

PES Group Digest on the EU Response to the COVID-19 Pandemic

17 July 2020

This is a goodbye for the PES Group Digest, for now. This edition is the last you will receive, at least until September. We are currently collecting feedback on whether and how this tool has been useful and whether it should be continued. We welcome your ideas and comments. Please send an email to: monica.tiberi@cor.europa.eu.

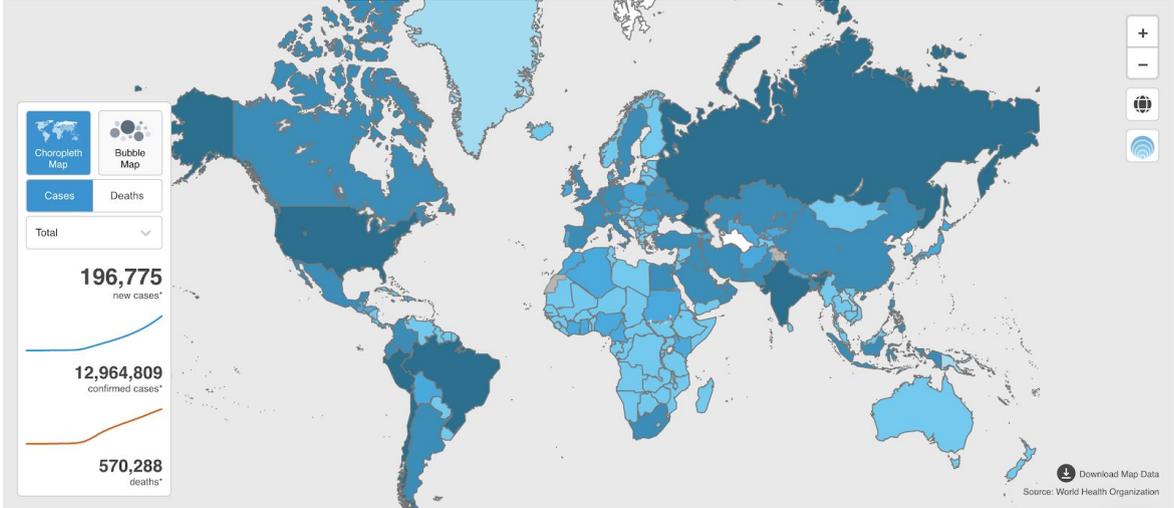
List of European decisions

Date	Number of cases and deaths ¹	European response
13 July	1 587 106 cases 179 436 deaths	
14 July	1 592 014 cases 179 536 deaths	<p>The European Union announced €24 million in humanitarian aid for Uganda amid coronavirus pandemic.</p> <p>The European Commission welcomed “Best Practices” by the financial sector, and consumer and business organisations, to help further mitigate the impact of the coronavirus pandemic.</p> <p>The European Parliament voted on a report about the shortage of medicines in the EU.</p> <p>The European Parliament published a survey on the EU response to COVID-19 and recovery plans.</p>

¹ European Centre for Disease Prevention and Control. The figures concern the countries of the European Economic Area (EU Member States, Iceland, Liechtenstein and Norway) and the UK. <https://gap.ecdc.europa.eu/public/extensions/COVID-19/COVID-19.html>

<p>15 July</p>	<p>1 597 887 cases 179 770 deaths</p>	<p>The European Commission presented immediate short-term measures to strengthen EU health preparedness for COVID-19 outbreaks.</p> <p>The European Commission adopted an ambitious new Tax Package to ensure that EU tax policy supports Europe’s economic recovery and long-term growth.</p> <p>The EU-India Summit took place via videoconference to discuss global cooperation and solidarity in light of the COVID-19 pandemic.</p>
<p>16 July</p>	<p>1 602 930 cases 180 042 deaths</p>	<p>EU ministers responsible for health discussed controlling the COVID-19 pandemic, strengthening the European Centre for Disease Prevention and Control (ECDC), ensuring the supply of medicinal products within the EU and the outlook on the creation of a European Health Data Space.</p> <p>The EU supported the economic recovery in all Member States by injecting almost €2.2 billion into 140 key transport projects.</p> <p>The European Commission presented Guidelines to ensure the protection of seasonal workers in the EU in the context of the coronavirus pandemic.</p> <p>The EU signed a macro-financial assistance agreement providing for €80 million disbursement to North Macedonia to help them limit the economic fallout of the coronavirus pandemic.</p> <p>As part of the Coronavirus global response, the EU sent an Humanitarian Air Bridge and new funding to Haiti.</p>
<p>17 July</p>		<p>EU leaders meet physically in Brussels to discuss the recovery plan to respond to the COVID-19 crisis and a new long-term EU budget.</p> <p>EU ministers responsible for employment and social affairs discuss the contribution of labour market and social policies to a sustainable recovery from the societal, social and economic consequences of the COVID-19 pandemic.</p>

