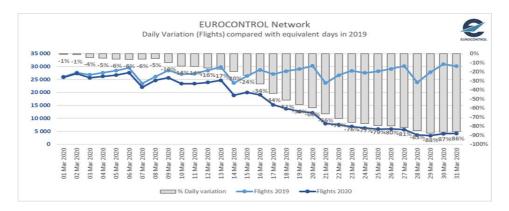
As of 7 April, implementation of the Green Lane Communication has been solid and effective – the key target, to ensure waiting time for internal EU freight at the crossing points is usually 15 minutes or less, is being met. **Borders are not therefore providing a major bottleneck to freight movements.** There are still regularly difficulties at specific border crossings, for example at the borders between Hungary, Romania and Bulgaria, and delays sometimes crop up between Belgium and the Netherlands, and between Switzerland and her EU neighbours. But overall Member States report that the **situation is improving, and that freight is flowing better across borders than a week ago**. The Commission is in daily touch with all Member States, clarifying what measures have been taken at the borders in areas such as the use of convoys for transit, and improving the daily life of drivers by facilitating the use of expired permits on a temporary basis, offering a template for transport workers to use to cross border, and last but not least, by encouraging Member States to maintain open food and sanitation facilities on the key routes. The Commission is also working intensively with neighbouring countries such as the Western Balkans and Turkey.

Additionally, on 26 March, the Commission issued **guidance to ensure that essential freight keeps moving by air**. The new guidance recommends operational and organisational steps to keep essential transport flows moving, including medical supplies and personnel. The measures include inviting Member States to grant temporary traffic rights for additional cargo operations from outside the EU if restrictions would normally apply, even if these cargo operations are conducted with passenger aircraft. Member States are also advised to temporarily remove night curfews and/or slot restrictions at airports for essential air cargo operations, and to facilitate the use of passenger aircraft for cargo-only operations.

With regard to the free movement within the EU, the Commission issued on 30 March <u>new practical advice</u> to ensure that **mobile workers**, in particular those in critical occupations to fight the coronavirus pandemic, can reach their workplace. This includes, but is not limited to, those working in the health care and food sectors, and other essential services such as firefighters and police officers, transport workers, as well as persons working in the food sector, childcare, elderly care, and critical staff for utilities.

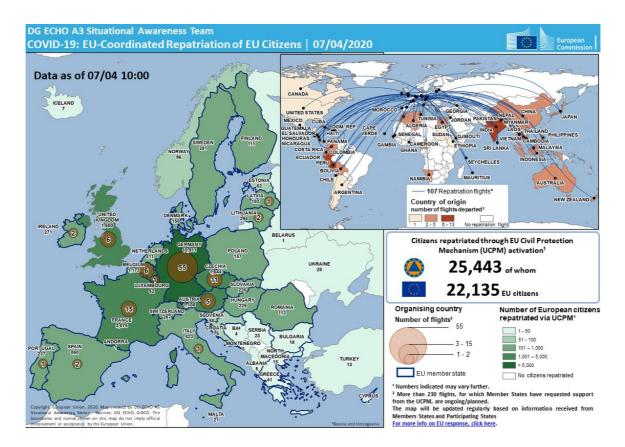
As regards the external borders, on 30 March the Commission adopted <u>new guidance on the implementation of the temporary restriction on non-essential travel to the EU of 16 March, on the facilitation of transit arrangements for the repatriation of EU citizens, and on the effects on visa policy. This guidance also follows up on the Joint Statement of the Members of the European Council of 26 March 2020, which emphasised the need to step up efforts to ensure that EU citizens who are stranded in third countries are able to return home if willing to do so.</u>

On 31 March, Eurocontrol has reported an overall reduction of 86.1% in the number of flights, which translates into 25,948 fewer flights (compared to 31 March 2019). Overall passenger traffic has been almost reduced to zero, the still remaining flights mainly limited to cargo flights and repatriation flights.



To complement efforts by the Member States in limiting the further spreading of the virus, the Commission invites the Schengen Member States and the Schengen Associated States to prolong the application of the travel restriction on non-essential travel from third countries into the EU+ area by another 30 days, expiring on 15 May 2020. Any further prolongation of this period should be assessed again, depending on further developments.

