

**COVID-19:
OVERVIEW OF CONTINGENCY
MEASURES IN EU AND
MEMBER STATES**

**ECB - G20 - EC - EUCO - EIB
EP - EUROGROUP**

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Banking and Financial Services

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EU (AND INTERNATIONAL) CONTINGENCY MEASURES

Monetary policy (EU), ECB

- On 12 March** the Governing Council of the European Central Bank (ECB) has [decided](#) on additional longer-term refinancing operations (LTROs) to provide immediate liquidity support to banks and to safeguard money market conditions;
- On 12 March** the Governing Council of the European Central Bank (ECB) has [decided](#) to modify some of the key parameters of the third series of targeted longer-term refinancing operations (TLTRO III) to support the continued access of firms and households to bank credit in the face of disruptions and temporary funding shortages associated with the coronavirus outbreak. The changes will apply to all TLTRO III operations.
- On 15 March** the ECB [announced](#) a coordinated action, together with the Bank of Canada, the Bank of England, the Bank of Japan, the Federal Reserve and the Swiss National Bank to enhance the provision of liquidity via the standing U.S. dollar liquidity swap line arrangements;
- On 18 March** the ECB [announced](#) a series of measures, including most notably a €750 billion Pandemic Emergency Purchase Programme (PEPP). In particular, the Governing Council of the European Central Bank announced the following measures:
- EUR 750 billion will be allocated to a new temporary asset purchase programme of private and public sector securities, the Pandemic Emergency Purchase Programme (PEPP), which will cover all asset categories eligible under the existing asset purchase programme (APP). Purchases will be conducted for as long as necessary, until when the Governing Council judges that the Covid-19 crisis phase is over, and in any case at least until the end of 2020;
 - The range of eligible assets under the corporate sector purchase programme (CSPP) will be expanded to non-financial commercial paper, making all commercial papers of sufficient credit quality eligible for purchase under CSPP;
 - The main risk parameters of the collateral framework will be adjusted in order to ease the collateral standards. In particular, the scope of Additional Credit Claims (ACC) will be expanded to include claims related to the financing of the corporate sector.



Monetary policy (EU), ECB

- On 20 March** the ECB and Denmark's Nationalbank [reactivated](#) a currency swap line to provide euro liquidity;
- On 7 April** the ECB announced a [package](#) of temporary collateral easing measures, which includes:
- The [decision](#) to ease of the conditions for the use of credit claims as a collateral and to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations;
 - The [decision](#) to adopt a general reduction of collateral valuation haircuts.
- On 22 April** the Governing Council of the European Central Bank (ECB) [adopted](#) temporary measures to mitigate the effect on collateral availability of possible rating downgrades resulting from the economic fallout from the coronavirus (COVID-19) pandemic. The decision complements the broader collateral easing package that was announced on 7 April 2020;
- On 30 April** the Governing Council of the ECB [decided](#) to further ease the conditions on the targeted longer-term refinancing operations (TLTRO III);
- On 30 April** the Governing Council of the ECB [decided](#) to conduct a new series of non-targeted pandemic emergency longer-term refinancing operations (PELTROs) to support liquidity conditions in the euro area financial system and contribute to preserving the smooth functioning of money markets by providing an effective liquidity backstop.



INTERNATIONAL SUPPORT DURING THE COVID-19 CRISIS, G20

- On 6 March** G20 Finance Ministers and Central Bank Governors reported in a [statement](#) that they welcome the steps taken by other international organizations to help member countries, and that they are working closely with other international organisations, in particular with a view to sharing information, assessing needs and devising policy options that countries can implement in response to COVID-19 outbreak;
- On 23 March** G20 Finance Ministers and Central Bank Governors reported in a [statement](#) that they agreed to closely monitor the evolution of the COVID-19 pandemic and to develop a joint G20 Action Plan in response to COVID-19;
- On 26 March** the G20 published a [statement](#) on its extraordinary Summit. In the statement, G20 leaders address the current challenges posed by Covid-19 outbreak, reiterating their commitment to fight the current public health and economic crisis. As part of their efforts to safeguard the global economy, they affirmed that are injecting over dollars 5 trillion into the global economy, as part of targeted fiscal policy, economic measures, and guarantee schemes to counteract the social, economic and financial impacts of the pandemic";
- On 31 March** the G20 Finance Ministers and Central Bank Governors [met virtually and discussed](#), among others, the following:
- Delivering a joint G20 Action Plan in Response to COVID-19;
 - Working with the Financial Stability Board (FSB) in its capacity to coordinate regulatory and supervisory measures taken by countries in response to the COVID-19 pandemic.



