



EUROCITIES reaction to the Covid-19 emergency

March 2020



The Covid-19 pandemic has turned our lives upside down and disrupted our societies beyond precedent. We are faced with a global health crisis that has already had enormous economic and social repercussions. As the European Commission and member states are stepping up efforts to tackle the public health emergency, city governments are acting locally to protect people and business. And across Europe, our cities are collaborating to urgently learn from each other's responses and deal with the crisis in the most effective way.

The immediate impact of the crisis affects our cities across all sectors. In the past few weeks, local governments all over the EU have acted swiftly to respond to rising challenges related to protecting the most vulnerable people in our society, namely our elderly and people with pre-existing conditions. We are also supporting our SMEs, our arts and culture sector, adapting the wide range of our public services to protect workers and providing advice to citizens.

As city leaders, we fully recognise our responsibility for the management of the current crisis as the level of government closest to the citizens. The strength of our local democracies will and must stand the test. We are heartened by the response from civil society and citizens who are showing solidarity and great innovation capacity in a time of crisis. We are committed to communicating with people to ensure a good understanding of the threats we are facing, as well as the individual and collective responsibilities of all to contribute to tackling the pandemic.

Still, we are deeply concerned about both the short and longer-term knock-on effects of the pandemic and the Europe-wide lockdown in our regions and cities. We can already see the violent shock to our labour markets and sharp increases in unemployment locally. Our health and social services are stretched beyond limits, compromising our ability to maintain our vital city services towards vulnerable groups, including the elderly, those at risk of domestic violence, homeless people, or people suffering from mental health illnesses.

With the right tools, city governments can further support people and local economies in the current crisis. We call on the EU to:

- Ensure that cities can rapidly adapt and access existing EU funding resources, including the Solidarity Fund, to support SMEs and vulnerable people. Moreover, cities need to have a direct and efficient access to any additional resources made available, such as the Corona Response Investment Initiative (CRII). The urgency of the current situation calls for the funds to be deployed directly at local level to provide an effective response in local communities in need of immediate support.
- Continuously reduce European fiscal policy barriers to facilitate cities' long-term investments. Long-term investment in infrastructure development and social services in Europe's cities and regions will be essential to maintaining jobs and a sustainable economic development beyond the current public health emergency. The proposed use of the general escape clause under the stability and growth pact and the temporary framework for state aid measures are welcome. In addition, the EU can directly support cities by suspending mortgage payments on EIB loans for 2020.

- Work with cities to fully assess the impact of the crisis at local level as well as the urgent policy and funding needs across all sectors - social, cultural, digital, economic, environment and mobility. This assessment must feed into EU's recovery plan. Urban areas are home to 75% of the population in the EU and produce 85% of EU's GDP. The reality in Europe and in our cities will be different after the pandemic. When reinforcing the direct collaboration with cities, the EU can better respond to the change in needs and build resilience to face possible similar future challenges.

While current efforts are rightly focused on tackling the immediate challenges of the pandemic, we need to have a clear view on sustainably rebuilding our communities and cities. EU's ambition of climate neutrality by 2050 and its European Green Deal flagship must stay on track, while recognising the profound societal changes we are undergoing. Moving forward, it will be ever more important to ensure a fair transition for all while rebuilding our economies sustainably.

In the very short term, this means unlocking public funds and low-cost capital as part of stimulus packages to both mitigate the impacts of the pandemic on people and the economy, while re-orienting the economy towards a sustainable future. We need increased investment in social policies to deal with structural challenges, including those related to housing, food security and care for the elderly. Also, securing a people-centred digital transformation is essential to ensure social and economic resilience in our cities. European digital strategies must fully support the mainstreaming of digitalisation as part of rights-based public service delivery.

We would welcome an increased health policy and crisis coordination at EU level to ensure fully joined up action and effective responses in emergencies. The current situation calls for solidarity in the EU and strong collaboration between all levels of government. It also calls for an emphasis on our respect for democratic values and good governance in Europe. This is the only way we can save lives as the pandemic moves across our continent, overcome the longer-term effects on our societies and ensure that Europe will stand stronger in the future.