<p>18 July</p>	<p>EU leaders will continue their meeting in Brussels to finalise an agreement on the recovery plan and a new long-term EU budget.</p>
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(A global picture of the pandemic | Source: World Health Organization)

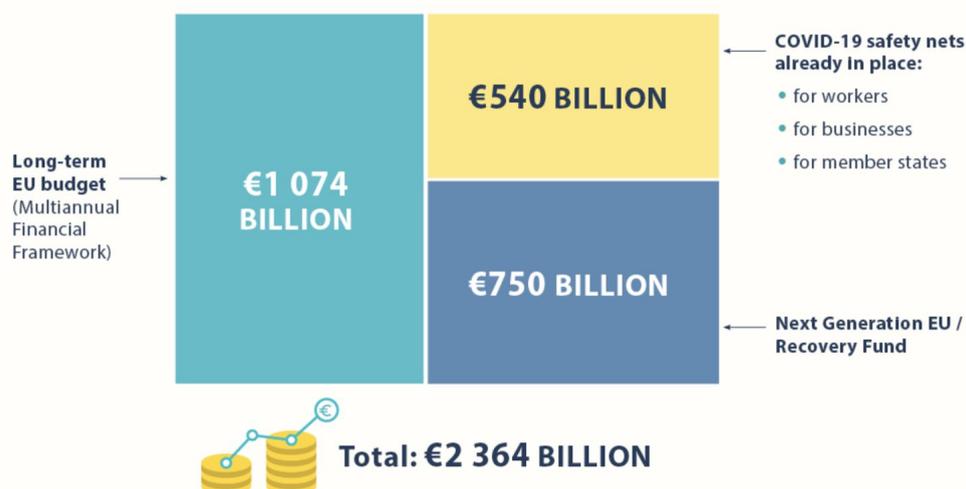
The EU’s response to the COVID-19 pandemic and the position of the PES Group

European Council

This week, all eyes are on the European Council of 17-18 July, when the 27 EU leaders meet physically in Brussels for the first time since the beginning of the pandemic to find an agreement on the European Recovery Plan and the Multiannual Financial Framework (MFF).

Last week, Charles Michel, President of the European Council, presented his negotiating box including a seven-year EU budget of €1,074 billion and a recovery fund of €750 billion.

Overall architecture



→ Full infographic:

<https://www.consilium.europa.eu/en/infographics/mff-recovery-negobox/>

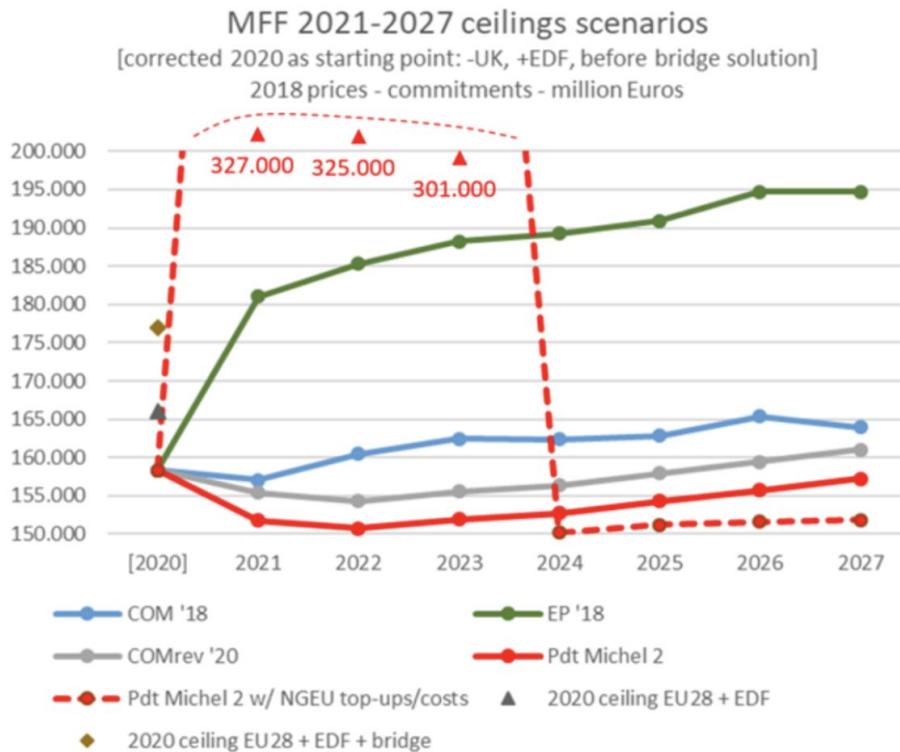
Michel's budget proposal also raises the climate-related earmarking to 30%, as previously requested by the European Committee of the Regions, and introduces a climate conditionality for the Just Transition Fund (JTF), which will now only be accessible to member countries that commit to a national objective of climate neutrality by 2050. This point is in line with what the PES Group and its rapporteur Vojko Obersnel, Mayor of Rijeka (Croatia), called for in the opinion adopted by a large majority during the last plenary session.

