

European Commission - Announcement



Making Europe's future rhyme for the Next Generation: op-ed by President of the European Commission Ursula von der Leyen

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History does not always repeat itself but for Europe it does usually rhyme. Or at least it used to.

In the face of a virus that has taken lives and livelihoods across the world, Europe did not give in to age-old instincts or re-open barely healed wounds from the financial crisis a decade ago. Instead, we chose to pull each other through and invest in a common future.

This is why we can say that last week's decision by the Leaders of the 27 Member States to endorse the European Commission's recovery proposal was historic.

Firstly, the numbers. Europe will have at its disposal a recovery tool worth 750 billion EUR to support those hit hardest by this crisis. Called NextGenerationEU, it will invest in a recovery that builds a greener, more digital and more resilient Union for our children. This will be topped up by the EU budget for the next seven years, bringing the overall package to 1.8 trillion EUR.

Secondly, it is historic because of how *Europe* makes it work. For the first time on this scale, the European Commission – backed by the 27 Member States – will use its strong credit rating to raise money on the capital markets for NextGenerationEU.

In past crises, the better off survived while the most vulnerable paid a heavy price. But this time it has to be different. This time we can only get back to our feet if we all pull each other up. This is why most of NextGenerationEU funds will be distributed in grants to Member States to finance crucial reforms and investment. This is European money supporting projects and people from Flensburg to Freiburg, creating jobs locally from Cottbus to Cologne, and Europe's strength globally.

Reforms and investment will be tailored to what each country needs and be in line with our wider European goals. For some, this will support reforms in the labour market to boost productivity, while others will focus more on education and training to help people develop the skills they need. Some will invest in improving digital infrastructure and others on transport connections. But, crucially, *all* will contribute to the goals of the European Green Deal. 30% of the overall 1.8 trillion will be ring-fenced for climate related spending and a new Just Transition Fund of 17.5 billion will help those people and regions who have to make a bigger transformation than most.

The third reason we can use the word historic is because of how the money will be repaid. To avoid sending a higher bill to Member States in the future, Europe should repay the funds through what we call new own resources. These will include a levy on big tech companies, a tax on non-recycled plastics and putting a carbon price on imports coming from countries with lower climate ambitions.

Some people will ask about why Germany should raise or repay money with another country thousands of kilometres away. The answer is simple. Europe's prosperity lies in its unity, its community and its single market. So for us solidarity is actually self-interest and a euro invested in one country is actually a euro invested for all.

Think about what happens to our tourism industry if people from across Europe cannot afford to come to our Alps or to visit our Baltic Sea beaches anymore. Think about what happens to our manufacturers if they cannot get the parts they need from their suppliers in different European countries. Think about how the crisis has taken its toll on us all – on the wellbeing of people, the solvency of businesses, the functioning of society and the health of every single European economy. And it is not over yet.

This is why we need to act urgently, decisively and collectively. And last week, Europe has shown that it is up to the task. Of course, some will point to the long and difficult Summit and see that as hesitation or weakness. We see it as the ultimate sign of Europe's unique strength.

Just take a step back and look around. Nowhere else in the world could 27 different countries even discuss financing their recovery and future together. We did it over one long weekend. At this very fragile moment in history, being in Europe is the best place to be. And now we need to keep it that

way for all by working with governments and parliaments to bring this recovery to life.

Our Union should always be judged on what it can offer for the future. That vision of a common future enabled us to take every bold step in our history: uniting Europe after the Second World War or the end of the Cold War, creating our common market and introducing our common currency. Today, it is that same pioneering vision enabling us to make another historic step for our Union.

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