



Europe's moment: Repair and prepare for the next generation

Brussels, 27 May 2020

Today, the European Commission has put forward its [proposal](#) for a major recovery plan. To ensure the recovery is sustainable, even, inclusive and fair for all Member States, the European Commission is proposing to create [a new recovery instrument, Next Generation EU](#), embedded within a powerful, modern and revamped long-term EU budget. The Commission has also unveiled its [adjusted Work Programme for 2020](#), which will prioritise the actions needed to propel Europe's recovery and resilience.

The coronavirus has shaken Europe and the world to its core, testing healthcare and welfare systems, our societies and economies and our way of living and working together. To protect lives and livelihoods, repair the Single Market, as well as to build a lasting and prosperous recovery, the European Commission is proposing to harness the full potential of the EU budget. Next Generation EU of €750 billion as well as targeted reinforcements to the long-term EU budget for 2021-2027 will bring the total financial firepower of the EU budget to €1.85 trillion.

European Commission President Ursula **von der Leyen** said: *"The recovery plan turns the immense challenge we face into an opportunity, not only by supporting the recovery but also by investing in our future: the European Green Deal and digitalization will boost jobs and growth, the resilience of our societies and the health of our environment. This is Europe's moment. Our willingness to act must live up to the challenges we are all facing. With Next Generation EU we are providing an ambitious answer."*

Commissioner Johannes **Hahn**, in charge of the EU budget, said: *"Our common budget is at the heart of Europe's recovery plan. The additional firepower of Next Generation EU and the reinforced multiannual financial framework will give us the power of solidarity to support Member States and the economy. Together, Europe will arise more competitive, resilient and sovereign."*

Vice-President Maroš **Šefčovič**, in charge of interinstitutional relations and foresight, said: *"The recovery will need strong policy direction. The adapted Work Programme, reflecting the new reality, shows that we will focus all our actions on overcoming the crisis, jumpstarting our economy and putting the European Union firmly on a resilient, sustainable and fair recovery path. It will help us rebound stronger."*

INVESTING FOR THE NEXT GENERATION

Complementing national efforts, the EU budget is uniquely placed to power a fair socio-economic recovery, repair and revitalise the Single Market, to guarantee a level playing field, and support the urgent investments, in particular in the green and digital transitions, which hold the key to Europe's future prosperity and resilience.

Next Generation EU will raise money by temporarily lifting the own resources ceiling to 2.00% of EU Gross National Income, allowing the Commission 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 throughout future EU budgets – not before 2028 and not after 2058. To help do this in a fair and shared way, the Commission proposes a number of [new own resources](#). In addition, in order to make funds available as soon as possible to respond to the most pressing needs, the Commission proposes to amend the current multiannual financial framework 2014-2020 to make an additional €11.5 billion in funding available already in 2020.

The money raised for Next Generation EU will be invested across **three pillars**:

1. Support to Member States with investments and reforms:

- A **new Recovery and Resilience Facility of €560 billion** will offer financial support for investments and reforms, including in relation to the green and digital transitions and the resilience of national economies, linking these to the EU priorities. This facility will be embedded in the European Semester. It will be equipped with a grant facility of up to €310 billion and will be able to make up to €250 billion available in loans. Support will be available to all Member States but concentrated on the most affected and where resilience needs are the greatest.

- A **€55 billion top-up of the current cohesion policy programmes** between now and 2022 under the new **REACT-EU initiative** to be allocated based on the severity of the socio-economic impacts of the crisis, including the level of youth unemployment and the relative prosperity of Member States.
- A proposal to strengthen the **Just Transition Fund up to €40 billion**, to assist Member States in accelerating the transition towards climate neutrality.
- A **€15 billion** reinforcement for the **European Agricultural Fund for Rural Development** to support rural areas in making the structural changes necessary in line with the European Green Deal and achieving the ambitious targets in line with the new biodiversity and Farm to Fork strategies.

2. Kick-starting the EU economy by incentivising private investments:

- A new **Solvency Support Instrument** will mobilise private resources to urgently support viable European companies in the sectors, regions and countries most affected. It can be operational from 2020 and will have a budget of €31 billion, aiming to unlock €300 billion in solvency support for companies from all economic sectors and prepare them for a cleaner, digital and resilient future.
- Upgrade **InvestEU**, Europe's flagship investment programme, to a level of €15.3 billion to mobilise private investment in projects across the Union.
- A new **Strategic Investment Facility** built into InvestEU– to generate investments of **up to €150 billion** in boosting the resilience of strategic sectors, notably those linked to the green and digital transition, and key value chains in the internal market, thanks to a contribution of €15 billion from Next Generation EU.

3. Addressing the lessons of the crisis:

- A new **Health Programme, EU4Health**, to strengthen health security and prepare for future health crises with a budget of **€9.4 billion**.
- A **€2 billion reinforcement** of **rescEU, the Union's Civil Protection Mechanism**, which will be expanded and strengthened to equip the Union to prepare for and respond to future crises.
- An amount of **EUR €94.4 billion for Horizon Europe**, which will be reinforced to fund vital research in health, resilience and the green and digital transitions.
- Supporting Europe's global partners through an additional €16.5 billion **for external action**, including humanitarian aid.
- Other EU programmes will be strengthened to align the future financial framework fully with recovery needs and strategic priorities. [Other instruments](#) will be reinforced to make the EU budget more flexible and responsive.

