



Coronavirus crisis: "Commission will use all the tools at its disposal to make sure the European economy weathers the storm"

Brussels, 10 March 2020

During today's EU leaders' videoconference on the response to the COVID-19 outbreak, the Commission received a mandate to further step up its response to the Coronavirus, or COVID-19 outbreak, on all fronts and coordinate Member State actions. The crisis we face because of Coronavirus has both a very significant human dimension, and a potentially major economic impact. It is therefore essential that we act decisively and collectively, to contain the spread of the virus and help patients, and to counter the economic fallout.

After the videoconference, the President of the European Commission, Ursula **von der Leyen**, said:

"Let me be very clear: The Commission is working flat out on both fronts.

- *The European Commission will, in a **daily phone conference** with the Health Ministers and the Ministers of Internal Affairs, coordinate the necessary measures.*
- *Secondly, the Commission will assemble a **team of epidemiologists and virologists** from different Member States to give us guidelines on the European level.*
- *The European Commission is now taking stock of the available **protective equipment and respiratory devices** as well as their production and distribution capacity. Those are crucial for the entire health sector.*
- *On **research and development**, we will reinforce the European initiative to fund targeted research on the Coronavirus.*
- *We have mobilised **€140 million** of public and private funding for promising research on vaccines, diagnosis and treatment.*

On the economic front:

First and foremost, we must act at the macro-economic level. We will use all the tools at our disposal to make sure the European economy weathers this storm. This requires coordination between Member States, the Commission and the ECB. I am comforted that leaders have called for such a coordinated strategy.

The Commission will play its full part with no delay. I am working on the following measures to support Member States in their efforts:

- *We will make sure that **state aid** can flow to companies that need it;*
- *Secondly, we will make full use of the **flexibility** which exists in the Stability and Growth Pact;*

I will come with concrete ideas before the Eurogroup on Monday. So on both these fronts, we will clarify the rules of the game for Member States very quickly.

*Finally, I will bring forward a "**Corona Response Investment Initiative**" directed at*

- *the health care systems,*
- *SMEs,*
- *labour markets*
- *and other vulnerable parts of our economies.*

*The investment will be sizable and reach **€25 billion** quickly. To realise this, I will propose to Council and Parliament this week to release **€7.5 billion of investment** liquidity. I will set up a **Task Force** to work with Member States to ensure that the money starts flowing in the coming weeks.*

Today marks an important step in a coordinated response that the 27 Heads of State and Government, the President of the European Council and the Commission have been calling for. Now it is time for action."

Corona Response Investment Initiative – how will it work?

In order to quickly direct €25 billion of European public investment to deal with the fallout of the

Coronavirus crisis, the Commission will propose to relinquish this year its obligation to request refunding of unspent pre-financing for European structural and investment funds currently held by Member States.

The Member States will be required to use these amounts to speed up their investments under the structural funds. They will use this for the national co-financing they would normally have had to provide themselves in order to receive the next tranches of their structural fund envelopes. In view of the average co-financing rates across Member States, the €7.5 billion will be able to trigger the release and use of some €17.5 - €18 billion of structural funding across the EU.

This proposal can be implemented through a modification of the common provision regulation for the structural funds. The Commission will make this proposal to Council and Parliament this week. The national operational programmes would then be adapted, where necessary, to channel the funding towards areas such as short-term work measures, the health sector, labour market measures, and sectors particularly affected in the current circumstances.

For More Information

[Website on the Coronavirus Response](#)

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