- <https://pes.cor.europa.eu/just-transition-fund-climate-neutrality-should-leave-no-one-behind>
- **“Charles Michel’s small cuts set stage for big EU budget fight”**, *POLITICO Europe*, 10 July 2020, <https://www.politico.eu/article/charles-michel-eu-budget-fight/>
- **“Green budget rules won’t be the hottest potato at EU summit talks”**, *Euractiv*, 15 July 2020, <https://www.euractiv.com/section/energy-environment/news/green-budget-rules-wont-be-the-hottest-potato-at-eu-summit-talks/>
- **“Negotiations On The Next MFF And The EU Recovery Instrument: Key Issues Ahead Of The July European Council”**, European Parliament Research Service, 16 July 2020, <https://epthinktank.eu/2020/07/16/negotiations-on-the-next-mff-and-the-eu-recovery-instrument-key-issues-ahead-of-the-july-european-council/>
- **“The two-trillion-euro questions for towns and regions”**, Council of European Municipalities and Regions (CEMR), 16 July 2020, <https://ccre.org/en/actualites/view/4053>

The European Parliament reacted quickly to Michel's proposal and the Council draft conclusions, warning that proposed budget cuts endanger long-term investment in

research, youth or the digital sector. “The leaders cannot disregard Parliament’s views, and we urge them to improve the proposals on the table. Cuts after cuts, some flagship programmes such as Erasmus+ are now at risk of experiencing an immediate drop from 2020 to 2021. As of 2023, the EU budget as a whole could plunge well below current levels, including in research and development and other key areas. This is in outright contradiction with the European Union’s commitments and priorities, notably on the green, digital and geopolitical agendas,” said the European Parliament negotiators.

→ European Parliament preliminary analysis of figures,
<https://www.europarl.europa.eu/resources/library/media/20200715RES83407/20200715RES83407.pdf>



Fat years and lean years: After 2023, the EU budget plunges underneath current levels with the new proposal by the European Council President

Negotiations continued all week at the level of heads of state and government, with various bilateral meetings.

German Chancellor Angela Merkel, who is now holding also the rotating presidency of the Council of the European Union, sent warnings to the so-called frugal countries (Austria, the Netherlands, Denmark and Sweden) about her firm position on finding an agreement on an ambitious recovery package, making it clear that she will not accept a reduction to “dwarf size”. Speaking after a meeting with Italian Prime Minister Giuseppe Conte, she announced that a second summit before the summer break might be required to find a final deal.

On 16 July, ahead of the Summit, the Party of European Socialists held a preparatory meeting of progressive prime ministers in Brussels to discuss common positions. Prime

ministers, commissioners and leaders agreed that it is vital that the European Council backs an ambitious recovery strategy, a strong MFF, progress on own resources, and support for Member States hit hardest by this crisis. They also shared that the recovery must also support the clear socialist and democratic commitment to defending the Rule of Law.

