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Speech by President von der Leyen at the European Parliament Plenary on the conclusions of the Special European Council meeting of 17-21 July 2020

Brussels, 23 July 2020

Six hundred thousand.

Six hundred thousand victims of this killer virus. Six hundred thousand lives cut short. Six hundred thousand stories only half-written. Six hundred thousand bereaved families.

Those six hundred thousand people will remain forever in our thoughts and in our hearts.

And we know that, tragically, this is not over. Not yet.

In the wake of this awful loss of life, we also see the damaging and destructive impact on our economy. Our citizens, our workers and our businesses are all suffering and struggling.

This pandemic hit us at the beginning of the year. Let's remember and think back to those days.

The rising curves of infections and deaths. The threat of divisions between our countries.

We heard hurtful criticism. Words which divided north and south, east and west. Debates about 'coronabonds' which ended with clenched fists and pointed fingers.

Things looked bleak. And the options were few and far between.

And the rare solutions that were put on the table were intergovernmental. In other words, outside the European framework. With no Community method. With no European Parliament. And – I recall – we also had no agreement on our European budget, two years after our initial proposal.

That is why the European Commission made a European proposal. To avoid the reflexes and mistakes of the past. A European proposal for a European recovery. NextGenerationEU.

Honourable Members,

We all know that Europe is not out of the woods yet. But Europe can see now dawn turning into light.

This week, not only taboos and perceptions have been cast aside, but one big watershed for our Union has been crossed.

By standing united – 27 Member States backing the Commission – we raise money on the capital market to fight the worst economic crisis ever – together.

In NextGenerationEU, we now have a unique recovery tool – worth EUR 750 billion. 750 billion to support the hardest hit. 750 billion to boost our Single Market. 750 billion to invest in the European Green Deal, in digitisation, in the modernisation of our Single Market, in resilience.

Of course, 27 countries agreeing something on this scale – and of this unique nature – is a challenge.

It takes courage, political will and, of course, give and take.

It was never going to be easy but anything worth having is always worth fighting for.

And I thank you, Charles, for the excellent cooperation and the trustworthy management. Thank you very much for that.

And look at how far Europe's fighting spirit has taken us.

It is not long ago that some asked for no grants, loans only. But today, we have an agreement that NextGenerationEU will have EUR 390 billion in grants, topped up by EUR 360 billion in loans.

Yes, there are fewer grants than the Commission and the Parliament argued for. But from where we started – this is an enormous achievement. And this is big enough to make an enormous difference.

It will invest in reforms linked to our European priorities, in line with our country-specific recommendations.

And because this is *European* investment in our *European* Union, it is essential that the *European*

Parliament plays a key role.

As co-legislator, this House will have its full say on the design of the Facility and how it works. The Commission will ensure full transparency, including by standing ready for a structured dialogue on priorities and expenditure, and a regular exchange of views on national plans and overall implementation.

This is how, together, we can ensure that NextGenerationEU delivers where it really matters. This is also how we can ensure that NextGenerationEU accelerates the twin green and digital transformation.

30% of NextGenerationEU and our MFF will be spent on climate-related projects. If we get it right, I believe NextGenerationEU can be one of the largest stimulus for investment and reforms anywhere in the world – investing in roll-out of 5G, in grid infrastructure, in AI and industrial digitisation, in renewables, sustainable transport, energy-efficient buildings, you name it.

This is how we fight climate change and modernise! This stimulus will also support much needed structural reforms to make us more resilient.

And we will have a Just Transition Fund to support those people, those regions and sectors who have indeed a bigger step to make. As you know, I would have liked more. But this week's agreement ensures a 125% increase in the size of the Just Transition Fund, now worth EUR 17.5 billion.

And that will make a real difference on the ground.

Honourable Members,

The big winner of this Summit are the New Own Resources.

We have now a unanimous agreement on the need for New Own Resources, we have a clear timetable and we have them linked to repayment.