Since the beginning of the outbreak, **around 350,000 Europeans have been repatriated** thanks to EU consular efforts, with some 230,000 still stranded abroad. The EU Civil Protection Mechanism has facilitated the return of 22,135 Europeans more than **70 flights** organised by **15 Member States and the UK** from Algeria, Cabo Verde, Canada, China, Colombia, Costa Rica, Cuba, Dominican Republic, Egypt, Gambia, Georgia, Ghana, Guatemala, Haiti, Honduras, India, Japan, Jordan, Malaysia, Mexico, Morocco, Nepal, New Zealand, Panama, Philippines, Peru, Senegal, Seychelles, Sri Lanka, Thailand, Tunisia, the United States, and Vietnam.



2.3 Socio-economic measures

The COVID-19 pandemic has led to a **major economic shock** that is already having a significant negative impact in the European Union. Economic activities are disrupted causing liquidity constraints and a severe deterioration in the financial situation of economic actors, enterprises, and in particular SMEs. Member States are also facing increased demands on state resources to finance the public health systems and maintain public services. The consequences for the EU economy will depend both on the duration of the pandemic and on the measures taken by national authorities and at the European level.

The Commission has acted quickly to provide Member States with **all the flexibility that they need to financially support their health care systems, their businesses and workers**. In order to help Member States meet all of these challenges, the Commission adopted <u>a first comprehensive economic response to the outbreak</u> on 13 March, followed by the adoption of the <u>Temporary Framework for State Aid Measures</u> on 19 March and the <u>proposal to activate the general escape clause of the Stability and Growth Pact (SGP)</u> on 20 March.

As part of this, the Commission proposed on 13 March the €37 billion Coronavirus Response Investment Initiative (CRII) to provide liquidity to small businesses and the health care sector. The initiative came into force in record time and now enables Member States to spend the Cohesion Policy Funds to support healthcare systems and professionals, support workers and their employers through short-time work schemes and support small businesses by offering liquidity.

Based on the new State Aid Temporary Framework, the Commission has just within a few days approved 41 national measures by 16 Member States that provide much needed liquidity to European businesses. The Commission approves state aids cases, 7 days a week

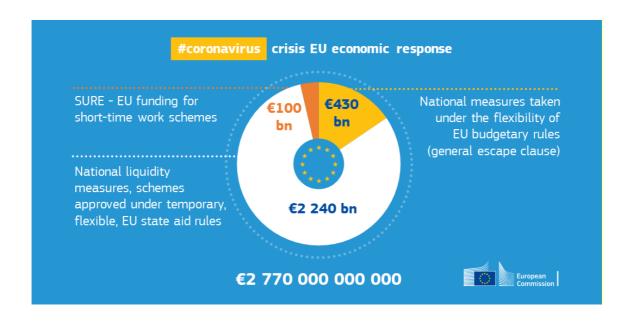
through urgent procedures. Further information can be found on the Commission's State aid webpages: <u>State aid COVID-19</u>. In addition, on 27 March the Commission proposed to <u>extend the State Aid Temporary Framework</u> by adding additional support possibilities for five types of aid measures. The Commission <u>adopted</u> the amended Temporary Framework on 3 April.

This first economic response focused on what was **immediately necessary**, **available and deliverable**. However, given the fast evolving nature of the pandemic, the Commission has **further stepped up its response** and on 2 April adopted a new set of **far-ranging measures** to mobilise every euro of the EU budget to protect lives and livelihoods:

- The Commission proposed to create **SURE**, an **EU-wide scheme to mitigate unemployment risks** and to help workers keep their income and help businesses stay afloat and retain staff. SURE will provide financial assistance up to €100 billion in EU loans.
- The Commission proposed to adapt the Fund for European Aid to the Most
 Deprived to ensure that food deliveries can continue going to where they are
 needed, while making sure that those delivering and those receiving aid stay safe.
- The Commission proposed specific measures to **support Europe's fishermen and farmers** as they play an essential role in keeping our food supply going and in sustaining local communities. The Commission also proposed on 6 April additional measures to support farmers such as giving more time to submit applications for direct payments and rural development payments.
- The Commission proposed to allow every available euro of European Structural
 and Investment Funds to be used on the response to the Coronavirus. In simple
 terms, this allows for maximum flexibility: no limit on transfers between funds or
 between regions, no limits on spending per policy objective, and no requirements
 on co-financing.
- The Commission proposed to redirect every available euro from this year's EU budget to help save lives through a new EU solidarity instrument **the European Union Emergency Support Instrument for the healthcare sector**. This will ensure that €3billion is directed to supporting Member States manage the public health crisis.

