



EUROPEAN COMMISSION

*Brussels, 13.7.2020  
C(2020) 4882 final*

*Dear President,*

*The Commission would like to thank the Senat for its Opinion on the Communication from the Commission 'Coordinated economic response to the COVID-19 Outbreak' {COM(2020) 112 final}.*

*The Commission welcomes the Senat's positive reception of the measures proposed and of the speed of response. The COVID-19 pandemic constitutes an unprecedented challenge for Europe and the world. In addition to the significant human dimension and social impact, the outbreak is a major economic shock to the EU, calling for a decisive and comprehensive coordinated economic response.*

*The economic and social crisis brought about by the COVID-19 pandemic is of unparalleled magnitude. Because of this crisis and the significant temporary drop in GDP, it is expected that both unemployment and debt levels (public and private) will go up significantly. The productive fabric in Member States, in particular small and medium-sized enterprises, will be severely affected. European companies might also suffer from disruptions in supply chains and international trade. There would be a need to renew the sources of growth with investments in green and digital technologies to raise Europe's productivity. The crisis has also shown the need to have more resilient infrastructures to deal with unforeseen events, for instance in the health sector, in the production of key equipment or in the transport sector.*

*On 27 May 2020 the Commission has put forward the proposal for a major recovery plan. To protect lives and livelihoods, repair the Single Market, as well as to build a lasting and prosperous recovery, the Commission is proposing to harness the full potential of the EU budget by a new recovery instrument, NextGenerationEU. The Commission intends to raise money by borrowing covered by temporarily lifting the own resources ceiling to 2.00% of EU Gross National Income, allowing the Union to use its strong credit rating to borrow €750 billion on the financial markets. This additional funding will be channelled through EU programmes and repaid over a long period of time from future EU budgets – not before 2028 and not after 2058. To help do this in a*

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*fair and shared way, the Commission refers to a number of new own resources as a possible avenue. NextGenerationEU, as well as targeted reinforcements to the long-term EU budget for 2021-2027, will bring the total financial means of the EU budget to €1.85 trillion.*

*An important part of the recovery plan is a new stand-alone EU4Health Programme, which will enable the creation of strategic stockpiles or reserves of crisis relevant products as well as the establishment of reserves of medical, healthcare and support staff, that can be mobilised in crisis situations. EU4Health will also support actions to address the gaps in crisis prevention, preparedness and response across the EU.*

*The Commission shares the view that digital services play an increasingly important role in today's society. This is why the Commission plans to address issues related to platform's accountability more broadly in the context of the upcoming Digital Services Act to ensure safe and responsible internet services, and a functioning internal market based on effective cooperation among national regulatory authorities.*

*The Commission also shares the views that funds should not be simply transferred from one objective to another. For instance, it proposed that the Just Transition Fund operates within the framework of cohesion policy. This means that Member States will implement their allocation either through separate multiannual programmes, or as separate priorities within one of their cohesion policy programmes.*

*This effort will need to be supported at EU level by an ambitious financial and structural reform agenda whereby the Treaty toolbox will be fully used. Existing economic governance procedures, such as the European Semester, will be mobilised to that end. The Commission will liaise and work closely with Member States.*

*The Commission remains fully committed to using all economic policy tools at its disposal to support Member States in protecting citizens residing in the EU and mitigating the pandemic's severely negative socio-economic consequences.*

*The Commission hopes that these clarifications address the issues raised by the Senat and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Valdis Dombrovskis  
Executive Vice-President*

*Maroš Šefčovič  
Vice-President*