This is a huge and historic step forward for our Union – which both the Commission and the Parliament have long been pushing for.

Now we have no time to waste. The Commission will come forward with a package of New Own Resources. This will include a digital levy. We will also put forward a Carbon Border Adjustment Mechanism and an extension of the Emissions Trading System.

The two go hand in hand. We need to put a price on carbon in all key sectors of the economy at home and we need to avoid carbon leakage from elsewhere to make sure that we are sustainable and competitive.

Honourable Members,

Allow me to come to another issue, which is at the heart of what our Union is all about: our values.

These values – including the respect for the rule of law – they are the very foundation of our Union. These values, they are mandatory and they are priceless.

The European Council has stated a clear commitment to respecting the rule of law and protecting our financial interests. I not only strongly welcome this because it is of utmost importance with even more public money on the table than ever before with NextGenerationEU. But against this background the Commission will now follow-up.

We will look into our 2018 proposal for the rule of law. We will work together with the co-legislators to ensure that our 2018 proposal is taken forward and, where necessary, improved.

Protecting our budget and the respect for the rule of law go hand in hand.

We must also do everything we can to protect European money by stepping up the fight against fraud.

This means having the right controls in place, including a database that puts us in the position to know who the final beneficiaries of EU funding are. We will work closely with the Parliament to make this happen in the next weeks and months.

Honourable Members,

I started by saying that the European Council's agreement provided the light at the end of the tunnel.

But with light, also comes shadow. And in this case, the shadow is in the form of a very lean long-term EU budget.

There are regrettable and painful decisions on many programmes, which have crucial European added value.

I am thinking of Horizon, of our essential Health Programme, of InvestEU. Yes, all of these have been increased – but certainly not as much as we would have liked. And I believe the size of our external funds, in particular, is really concerning.

We should always remember that the value of EU programmes far outweighs their costs. Yes, we managed to avoid even further cuts – as some Member States wanted – but this MFF is a difficult pill to swallow. And I know this House feels the same way.

Here again, we should also take a step back and look at where we are coming from.

Before we even started, this budget had a hole of around EUR 70 billion because of Brexit; with one big Member State less contributing. The good news is that we have managed to plug almost all of that gap. That means that every country has to pay more.

When you put NextGenerationEU on top, we now have a massive and unprecedented financial firepower. EUR 1.8 trillion. That is almost 13% of our EU27 GNI. And MFF and NextGenerationEU together will increase the percentage of modern policies to over 50%.

Just look around the world to see who else can say the same as us.

Ladies and gentlemen,

We now have the opportunity to achieve something historic for Europe together. The pressure of the crisis has opened doors that for a very long time were locked shut. As sad as the occasion may be, it is also a new opportunity for Europe, for our community.

Ten years ago, during the financial and euro crisis, we saved the Union and the euro from breaking up, but at enormous internal cost.

Our economies have developed in opposite directions.

Young people had to leave their homelands in search of work and a future.

Countries increasingly blamed one another.

These rifts are still visible and tangible today.

This time we are doing a lot of things differently and, I think, some things better. EUR 750 billion, most of it as grants, are a magnificent signal of solidarity and willingness to reform.

But NextGenerationEU means much more than money.

In past crises, the Member States bypassed the European institutions. Partly out of distrust. Back then this meant 'zero say' and 'zero influence' for the European Parliament.

This time it is different. This time we are committed to a joint solution. This is also because the Commission has actively supported this and has convinced people with its smart proposal.

Thanks to NextGenerationEU, all Member States are in an equal position to help in the crisis. To help their people, their businesses – without squeezing the life out of their public budgets.

And because NextGenerationEU is based on the Community method, it will heal wounds and bring us together.

This time we are placing the responsibility for the fate of Europe - and our children's future prospects - on the broad shoulders of us all.

That is a burden that we bear together with a sense of responsibility and with pride!

Lang lebe Europa

Vive l'Europe

Long live Europe

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