

SNAPSHOT

The latest updates from the team at FTI Consulting
Giving you insight to what is on the political agenda

Advocating in a time of crisis

Navigating the Brussels Bubble as coronavirus grips Europe

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A new European Commission and Parliament is a difficult enough challenge at the best of times. Throw in a global pandemic and it could seem daunting. Advocating to protect your policy interests may not seem an urgent priority at a time of crisis, but it still matters. As the political and business communities continue to focus on managing public concerns and the immediate implications of the coronavirus (Covid-19) outbreak, the day-to-day advocacy programme continues, albeit under very different circumstances. So, how is Brussels adapting to these extraordinary times. What should you be prioritising?

Europe at the epicenter of a global pandemic

These are extraordinary times. Health officials have been expecting and planning for a major epidemic for some time. In most cases emergency responses are well prepared, some better than others. The World Health Organisation (WHO) has now declared Europe as the epicentre of the current corona virus scare.

The immediate impact and response have differed across the EU's 27 Member States and its direct neighbours but it has been swift, as it has been dramatic. When Belgium went into a formal lockdown last week, it was obliged to follow national protocols that have seen widespread restrictions in terms of active engagements, events and meetings, playing havoc with the EU's policy process in what remains a busy programme and a formative time in the consultation process. How will this impact the legislative programme and what should companies and other organisations be doing to safeguard their positions?

Measuring the impact of the pandemic

Any impact measurement is pure speculation at this point. The very nature of this crisis is that no one can predict its scale, safe only to say that it is a major health issue that will cost lives and livelihoods.

Boards are rightly focussed on managing the concerns of their employees, customers and partners right now and policy issues may not appear to be a priority.

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However, policymaking will be impacted at both the macro and micro level and it's important to stay engaged on both counts to ensure your business secures its share of voice.

At the macro level the coronavirus could have an unprecedented economic impact for a market still recovering from the global financial crisis of 2008 and a decade of austerity. At the micro level, the EU's ambitious policy agenda on a host of other important issues such as climate change and the circular economy, amongst others, are still progressing, despite the challenges, and will determine the future society we want to live in.

Policymaking at the macro level

If the leadership change and Brexit have dominated diaries in recent months, 2020 is now set to see senior Eurocrats focussed on managing the health crisis and its economic impact.

After a generally slow reaction to the rapidly escalating crisis, the EU has picked up the pace. Commission President Ursula von der Leyen has issued a number of statements as the crisis has evolved and spread. Her latest statements have

included a €37 billion aid package to tackle the crisis and support the economy and calling for Member States to introduce a temporary thirty-day restriction on non-essential travel to the EU.

After an initial national level response, European leaders are also now showing more single-market solidarity, as citizens questioned the fragmented approach and the European Commission challenging measures such as domestic export bans. Member States are also now collectively agreeing to protect public health while preserving the integrity of the internal market, emphasising the free circulation of goods to ensure availability of goods.

Drawing on the EU's legal competence to adopt incentive measures designed to combat major cross-border threats to health, the European Commission is also now working with Member States and corporations to:

- Pool medical knowledge across the EU, and repurpose the tools developed for the EU's response to rare diseases to allow EU-wide information sharing on coronavirus care management;
- Develop agreements for the joint purchasing of medical equipment;
- Ensure close cooperation between the European Centre for Disease Prevention and Control based in Solna in Sweden and the WHO at both global and European level;
- Coordinate an EU-wide alert system and ongoing risk assessment with Member States across the Union, working in conjunction with its Health Security Committee.

How is the EU impacting the bigger picture?

It's a fast-evolving landscape, but here is a summary of some of the more significant issues we have seen emerging over the past week:

- In competition, merging companies potentially face EU approval delays as the coronavirus slows regulator's work collecting market information and conducting probes. The EU has gone so far as to encourage merging companies to delay notification;
- State aid rules could be relaxed as whole sectors face unprecedented commercial challenges. The EU is working on a special framework to adapt its budgetary rules to the need for economic support, and stability pact, similar to one developed for the 2008 financial crisis;
- Regulatory requirements for new medical products and devices could be relaxed in a bid to bring much needed testing kits and ventilators to market more quickly;
- EU policymakers are set to relax current banking rules and offer government guarantees to support

lenders during the economic fallout. Countercyclical buffers have already been released;

- The Brexit timetable for a new trade agreement with the UK was always ambitious. Michel Barnier has now tested positive for the virus so this could delay things. Whether face to face meetings could be changed to video conferencing should the need arise, could impact the pace and success of the talks. December is looking ever more ambitious;
- Budgets have been freed up to speed up research on a vaccine and other core medical responses.