FISCAL RULES (STABILITY AND GROWTH PACT)

European Commission

- On 13 March** the Commission issued a [Communication](#) outlining its proposed coordinated economic response to the coronavirus outbreak, based on providing maximum flexibility under the state aid and stability and growth pact rules;
- On 20 March** the European Commission [announced](#) its proposal to activate the general escape clause of the Stability and Growth Pact (SGP), as part of its initiatives to respond to the Covid-19 pandemic.

European Council

- On 23 March** the EU Finance ministers have [approved](#) the Commission's proposal to activate the general escape clause.



SUPPORT TO THE EU ECONOMY AND BUSINESSES

European Commission

- On 13 March** the European Commission issued [a proposal for a Regulation](#) on COVID-19 Response Investment Initiative, with €37 billion to support the economy. The money will come from structural funds envelopes in the EU budget and will be directed to SMEs, the labour market and the healthcare sector. The European Parliament has approved the proposal on 26 March;
- On 13 March** the European Commission issued [a proposal for a Regulation](#) on the extensions of the EU Solidarity Fund to provide support to EU countries during the Covid-19 crisis. The European Parliament has approved the proposal on 26 March;
- On 20 March** the European Commission also put forward [a proposal for a Regulation](#) on airport slots slots in order to make it easier for airlines to keep their airport slot even if they don't operate flights in those slots because of the coronavirus. The European Parliament has approved the proposal on 26 March;
- On 25 March** the European Commission published its [guidance](#) to the Member States concerning foreign direct investment and free movement of capital from third countries, and the protection of Europe's strategic assets, ahead of the application of the FDI Screening Regulation;
- On 2 April** the European Commission presented its [Proposal for a Council Regulation](#) for a temporary Support to mitigate Unemployment Risks in an Emergency (SURE). The proposal seeks to introduce a temporary and ad hoc unemployment reinsurance scheme to ensure workers keep their jobs during the coronavirus pandemic by providing financial assistance up to €100 billion in the form of loans from the Union to affected Member States. The SURE instrument is different from the European Unemployment Reinsurance Scheme, as it represents its emergency operationalisation and is designed specifically to respond immediately to the challenges presented by the COVID-19 pandemic;
- On 29 April** the European Commission adopted a [package](#) of measures aimed at providing support to the transport sector by solving practical problems, removing administrative burdens, and increasing flexibility. The package includes measures to support the aviation, rail, maritime, inland navigation and road sectors. For aviation, the relief proposal addresses ground-handling services – authorising the extension of contracts to avoid complex tenders, and allowing concessions that will prevent airports from getting blocked should ground-handling companies go bankrupt. The proposal also modifies air carrier licensing rules temporarily to ease financial problems linked to the coronavirus.



European Commission – European Council

On 21 April the [Roadmap for Recovery](#) as drafted by the European Commission and the European Council was published, ahead of the European Council videoconference on 23 April. The Roadmap is still subject to endorsement by EUCO. The strategy outlined in the Roadmap considers four key areas of actions: 1) a fully functioning and revitalised single market, 2) a massive investment effort for recovery, 3) the need for global cooperation and coordination, 4) an effective system of governance.

European Parliament

On 17 April the European Parliament adopted a [resolution](#) on EU coordinated action to combat the COVID-19 pandemic and its consequences. In the final text, the European Parliament expresses support for a series of initiatives to support the European economy during the crisis, including the issuance of recovery bonds guaranteed by the EU budget.

Eurogroup

On 9 April the Eurogroup reached an agreement on a comprehensive economic policy response to the Covid-19 pandemic, publishing a [report](#) that outlines the content of the agreement. Most importantly, the agreement contains the ESM's enhanced Conditions Credit Line (ECCL), the EU unemployment scheme SURE, the EIB pan-European Guarantee Scheme, and a temporary Recovery Fund whose functioning is to be clarified in the days following the agreement.

