

06 May 2020 Brussels

Dear President Ursula von der Leyen, Dear President Charles Michel,

The COVID-19 outbreak has wreaked havoc in Europe and in the world, inflicting irreparable pain to many thousands of people. The rapidly unfolding magnitude of the crisis caught the EU and its Member States by surprise. Had all the lessons from the previous financial crisis been learned, the EU would have been prepared and equipped to respond to this new crisis in a rapid, collective and effective way. However, devoid of solid European instruments for joint action, the crisis exposed the fragility of our common economic and social governance capabilities and instruments in the face of such a challenge, at a time when strong public action, in line with our shared democratic values, is the only answer.

The next urgent step is to present an ambitious and comprehensive **European Recovery Plan** which must rapidly become operational as set up in the **S&D Economic, Social and Ecological Recovery Plan**.

At the centre of this plan, **the Recovery Fund** as a main financial instrument **should enter into force already this year** in order to avoid asymmetric responses from the Member States and scarifying the economic converge efforts. The **Fund should be financed with fresh money and by issuing common debt**. An **updated MFF** should complement on the medium and long term the recovery effort and **should provide an ambitious answer in term of size and condition** in order to keep the convergence objectives between EU countries and regions. Upward socio-economic convergence is the core objective of our Union and it is your duty to ensure it is pursued.

This European plan must at the same time:

- address all immediate economic and social challenges in order to provide a united protective shield against the destruction of productive capacity and against all immediate negative social consequences on people, in particular by sustaining incomes of workers, including the selfemployed and without undermining or delaying urgent ecological policies;
- deploy a solid economic, social and ecological recovery strategy grounded in strengthened economic, social and territorial cohesion and social upward convergence, in the fight against climate change and biodiversity loss, in a just transition, and in socially progressive digitalisation, in particular by guaranteeing no delay in the fight against climate change, nor in the comprehensive implementation of the European Green Deal and of the United Nations Sustainable Development Goals, through speedy legislative decision-making and public investment commensurate with the magnitude of the transformations that are required and are essential for our future;
- build Europe's future broad-based resilience by developing the necessary permanent European
  instruments and policies needed to respond to future crises, being of health, economic, social,
  climate or wider environmental origin, by rendering the European Union strong, cohesive and
  sustainable. This will also require profound changes in our prevailing economic and constitutional
  system, at the core of which solidarity, sustainability and the sustainable well-being for all must
  become defining principles, including article 3 TEU and article 9 TFEU;
- at all times, reaffirm and uphold that the Union is based on a set of values and on the principles of fairness and solidarity, and even in times of crisis situations which require exceptional measures, these values and principles must be guaranteed. This and the full respect of the rule of law are non-negotiable.

The S&D Group calls on you to support the inclusion of the following ten pathways into an urgently needed European-wide economic, social and ecological recovery plan. Pathways one to five focus on the more immediate responses to the crisis, and six to ten on building a truly sustainable and resilient common future.

- 1 A temporary European economic and social stimulus package, including an updated Multi-annual Financial Framework (MFF) proposal as part of a comprehensive European Recovery Plan including a European Fund of at least €1.5 trillion, must be commensurate with the large-scale damages inflicted on our companies and their workers, on our social welfare systems and on the well-being of the most vulnerable
- 2 The effective European-wide coordination of European and national stimulus policies must be grounded in the European Green Deal, the European Pillar of Social Rights and the United Nations Sustainable Development Goals, including in Europe's strategy to become climate-neutral and honour its obligations under the Paris Agreement, none of which should be delayed as the transformation into a de-carbonised, circular and environmentally sustainable European economy and society is essential for our future
- **3** Financial and fiscal support measures must be fair, transparent and fully in line with the Union's climate and environmental objectives and effective in achieving social and tax justice
- **4** The EU and Member States must fight the surge in unemployment, inequalities, regional divergences, poverty and social exclusion during the pandemic
- 5 The crisis response must be gender-sensitive and avoid new gender inequalities
- **6** The fiscal stimulus package and temporary recovery measures need to make way to permanent economic resilience that build on social progress and ecological sustainability after the crisis
- 7 The crisis must give way to a far-reaching European social recovery towards sustainable wellbeing, social progress and robust social welfare systems
- 8 The transformation into a de-carbonised, circular and environmentally sustainable sound European economy and society is essential for our future and must be the blueprint for the recovery
- 9 European digital and industrial strategies need to draw lessons from this crisis and contribute decisively to the recovery, to future resilience and to sustainability, notably thanks to increased support towards research and innovation, and by being fully in line with the European Green Deal, as well as through strengthened social dialogue and workplace democracy
- **10** Stimulating fair and sustainable trade and spearheading a global transformation towards a truly sustainable and crisis-free future for humankind.

Best wishes,

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