



Your voice.
Your interests.
Your future.

Mr Charles Michel

President of the European Council

Brussels, Thursday 26 March 2020

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Dear presidents, dear Ministers and Heads of State,

Europe has now become the epicentre of the COVID-19 global outbreak, and, in this context, **CEEP strongly welcomes a clear and substantial increase in our European fiscal response** in order to properly address the issue. **However, we fear that this is far from being enough to overcome the multiple challenges ahead.** The coronavirus has already taken its toll on European citizens and enterprises, as they struggle to maintain basic social and economic activities.

Our members, **SIGI employers and providers work tirelessly to ensure essential and high-quality services are still available to a frightened population.** Healthcare providers are, evidently, first in line in this difficult battle and they deserve your particular praise as they dedicate themselves fully to their task. However, CEEP needs to state that all SIGIs around Europe have been directly hit by the coronavirus spread and cannot be undermined.

Crucial sectors such as transport, water, energy, waste management and social services, to name a few, also have the arduous job to keep on running in each and every Member State under very adverse circumstances. They have the difficult mission today to maintain the continuity of services to citizens with the same level of quality and efficiency.

Supply and demand for our services have already been heavily impacted. All factors necessary to the final delivery of those essential services, including labour, infrastructures and safety equipment are lacking. Meanwhile we face, on the one hand, drastic drops in demand, such as in the transport sector, or fundamental operational shift as in education. On the other hand, providers must deal with unsustainable demand increases, which is the case for healthcare and telecommunication services.

We ask the EU leaders to respond to the commitment and dedication shown by our members on a daily basis with adequate measures at European level to face this crisis, and to make sure their efforts and struggle are fully recognised all over Europe.

This crisis has emphasised our critical lack of physical and social infrastructures at the European level. CEEP has been warning since a long time about the consequences of undifferentiated fiscal consolidation decisions on the operational framework for SIGI providers. Meanwhile, we have witnessed the unreserved support granted to the “for profit sector” to prepare for the transitions ahead.

It is now the moment to genuinely demonstrate the decisiveness of the EU's action and to accomplish the following:

1. **Europe needs to deliver a united response** and accompany EU instruments with constant **political and operational coordination** between Member States.
2. **Fiscal policies must deliver "Whatever it takes"**. The rules of the Stability and Growth Pact are rightly suspended for the duration of the pandemic. It will therefore be vital to learn lessons from the Coronavirus crisis and make sure the future review of the SGP properly safeguards productive public investments in SGIs infrastructures.
3. **We must make full use of all possibilities through the European Stability Mechanism until the European economic dynamic is properly restored**. After overcoming the financial crisis, the ESM has built up new financial resources. With its high rating and the possibly use of corona bonds, it can quickly generate additional aid as the crisis is surely going to have a long-lasting impact.
4. The **Corona Response Investment Initiative must help healthcare systems but should also provide support for heavily affected SGIs enterprises** by making resources from the structural funds immediately available for the challenges we face today.
5. **The EU institutions must demonstrate their flexibility and responsiveness by providing all additional support possible under the heading or art Art 122. 2 TFUE** as well as consider granting direct union financial assistance to the Member States in need, without imposing additional conditionalities.

The measures taken now will pave the way for a solid recovery based on a new paradigm where the "business case" of investing in Services of General Interest and their infrastructures should become a major rationale of our policies. This would ensure that Member States fulfil their duties as guarantors of the well-being of citizens and thriving of economies.

Urgency plans are crucial, but they should not obliterate long-term needs and strategic choices. On the contrary, this crisis should give us the opportunity to confirm our engagement for a **greener economy and improved infrastructure**: schools, hospitals, digital infrastructure are key today – as fully demonstrated by this crisis, but also for the long-term prosperity of our social market economy. This would guarantee that the SGI providers' efforts do not remain unrecognized.

We thank you in advance for the attention you will give to the above messages in your meeting today as well as in future ones, and remain at your disposal to support all efforts EU leaders are deploying and will deploy to overcome this unprecedented crisis.

Yours sincerely,



Rainer Plassmann,
President



Valeria Ronzitti,
General Secretary