European Investment Bank (EIB)

EIB announcement of the launch of a EUR 1.6 billion [plan](#) for investment in the agriculture and bioeconomy sector;

The European Commission and the European Investment Fund (part of EIB group) [unlocked](#) EUR 1 billion from the European Fund for Strategic Investments (EFSI), that will serve as a guarantee to the European Investment Fund (EIF). This will allow the EIF to issue special guarantees to incentivise banks and other lenders to provide liquidity to at least 100,000 European SMEs and small mid-cap companies affected by the Covid-19 crisis, for an estimated available financing of €8 billion.

On 16 April the EIB [announced](#) the establishment of a EUR 25 billion guarantee fund to deploy new investments in response to COVID-19 crisis.



STATE AID

European Commission – general policy initiatives

- On 19 March** the European Commission [adopted](#) a temporary framework to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the COVID-19 outbreak. Together with many other support measures that can be used by Member States under the existing State aid rules, the Temporary Framework enables Member States to ensure that sufficient liquidity remains available to businesses of all types and to preserve the continuity of economic activity during and after the COVID-19 outbreak;
- On 27 March** the European Commission [announced](#) the amendment of the Communication on the application of Articles 107 and 108 of the TFEU to short-term export-credit insurance. The amendment consists in the decision to temporarily remove, until 31 December 2020, all countries from the list of “marketable risk” countries under the Communication. This amendment will make short-term export credit insurance more widely available in light of the current Covid-19 crisis;
- On 3 April** the European Commission adopted an [amendment](#) that extends the Temporary Framework adopted on 19 March 2020. In particular, the amendment provides for additional types of support that Member States can give to companies in need. Moreover, it provides for additional five types of aid measures:
- Support for coronavirus related research and development (R&D);
 - Support for the construction and upscaling of testing facilities;
 - Support for the production of products relevant to tackle the coronavirus outbreak;
 - Targeted support in the form of deferral of tax payments and/or suspensions of social security contributions;
 - Targeted support in the form of wage subsidies for employees.



BORDER MANAGEMENT

European Commission

- On 13 March** the European Commission proposed a Regulation to suspend the 'use-it-or-lose-it' rule on the allocation of slots at EU airports;
- On 16 March** the European Commission issued its [guidelines](#) for border management measures to protect health and ensure the availability of goods and essential services. The guidelines cover five different areas: i) transport of goods and services; ii) supply of goods; iii) measures at external borders (health-related); iv) measures at external borders (general); and v) internal borders (Schengen area);
- The guidelines aim to step up cooperation among Member States in order to protect the Single Market and the Schengen area by proposing a more stringent approach at the EU's external borders;
- On 16 March** the European Commission adopted a [Communication](#) on temporary restriction on non-essential travel to the EU;
- On 18 March** the European Commission issued [guidelines](#) on the application of certain provisions of the EU passenger rights legislation in the context of the Covid-19 outbreak;
- On 23 March** the European Commission adopted a [Communication](#) on the implementation of the Green Lanes under the Guidelines for border management measures to protect health and ensure the availability of goods and essential services. The Communication provides guidance on the implementation of Green Lanes;
- On 26 March** the European Commission issued a [Communication](#) on facilitating air cargo operations during COVID-19 outbreak. The communication affirms the importance of ensuring continuity of air cargo operations, providing recommendations to Members States on a series of operational measures to implement;
- On 30 March** the European Commission issued [guidelines](#) concerning the exercise of the free movement of workers during COVID-19 outbreak;
- On 30 March** the European Commission issued its [Guidance](#) on the implementation of the temporary restriction on non-essential travel to the EU, on the facilitation of transit arrangements for the repatriation of EU citizens, and on the effects on visa policy. The Guidance aims at, among others:
- Harmonising the definition of essential economic activities across Member States, by presenting a non-exhaustive list of occupations whose exercise is critical and for which free movement across the EU is therefore essential (such as health professionals, child and elderly care workers, scientists in health-related industries, firefighters and police officers, transport workers, as well as people working in the food sector, etc.);
 - Inviting Member States to adopt specific burden-free and fast procedures to ensure a smooth passage for such frontier workers;
 - Providing assistance to border guards and visa authorities by providing information on the implementation of the temporary restriction at the EU's external borders, on facilitating transit arrangements for the repatriation of EU citizens, and on visa issues.