- **“Socialists urge European Council to agree a strong, social and sustainable recovery deal”**, PES press release, 16 July 2020,
<https://ocr.prod.pes.silpion.de/en/news-events/news/detail/Socialists-urge-European-Council-to-agree-a-strong-social-and-sustainable-recovery-deal/>?

The Summit, beginning at 10:00 in Brussels today, still faces major hurdles from all sides, but an agreement by the end of July is necessary to be able to kick off the recovery plan as soon as possible and start the new MFF by January 2021, as demanded by progressive cities and regions.

European Commission

On 15 July, the European Commission presented an ambitious new Tax Package to ensure that EU tax policy supports Europe's economic recovery and long-term growth. Built on the three pillars, the package seeks to:

- extend EU tax transparency rules to digital platforms and ensure that Member States automatically exchange information on the revenues generated by sellers on online platforms;
- promote fair taxation and clamping down on unfair tax competition, in the EU and internationally, suggesting a reform of the Code of Conduct, which addresses tax competition and tackles harmful tax practices within the EU, suggesting improvements to the EU list of non-cooperative jurisdictions, and to the EU's approach to work together with developing countries in the area of taxation, in line with the 2030 Sustainable Development agenda.

The Package is the first part of an EU tax agenda for the coming years, which will include a new approach to business taxation and proposals to ensure that taxation supports the EU's objective of reaching climate neutrality by 2050.

- https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_1337

European Committee of the Regions

On 14 July, the Cohesion Alliance held a conference with European Commissioner for Cohesion and Reforms Elisa Ferreira to launch a new declaration for a cohesive, sustainable and resilient Europe.

- <https://cor.europa.eu/en/engage/Documents/Cohesion%20Alliance/Declaration%202.0/COR-2020-02262-00-03-WEB-TRA-EN.pdf>

PES Group member, Isabelle Boudineau, Chair of the Commission for Territorial Cohesion Policy and EU Budget (COTER) of the European Committee of the Regions and Vice-President of the Nouvelle-Aquitaine Region (France), took part in the event, underlining: “The EU needs a strong budget alongside an ambitious recovery plan to prepare the future. The green and digital transitions are paramount if we are to build a sustainable and cohesive European society. We cannot sacrifice our long-term objectives to emergency measures. Solidarity is the only option.”

The European progressive family

The COVID-19 pandemic has exposed and reinforced existing gender inequalities in Europe. PES Women elaborated a briefing on why a gender perspective is necessary and what needs to happen to place women and girls at the heart of Europe’s COVID-19 response. Members are invited to read it and share it with their political parties and women’s organisations.

- **“A gender mainstreamed COVID-19 recovery plan for Europe”**, PES Women briefing, 10 July 2020,
https://www.pes.eu/export/sites/default/Downloads/PES-Documents/Public-paper-A-Gender-Mainstreamed-Recovery-Fund.pdf_2063069299.pdf

The Future of Migration and Asylum Policy post Covid-19 was the theme of the meeting of the PES Migration and Integration Network, held on 14 July, in the presence of Home affairs Commissioner Ylva Johansson. Taking the floor on behalf of the PES Group, Marie Johansson, PES CIVEX Coordinator, stressed: “Local and regional authorities are the first ones to deal with asylum seekers, refugees and migrants. They are also the first levels of governance to deal with the pandemic. This is why we need close cooperation between all levels of governance, from European to local, for a successful migration policy”.

- **“PES Migration & Integration Network: COVID-19 response must protect refugees and other migrants”**, PES press release, 14 July 2020,
<https://www.pes.eu/en/news-events/news/detail/PES-Migration-Integration-Network-COVID-19-response-must-protect-refugees-and-other-migrants/>

Many of our members and PES family partners came up with further proposals to address the COVID-19 crisis. Please find here some of them:

- **“A green and innovative recovery”**, Pascal Lamy, *Euractiv*, 15 July 2020,
<https://www.euractiv.com/section/energy-environment/opinion/a-green-and-innovative-recovery/>
- **“60m workers depend on EU recovery fund”**, ETUC, 15 July 2020,
<https://www.etuc.org/en/pressrelease/60m-workers-depend-eu-recovery-fund>
- **“PES EPSCO urges EU leaders to back recovery that boosts employment for young people”**, PES press release, 16 July 2020,
<https://www.pes.eu/en/news-events/news/detail/PES-EPSCO-urges-EU-leaders-to-back-recovery-that-boosts-employment-for-young-people/?>

