

Rome, 25 March 2020

Mister President, dear Charles,

the coronavirus pandemic is an unprecedented shock and it requires exceptional measures to contain the spreading of the contagion within and across countries, to bolster our health systems, to safeguard the production and distribution of essential goods and services and – last but not least – to mitigate the negative effect that the shock has on the European economies.

All European countries have taken or are taking containment measures to stem the spreading of the virus. **The success of these measures will depend on the timing, the extent and the coordination of sanitary measures implemented by different governments.**

We need an alignment of practices across Europe, based on past successful experiences, on experts' analysis, on thorough exchange of information. This is necessary now, during the peak phase of the epidemic. The coordination that you have started, with Ursula von der Leyen, in the leaders' video-conferences does help in this respect.

It will also be necessary tomorrow when we will roll-back the extreme measures taken today, both to avoid too hasty a return to normality and to prevent re-importing the virus from other Countries. **We need to ask the European Commission to come out with agreed guidelines, a common base for the collection and sharing of medical and epidemiological information, and a strategy to deal in the near future with the staggered evolution of the epidemic.**

Mr Charles Michel,
President of the European Council

As we implement unprecedented socio-economic measures, with an unparalleled slowdown in economic activity, we still need to guarantee the production and delivery of essential goods and services and the free

movement of vital supplies within the EU. **Preserving the functioning of the Single market is essential to give all European citizens the best possible care and the strongest guarantee that there will be no shortage of any kind.**

We are therefore committed to keep our internal frontiers open to necessary trade, to information and to the essential movements of our citizens, especially for cross border workers. We also need to make sure that essential value chains can fully function within the EU borders and that no strategic assets fall prey of hostile takeovers during this phase of economic difficulties. First and foremost, we will put all our efforts to **guarantee the production and distribution of key medical equipment and protections**, to deliver them in an affordable and timely manner where they are most needed.

The extraordinary measures we are taking to contain the virus adversely affect our economies in the short run. We therefore need to take extraordinary actions to limit the economic damage and prepare the next steps. This global crisis requires a coordinated response at the European level. The ECB has announced on Thursday the 19th of March an unprecedented set of measures that, together with the policy decisions taken the week before, will support the euro and stem financial tensions.

The European Commission has also announced a broad range of actions to ensure that the fiscal measures which Member States are called to take will not be constrained by the SGP rules or by State-aid regulations. Furthermore, the Commission and the European Investment Bank announced a package of policies that will allow Member States to use all available resources in the EU budget and benefit from the EIB's toolkit to combat the pandemic and its consequences.

Member States are called to play their part and ensure that as few as possible lose their job because of the temporary shutdowns of entire sectors of the economy, that as few firms as possible go bankrupt, that liquidity continues to flow into the economy and that banks continue to lend notwithstanding delayed repayments and rising risks. All this

requires unprecedented resources and a regulatory approach that protects jobs as well as financial stability.

The ECB monetary policy measures should therefore be accompanied by equally bold decisions on fiscal policy, like the ones we have started to undertake, in particular with our clear and resolute messages as leaders in the European Council.

We need to recognize the severity of the situation and the necessity for further action to buttress our economies today, in order to put them in the best condition for a rapid recovery tomorrow. This requires the activation of all existing common fiscal instruments to support national efforts and ensure financial solidarity, especially within the eurozone.

In particular, **we need to work on a common debt instrument** issued by a European institution to raise funds on the market on the same basis and to the benefits of all Member States, thus ensuring stable long term financing for the policies required to counter the damages caused by this pandemic.

The case for such a common instrument is strong, since we are all facing a symmetric external shock, for which no country bears responsibility, but whose negative consequences are endured by all. And we are collectively accountable for an effective and united European response. This common debt instrument should have sufficient size and long maturity to be fully efficient and avoid roll-over risks now as in the future.

The funds collected will be targeted to finance in all Member States the necessary investments in the healthcare system and temporary policies to protect our economies and social model.

In the same spirit of efficiency and solidarity, **we could explore other tools like a specific funding for Corona-related spending in the EU budget**, at least for the years 2020 and 2021, beyond the announcements already made by the Commission.

By giving a clear message that we are facing this unique shock all together, we would strengthen the EU and the Economic and Monetary Union and, most importantly, we would provide the strongest message to our citizens about European determined cooperation and resolve to provide an effective and united response.

We will also need to **prepare together “the day after”** and reflect on the way we organize our economies across our borders, global value chains, strategic sectors, health systems, European common investments and projects.

If we want tomorrow’s Europe to live up to the aspirations of its past, we must act today, and prepare our common future. Let us open this debate now and move forward, without hesitation.

Signed by

Sophie Wilmès, Prime Minister of Belgium
Emmanuel Macron, President of the French Republic
Kyriakos Mitsotakis, Prime Minister of Greece
Leo Varadkar, Taoiseach of Ireland
Giuseppe Conte, President of the Council of Ministers of Italy
Xavier Bettel, Prime Minister of Luxemburg
António Costa, Prime Minister of Portugal
Janez Janša, Prime Minister of Slovenia
Pedro Sánchez, Prime Minister of Spain