Policymaking at the micro level

It is business as usual, just not as we know it. Each new Commission begins its tenure with new appointments and major policy initiatives, bringing with it a host of new files and associated committees who are responsible for driving and delivering Europe's legislative programme.

Relationships matter in this town and the EU institutions are now starting to adapt their approach to cope with a Union in lockdown and 30,000 plus staff working from home. That includes senior officials and elected parliamentarians.

We can expect that the due process on the programmed policy calendar will see delays with all but essential face to face meetings on hold. This makes the advocacy programme even more challenging. How do you start to engage someone when you can't meet with them? The answer is online, as technology comes to the fore and individuals and teams engage using a host of different software and platforms. Whether systems will be able to maintain working from home activity and whether processes will be able to sustain the same pace, is yet to be seen.

It is worth noting that several major policy initiatives were published before the pandemic reached Europe, including a major new Industrial strategy and the draft Circular Economy Directive. Both will have a significant impact on how we could do business and will continue to progress through the legislative and consultation process.

In addition, Europe's Digital Agenda with its emphasis on use of Artificial Intelligence (AI) in healthcare and the creation of a European Health Data Space has come into sharper focus as Europe learns that it will have to pull together to respond to the crisis and the data and knowledge are amongst its key response tools. This could see both discussions and decisions speed up considerably to allow better movement of health data around Europe.

What's the impact at the policy level?

As the tragic impact continues and the pandemic grips communities around Europe, international, EU and Member State responses have already seen a shift in their respective policy making approaches, including far greater openness to direct input from industry experts.

In the health sector both the European Commission and WHO are working daily with pharmaceutical and technology companies, including the IT sector, in responding to the crisis. Some of the usual rules on engagement with industry are being relaxed.

While current modelling suggests the infection peak will be reached in the EU within two to three months, it is acknowledged that the wider impact on health and the economy will have a much longer impact. This in turn is already impacting policy planning, shifting to include better contingency planning and better crisis preparedness, at both national and EU level.

At a more granular policy level, it's still early days, but some milestones are already being moved, consultations are being extended and key files will be published later. It is important you remain aware of these changes. However, while priority rightly remains the immediate crisis response, not all policy makers will be involved in crisis management. Ergo, work does continue in the background. When – at whatever moment that will be the case – the EU institutions adapt to the new normal and start up again, it will show the thinking that policymakers have been developing for weeks, if not months.

What should you be doing?

We all learn a lot in crises. They tend to highlight our strengths and our weaknesses. The same will be true for the EU institutions and their supporting agencies. Much was learned from how the Union dealt with the financial crisis. The same will be true of this Pandemic.

So, what will be the new normal, when life resumes in a more or less normal way? It's too early to tell. However, we can expect a fundamentally changed view on the economy. Markets are already decrying the lack of coordinated economic stimulus.

The agenda of the Von der Leyen Commission will be completely overhauled.

If you haven't engaged the European process to date, now may be the time to think about it. As the Commission sets out its response, are your concerns getting the consideration and understanding they need? This is the time

to make your mark as key player in responding to the virus. Whatever business you are in, you will be impacted. For those already engaged, priorities should be on sustaining any engagement but adapting to new priorities and new way of working in the near term. However, be aware that outreach will take longer, will be harder and potentially not face to face. But engagement with industry is wanted and needed when new objectives are being determined.

The top five things you should consider doing until the new normal is established, include:

1. **Timing and tone** – this crisis will evolve on a day by day and weekly basis. Don't force an agenda if it's not appropriate. Position your business and industry as an active partner to providing support that matters at this worrying time;
2. **Changed priorities** - be sympathetic to the changed circumstances that your key contacts will be having to deal with. Listen, learn and adapt to changing agendas, milestones and deadlines;
3. **Data sharing** – share market insights, impact analysis and any other information that can help identify and inform best practice solutions in a very challenging and uncertain environment. Anticipate next steps;
4. **Technology is king** - look at how best you can leverage digital solutions to keep your teams active and engaged and accessible to your target stakeholders. Find innovative and creative ways of staying in touch;
5. **Strengthen your reputation** – events are not going to happen for several months at least. Adapt to the changed reality by focussing on thought leadership to promote the value your company or industry can bring, specifically highlighting how it can contribute to rebuilding the economy after the crisis.

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