I. MEASURES TO SUPPORT THE ECONOMY

a. Stimulus measures

- i. Announcement by the Austrian government of a plan to support the national economy in the recovery phase (no details on the implementation provided);
- ii. Package adopted by the European Commission to provide support to the transport sector (aviation, rail, maritime, inland navigation and road transport);
- iii. Statement by the Belgian Finance Minister that Belgian companies registered or with subsidiaries in fiscal paradises will not be eligible to benefit from the support measures adopted during the crisis;
- iv. Opening of the support Office for SMEs in the Netherlands, which makes available EUR 200 million from the government and investment company Invest-NL;
- v. Approval by the Slovenian Parliament of a second stimulus package.



I. MEASURES TO SUPPORT THE ECONOMY

b. State aid measures

- i. European Commission's approval of a EUR 5 billion loan guarantee by France to the Renault group to mitigate economic impact of coronavirus outbreak;
- ii. European Commission's approval of the modification of funds available for the Greek guarantee measure to support companies affected by the coronavirus outbreak, which now raised to EUR 2.25 billion;
- iii. European Commission's approval of two additional Estonian schemes to support companies affected by coronavirus outbreak;
- iv. European Commissions' approval of a EUR 1.55 billion Hungarian guarantee scheme to support companies affected by the coronavirus outbreak;
- v. European Commission's approval of three EUR 900 million Hungarian schemes to support the national economy in the context of the coronavirus outbreak;
- vi. European Commission's approval of a German "umbrella" scheme to support research, development, testing and production of coronavirus relevant products;
- vii. European Commission's approval of a €16.6 billion Polish repayable advance scheme to support companies affected by the coronavirus outbreak;
- viii. European Commission's approval of a Spanish "umbrella" scheme to support the economy in the context of the coronavirus outbreak;
- ix. European Commission's approval of a EUR 5 million Lithuanian scheme for SMEs active in road freight transport affected by the coronavirus outbreak;
- x. European Commission's approval of a Swedish public guarantee of up to €137 million to compensate airline SAS for damage caused by coronavirus outbreak;
- xi. European Commission's approval of a EUR 215 million Maltese employment aid scheme to support sectors affected by the coronavirus outbreak;
- xii. European Commission's approval of a EUR 700 million Polish aid scheme to support companies affected by the coronavirus outbreak;
- xiii. European Commission's approval of a EUR 100 million Dutch subsidised loan scheme to support SMEs affected by the coronavirus outbreak;
- xiv. European Commission's approval of a EUR 200,000 direct grant scheme to support agricultural and aquaculture sectors in Brussels-Capital region following coronavirus outbreak;
- xv. European Commission's approval of a EUR 3 billion Finnish scheme to support companies affected by coronavirus outbreak;
- xvi. European Commission's approval of a EUR 550 million German State-guaranteed loan to compensate airline Condor for damage caused by coronavirus outbreak.