The fight against fake news

We remind you the following websites, constantly updated, that can be helpful to you:

- **EUvsDISINFO**, <https://euvsdisinfo.eu/>
- **Scams related to COVID-19**,
● +https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/scams-related-covid-19_en
- **COVID-19 foreign influence campaigns: Europe and the global battle of narratives**, European Parliament Research Service,
<https://epthinktank.eu/2020/04/07/covid-19-foreign-influence-campaigns-europe-and-the-global-battle-of-narratives/>
- **European Solidarity in Action**, European Commission,
https://ec.europa.eu/commission/presscorner/detail/en/FS_20_563
- **European Commission Corona Virus Response**,
https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response_en
- **European Parliament Corona Virus Response**,
<https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus>
- **“10 things the EU is doing to fight the coronavirus”**, European Parliament,
<https://www.europarl.europa.eu/news/en/headlines/society/20200327STO76004/10-things-the-eu-is-doing-to-fight-the-coronavirus>
- **European Centre for Disease Prevention and Control**,
<https://www.ecdc.europa.eu/en/novel-coronavirus-china>
- **World Health Organisation**,
<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

Initiatives for cities and regions

Fair Digital Europe

A new progressive-minded website has been created on the Digital Services Act (DSA) issues, ahead of a new legislative proposal at European level, which should address problems of taxation, precarious working conditions for platform workers, Airbnb, etc. This website aims at sending information and documents to cities, municipalities, regions, public enterprises, NGOs etc. concerning DSA relevant topics.

- Website: <https://fairdigitaleurope.eu>
- Newsletter:
<https://fairdigitaleurope.us10.list-manage.com/subscribe/post?u=93eca7d0ffe90448afca8a5b3&id=033c8a6489>

Useful links to monitor

Please find here a list of sources that we have already shared. All these organisations regularly publish updates and online events, so we recommend you to check their websites:

- **Bloomberg Foundation**
<https://cities4health.org/>
<https://www.cityleadership.harvard.edu/resources-sessions>
- **C40**
https://www.c40knowledgehub.org/s/cities-and-coronavirus-covid-19?language=en_US&tabset-5cf81=42fb1
https://www.c40knowledgehub.org/s/article/Cities-and-Coronavirus-COVID-19?language=en_US
- **European Commission's Intelligent Cities**
<https://www.intelligentcitieschallenge.eu/covid-19-webinars>
- **OECD**
<https://www.oecd.org/coronavirus/en/>
- **United Cities and Local Governments**
<https://www.uclg.org/en/issues/live-learning-experience-beyondtheoutbreak>

Useful readings

Please find below a series of useful articles, published by various think tanks and organisations:

- **“Labour Market Change | COVID-19: Policy responses across Europe”**, Eurofound - European Foundation for the Improvement of Living and Working Conditions, July 2020,
https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20064en.pdf
- **“The financial fragility of European households in the time of COVID-19”**, Bruegel, July 2020,
<https://www.bruegel.org/wp-content/uploads/2020/07/PC-15-2020-final.pdf>
- **“Cities against the pandemic”**, FEPS, 10 July 2020,
https://www.feps-europe.eu/resources/publications/744-com_publications.publications.html
- **“EU Tourism Sector During The Coronavirus Crisis”**, European Parliament Research Service, 13 July 2020,
<https://epthinktank.eu/2020/07/13/eu-tourism-sector-during-the-coronavirus-crisis/>
- **“Towards a green, competitive and resilient EU economy: How can digitalisation help?”**, European Policy Centre, 13 July 2020,

<http://epc.eu/en/Publications/Towards-a-green-competitive-and-resilient-EU-economy-How-can-digital~35bfc4>

- **“What should we make of the Just Transition Mechanism put forward by the European Commission?”**, Robert Schuman Foundation, 13 July 2020, <https://www.robert-schuman.eu/en/doc/questions-d-europe/ge-567-en.pdf>
- **“What Poland’s Presidential Election Means for the EU”**, Carnegie Europe, 14 July 2020, <https://carnegieeurope.eu/strategiceurope/82290>
- **“Why Populism Can Survive the Pandemic”**, Carnegie Europe, 15 July 2020, <https://carnegieeurope.eu/2020/07/15/why-populism-can-survive-pandemic-pub-82293>