



European Commission - Speech [Check Against Delivery]



Speech by President von der Leyen at the European Parliament Plenary on the new MFF, own resources and the Recovery Plan

Brussels, 13 May 2020

In the 70 years since the Schuman Declaration, Europe has been no stranger to crises and challenges.

In many ways, Europe's motto has always been not only 'united in diversity' but also 'united in adversity'.

And today, in this time of adversity, and in response to this crisis, Europe, more than ever, needs unity, determination and ambition.

And it is in this spirit that the Commission is working on an ambitious recovery plan for Europe - as you called for in your resolution today.

Honourable Members,

We all know why we need to act.

And over these last few weeks, you have often heard me talk about what Europe must do.

Today I want to talk to you about how it will do it.

I want to set out for you the structure and the main features of the ambitious recovery plan for Europe that we are working on.

But to do that, we first need to fully understand the anatomy of this very particular crisis.

We have had economic slowdowns before but we have never had an economic shutdown like in the last three months.

Our economies have been on hold.

The supply chains have been disrupted and demand has collapsed.

And the truth is that we will not just go back to business as usual soon.

Our economies and societies will open slowly, cautiously and gradually.

While schools stay shut, most parents will have to continue home-office.

And while social distancing measures rightly stay in place, businesses will have to rethink their workplace and way of working.

In other words:

We will recover but it will take time.

Second point:

The virus is the same in every Member State, but the capacity to respond and absorb the shock is very different.

For instance, countries and regions with economies that are built on client facing services – such as tourism or culture – have suffered way more.

We should also not forget that those who were hit first by the virus were often hit the hardest.

Because it was the painful experience and the full transparency of Italy and Spain in dealing with the pandemic - that helped others to brace themselves for the impact.

Third point:

Every Member State has supported workers and companies as best as possible – in large part thanks to the European Level being fast and forceful:

We triggered the general escape clause and we gave full flexibility on EU fund and state aid rules.

But: it's also true that each Member State has a different fiscal space - so the use of state aid is very different.

What we start to observe now is an unlevelling of the playing field in our Single Market.

Therefore, in response,

- we need to support those, that need it the most,
- we have to push for investment and reform,
- and we have to strengthen our economies by focusing on our common priorities:

like the European Green Deal, digitalization and Resilience.

And because it is a European recovery focusing on European priorities, it is essential that the European Parliament plays its full role.

For me, it goes without saying that this Parliament must provide the democratic accountability - and have its say on the entire recovery package - just as it does on the EU budget.

And that's where we start today.

Honourable Members,

This recovery package consists of two parts:

Firstly, there will be the European budget - the MFF that you know well.

Secondly - and on top of the budget - will be a recovery instrument funded through a larger headroom.

This headroom fixes the maximum amount of money, that the Commission can borrow on the capital markets with the guarantee of the Member States.

And even more important: The entirety of the recovery funds will be channelled through EU programmes.

This is why - and I repeat - the European Parliament will have the same say on how the recovery money is spent as it does on how the MFF is spent.

Now: Where does this recovery money go?

It will be spent across three pillars.

1.

The first pillar will focus on supporting Member States to recover, repair and come out stronger from the crisis.

The bulk of the money will be spent within this first pillar, on a new Recovery and Resilience tool - created to fund key public investment and reforms aligned with our European priorities:

the twin transition to a climate-neutral and a digitalised and resilient Europe.

This will be done within the European Semester.

It will be available to all Member States - whether in the euro area or not - and it will be focused on those parts of the Union that have been most affected and where resilience needs are the greatest.

Within the first pillar, the Commission will propose a cohesion top-up.

This will be above the usual cohesion envelope within the MFF.

This top-up will be allocated based on the severity of the economic and social impacts of the crisis.

2.

The second pillar is about kick-starting the economy and helping private investment to get moving again.

We already knew before the crisis that we also need major private investment in key sectors and technologies:

from 5G to Artificial Intelligence,

from clean hydrogen to offshore renewable energy.

This crisis has only made the need greater than it was before.

This is why we will strengthen InvestEU.

We will also create for the first time a new Strategic Investment Facility.

This will help invest in key value chains crucial for our future resilience and strategic autonomy, such as the pharmaceutical sector.

Europe must be able to produce critical medicines itself.

But for all this, we need healthy companies to invest in.

This is why we will also propose a new Solvency Instrument.

This will help match the recapitalisation needs of healthy companies who have been put at risk as a result of the lockdown – wherever they are located in Europe.

3.

And finally the third pillar is about learning the most immediate lessons of the crisis.

Over the last months, we have seen what is important, what has worked well and what needs to be improved.

We will strengthen programmes that have proven their value in the crisis, such as RescEU or Horizon Europe.

We will create a new, dedicated Health Programme.

And we will make sure that we can support our partners by strengthening our instruments for Neighbourhood, Development and International Cooperation and for pre-accession assistance.

Honourable Members,

In a nutshell this is how the recovery instrument will look.

- It will be focused on where there is the greatest need and the greatest potential.
- The recovery instrument is short-term and concentrated on the first years of recovery.
- It will include grants,
- and it will include the possibility to frontload part of the investment still this year, using proven financing models based on national guarantees.

The recovery instrument will complement the three important safety nets agreed by the Leaders in April,

- the SURE programme,
- and the finance available from the European Investment Bank,
- and the European Stability Mechanism.

And together with our next MFF, this will be the ambitious answer Europe needs.

An answer that will include new own resources that we need in our budget – just as the Commission proposed in 2018.

An answer that reflects our common values with a mechanism to protect the rule of law.

An answer that is built on necessity but is designed for the future.

This will strengthen solidarity between nations, between people, but also between generations.

Sooner or later our scientists and researchers will develop a vaccine against coronavirus.

For climate change, however, there is no vaccine.

This is why Europe must now invest in a clean future.

Our investment in rebuilding comes at a price: rising debt.

If it is necessary to increase our debt, which our children will then inherit, then at the very least, we must use that money to invest in their future, by addressing climate change, reducing the climate

impact and not adding to it.

As we come out of the crisis, we must not fall into old habits, we must not hold onto yesterday's economy as we rebuild.

On the contrary, we must boldly use this opportunity to build a modern, clean and healthy economy, which secures the livelihoods of the next generation.

The European Union alone cannot heal all the wounds left by the crisis.

But we will shoulder our share of the responsibility, by evenly distributing the burden between Member States right now – whilst ensuring that younger generations also reap the rewards of this incredible effort.

This task now lies before us, and I am convinced that a united Europe can rise to it.

Long live Europe!

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[Speech by President von der Leyen at the EP Plenary on the new MFF.pdf](#)

Related media

- [Participation of Ursula von der Leyen, President of the European Commission, at the Plenary session of the European Parliament](#)
- [EP Plenary session - Joint debate Conclusions of the extraordinary European Council meeting of 23 April 2020 and New MFF, own resources and Recovery plan](#)