This economic package of 2 April is the latest instalment of what must be a continued massive European effort to protect lives and livelihoods. The Commission is ready to do whatever it takes and will work closely with Member States and the European Parliament to make sure that Europe pulls through this together.

Along with measures taken by the European Central Bank, the Commission's **comprehensive economic response** gives Member States unprecedented fiscal and financial firepower to help those most in need.



In a time of public health crisis and related economic vulnerability, the EU must take all necessary measures to protect strategic assets and technology from foreign investments that could threaten legitimate public policy objectives. This will contribute to the EU's strategic autonomy, during the crisis and afterwards. This is precisely why the Commission adopted on 25 March guidelines to ensure a strong EU-wide approach to foreign investment screening in a time of public health crisis and related economic vulnerability. The aim is to preserve EU companies and critical assets, notably in areas such as health, medical research, biotechnology and infrastructures that are essential for our security and public order, without undermining the EU's general openness to foreign investment. EU leaders welcome these guidelines on its Joint Statement Joint statement of the Members of the European Council of 26 March.

2.4. International response

The coronavirus outbreak **has evolved into a global pandemic**. The EU is doing all it takes to combat the coronavirus crisis in Europe. It is also in the EU's interest to show solidarity with the rest of the world. On 7 April, the Commission presented its **global response to the COVID-19 crisis** based on a **Team Europe approach:** it draws contributions from all EU institutions and combines the resources mobilised by EU Member States and financial institutions, in particular the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

The Team Europe approach must provide a single framework of action for all the European external response in support of partners to address the corona crisis, a joined-up strategy based on four main pillars:

- 1. **Team Europe priorities**: our collective action will focus on (i) emergency response to the immediate health crisis and the resulting humanitarian needs; (ii) strengthen health, water and sanitation systems, as well as partners' research capacities to deal with the pandemic and their preparedness; and (iii) address the immediate social and economic consequences. To reach these objectives, the EU will secure financial support to partner countries for a total of more than € 15,6 billion.
- 2. **Team Europe packages**: we will coordinate with implementing partners such as the EIB, the EBRD and European development finance institutions, Member States

Development Agencies and Technical Assistance providers, and International Financial Institutions – to set up a coherent financial package for each partner country that needs our support.

- 3. **Team Europe for Global Preparedness**: we will support the Global Preparedness Monitoring Board, which has identified € 7,5 billion as a global fundraising goal, by hosting a pledging moment.
- 4. **Team Europe for global coordination and multilateralism:** we will leverage the EU position as a global actor and major contributor to the international aid system to promote a coordinated global response, notably in the framework of the G7, the G20 and at the United Nations. The EU and its Member States' contribution will be presented at country, regional and global level, in particular the G7, G20 and the United Nations-led international response, to promote coordination and enhance the visibility of European support to partner countries.

2.5 Fighting disinformation

The Commission is working with all major social media platforms to promote authoritative content and to take decisive action on false or misleading content, in particular that could cause serious harm and take down illegal content, for instance conspiracy theories about the origin of the virus or its alleged intended spread.

To date, more than 110 disinformation narratives on the coronavirus were exposed, published and updated on www.EUvsDisinfo.eu. The Commission identifies over 2,700 articles containing coronavirus-related disinformation on a daily basis and online platforms are reporting millions of false or misleading posts. On 30 March, the Commission launched a webpage on fighting coronavirus-related disinformation, providing materials for myth busting and fact checking. Up-to-date, verified information is available on the Commission's coronavirus response website.

The Commission and the European External Action Service are working closely with other EU institutions and Member States, including through the Rapid Alert System set up in March 2019, as well as with international partners from the G7 and NATO.