



The EU must rise from the ashes of the #Coronacrisis

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Statement by

Ahead of today's vote in the European Parliament on a strong resolution to set the tone for the meeting of Heads of state and government next week and in light of the solid package of measures proposed on 9 April by the Eurogroup to support the European economy last week, I am confident **the EU has now more than ever the chance and the obligation to rise from its ashes like the Phoenix.**



There is now an agreement on a strong EU safety net of more than EUR 500 billion, which comes on top of the unprecedented decisions already made in March in a bid to rise to the biggest challenge which Europe, its Member States and citizens have faced since World War II.

The EU has **already established strong firewalls** to protect European workers, businesses and governments and to face the many urgencies of the pandemic crisis. It has changed its economic rules, activated the general escape clause of the Stability and growth Pact, extended flexibility on state aid rules, provided the largest injection of liquidity by the ECB (already EUR 870bn), activated many others actions on the existing EU budgets. Last but not least, the Eurogroup has proposed a further package, including SURE, to support national unemployment insurance scheme; a new lending scheme of the EIB and the possible use of the European Stability Mechanism's precautionary credit lines for exceptional healthcare expenditures of the euro area Member States without further conditionality, while also granting the use of the Balance of Payments Facility to support Member States that have not adopted the euro.

In **less than 4 weeks, the EU has done more than in the four years** following the 2008 crisis, with interventions already decided that are estimated over EUR 3 trillions.

The **very first priority is now to activate actions to prompt implementation** and ensure that this support reaches immediately those who need it: health sectors, citizens in need, workers, enterprises, SMEs and professionals, as we are still very far from there.

But let's be clear: Heads of state and government still have to take historic and crucial decisions: **Europe must not only be saved, it must be relaunched!**

The last, very prudent figures provided by the **IMF estimate the recession in 2020** with a loss of 7,5% of EU GDP. Minus 7% for Germany, minus 7,2% for France, minus 9,1% for Italy, the worst level since the Big Recession in 1929.

The **Recovery Fund to which the Eurogroup refers** to in its conclusions must lead to specific decisions rather than being just useless wishful thinking. Europeans need to see further tangible results and they need them fast.

I am well aware that on this specific issue there is still a lot of political and technical work to be done, including on the use of possible innovative financial instruments in line with the Treaties and the concept of EU solidarity, such as jointly guaranteed recovery bonds.

The last mile is often the most difficult one, but we need to walk it now in order to ensure a more resilient and sustainable Europe, fighting inequalities and protecting the most vulnerable, workers and enterprises, promoting biodiversity and the transition to a low-carbon and circular economy, protecting the single market and a new digital strategy.

But first and foremost, preparing the ground for a fully-fledged EU Health Union.

The EU can adequately respond only if it has the means to do so.

So, we urge the Commission to deliver **the new proposal for an increased MFF**. Such a revised MFF should target better Europe's recovery from the crisis and the achievement of the European Green Deal objectives, focusing on five main priorities: health, workers, enterprises, cohesion and external action.

It should also feature an enhanced system of **EU own resources** that could be used in a more flexible way, including for the gradual build-up of a real function for macroeconomic stabilization, to increase the resilience of the EU, and in particular the euro area, against future economic shocks.

I propose that a new MMF should increase the original proposal of at least 25%, mainly based on own resources mechanisms.

I also call for the immediate launch of a new strong EFSI program, which should leverage at least EUR 1000 billion in next two years for the needed investment in the EU strategic priorities.

In fine, **I expect members states to swiftly agree on the new MFF** , so as to start the spending programs without delay and so that this EU budget is used as a **guarantee to issue Recovery bonds, for the quantity that will be needed**, not involving the mutualisation of existing debt and oriented to future investment on agreed priorities.

This last crucial mile is more than needed now, as we have all clearly learnt a major lesson from this COVID19 pandemic: We must protect each other to protect ourselves.

We want to be able to say, on 23 April, that the EU has been up to the challenge **and has done #WhateverItTakes to save its people, relaunch its economy and show the face of a new Union, more resilient and cohesive. This will be our #rEUnaissance.**

[*La UE tiene que renacer de las cenizas de la "coronacrisis". Euractiv ES, 20/04/20*](#)

[*L'UE doit renaître des cendres de la crise du coronavirus, Le Soir, 21/04/20*](#)

[*A UE deve renascer das cinzas, Diário do Minho, 22/04/20*](#)

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