I. MEASURES TO SUPPORT THE ECONOMY

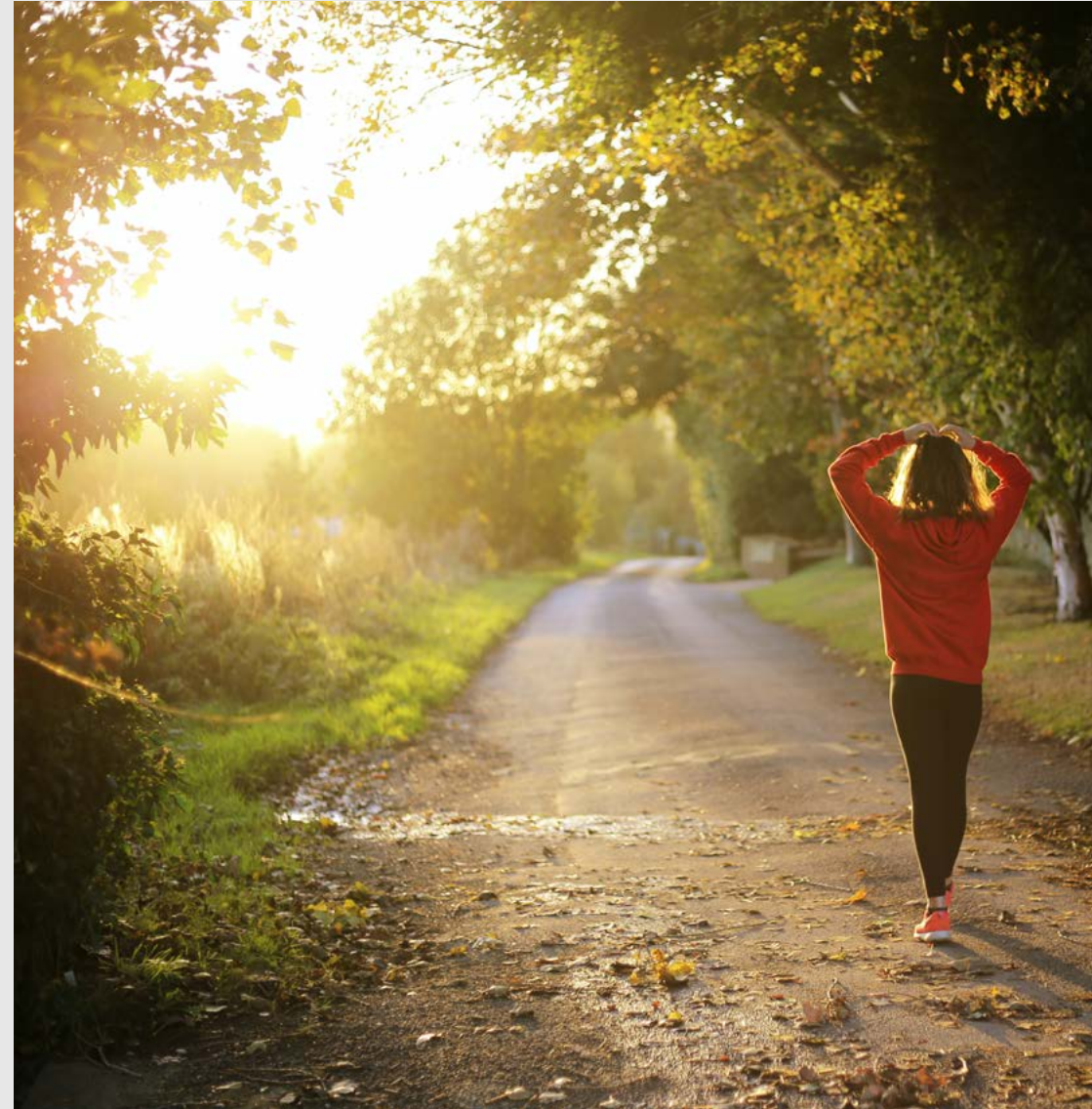
c. Markets measures

- i. FCA postponement by 6 additional months of the deadline for the implementation of the Strong Customer Authentication (SCA) for e-commerce;
- ii. CSSF circular adopting the Guidelines of the European Banking Authority on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis;
- iii. ECB decision to further ease the conditions on the targeted longer-term refinancing operations (TLTRO III);
- iv. ECB decision to conduct a new series of non-targeted pandemic emergency longer-term refinancing operations (PELTROs) to support liquidity conditions in the euro area financial system and contribute to preserving the smooth functioning of money markets by providing an effective liquidity backstop;
- v. FCA, Bank of England and Working Group on Sterling Risk-Free Reference Rates (RFRWG) statement on the impact of Coronavirus on the timeline for firms' LIBOR transition plans;
- vi. European Commission legislative proposal to amend the Capital Requirements Regulation (CRR) in order to further facilitate bank lending;
- vii. Bank of Italy announcement of measures regarding the reporting of resolution for less significant banks and banking groups, SIM and SIM groups;
- viii. Bank of England statement on the regulatory treatment of the UK Coronavirus Business Interruption Loan Scheme (CBILS) and the UK Coronavirus Large Business Interruption Loan Scheme (CLBILS);
- ix. Bank of Lithuania approval of payment moratoria signed by Lithuanian financial and credit institutions to the benefit of their customers.



II. PUBLIC HEALTH MEASURES

- i. Announcement by the Cypriot government on the national exit strategy, easing measures as of 4 May;
- ii. Announcement of the exit strategy by the French government;
- iii. Announcement of the exit strategy by the Austrian government;
- iv. Announcement of the exit strategy by the Spanish government;
- v. Announcement by the Polish government of the decision to lift new restrictive measures;
- vi. Extension of the state of emergency in the Czech Republic until 17 May;
- vii. Announcement by the German government of obligation to wear masks;
- viii. Announcement of the exit strategy by the Greek government;
- ix. Announcement by the Italian government of the second phase of deconfinement;
- x. Announcement of the exit strategy by the Belgian government;
- xi. Announcement of the exit strategy by the Croatian government.



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