Reaching a **rapid political agreement** on Next Generation EU and the overall EU budget for 2021-2027 at the level of the **European Council by July** is necessary to give new dynamism to the recovery and equip the EU with a powerful tool to get the economy back on its feet and build for the future.

THE POLICY FUNDAMENTALS OF THE RECOVERY

Relaunching the economy does not mean going back to the status quo before the crisis, but bouncing forward. We must repair the short-term damage from the crisis in a way that also invests in our long-term future. All of the money raised through Next Generation EU will be channelled through EU programmes in the revamped long-term EU budget:

The European Green Deal as the EU's recovery strategy:

- A massive **renovation wave** of our buildings and infrastructure and a more **circular economy**, bringing local jobs;
- Rolling out **renewable energy** projects, especially wind, solar and kick-starting a **clean hydrogen economy** in Europe;
- **Cleaner transport and logistics**, including the installation of one million charging points for electric vehicles and a boost for rail travel and clean mobility in our cities and regions;
- Strengthening the **Just Transition Fund** to support re-skilling, helping businesses create new economic opportunities.

Strengthening the Single Market and adapting it to the digital age:

- **Investing** in more and better connectivity, especially in the rapid deployment of 5G networks;
- A **stronger industrial and technological presence** in strategic sectors, including artificial intelligence, cybersecurity, supercomputing and cloud;
- **Building a real data economy** as a motor for innovation and job creation;
- Increased **cyber resilience**.

A fair and inclusive recovery for all:

- The short-term **European Unemployment Reinsurance Scheme** (SURE) will provide €100 billion to support workers and businesses;
- A **Skills Agenda for Europe** and a **Digital Education Action Plan** will ensure digital skills for all EU citizens;
- **Fair minimum wages** and **binding pay transparency measures** will help vulnerable workers, particularly women;
- The European Commission is stepping up the fight against **tax evasion** and this will help Member States generate revenue.

BUILDING A MORE RESILIENT EU

Europe must enhance its **strategic autonomy** in a number of specific areas, including in strategic value chains and reinforced screening of foreign direct investment. To increase **crisis preparedness** and crisis management, the Commission will reinforce the European Medicines Agency and give a stronger role to the European Centre for Disease Control (ECDC) in coordinating medical responses in crises.

The recovery must unequivocally be based on **fundamental rights and full respect of the rule of law**. Any emergency measures must be limited in time and be strictly proportionate. The Commission's assessment will be included in the first report under the rule of law mechanism.

We can and must learn the lessons from this crisis, but this can only be done by involving our citizens, communities and cities. The **Conference on the Future of Europe** will play an important role in further strengthening Europe's democratic foundations in the post-coronavirus crisis world.

RESPONSIBLE GLOBAL LEADERSHIP

The EU is committed in leading international efforts towards a truly global recovery, notably through joint coordination with the United Nations, the G20 and G7, the International Monetary Fund, the World Bank or the International Labour Organisation. The EU will continue working particularly closely with its immediate neighbourhood in the East and South and its partners in Africa.

BACKGROUND

The [Joint Statement](#) of the Members of the European Council adopted on 26 March 2020 called on the European Commission to develop a coordinated exit strategy, a comprehensive recovery plan and unprecedented investment to allow a normal functioning of our societies and economies and get to sustainable growth, integrating inter alia the green transition and the digital transformation. On the basis of this mandate, on 15 April the Presidents of the Commission and the Council presented, as a first step, a Joint [European Roadmap towards lifting Covid-19 containment measures](#). The package presented today, based on a revamped proposal for the next long-term EU budget and the updated Commission Work Programme for 2020, addresses the second part of the mandate, namely the need for a comprehensive recovery plan.

The EU has already delivered a coordinated and powerful collective response to cushion the economic blow of the coronavirus crisis. We have relaxed our fiscal and state aid frameworks to give Member States room to act. We are using every available euro in the EU budget to support the healthcare sector, workers and businesses, and mobilising finance from the markets to help save jobs.

MORE INFORMATION

[Recovery Plan Communication: "Europe's moment: Repair and Prepare for the Next Generation"](#)

[EU Budget Communication: "The EU budget powering the recovery plan for Europe"](#)

[Website for the MFF proposals](#)

[Website for the adjusted Commission Work Programme 2020](#)

[Website on the Commission's coronavirus response](#)

[Q&A on the MFF and Next Generation EU](#)

Factsheet 1 [The EU budget powering the Recovery Plan for Europe](#)

Factsheet 2 [Key instruments supporting the Recovery Plan for Europe](#)

Factsheet 3 [Financing the Recovery Plan for Europe](#)

Factsheet 4 [Adjusted Commission Work Programme 2020](#)

[Speech of President von der Leyen in European Parliament](#)

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