

**Ursula von der Leyen,
President of the European Commission**

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**Charles Michel
President of the European Council**

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8th December 2020

Dear President,

On 10 December EU leaders will meet in Brussels to discuss further coordination on COVID-19, climate change, security, and external relations. The meeting will also be crucial to finally agree on the new EU's Multiannual Financial Framework (MFF) and Next Generation EU (NGEU).

Europe urgently needs a growth enhancing recovery plan; its key instruments, the MFF and NGEU, are more important than ever and must become operational with no further delays. We are fully aware about the undergoing negotiating efforts. At the same time, we are deeply worried that stalls have not been overcome yet. Time is running out and the risk to enter in the system of provisional twelfths appears very high.

According to BusinessEurope's latest economic outlook, the EU economy will fall by 7.3% in 2020 because of the COVID-19 pandemic and associated lockdowns. The situation has deteriorated in recent weeks with a second wave of lockdowns and the spread of the COVID-19 virus much faster than expected. Furthermore, whilst official data shows only small increases in unemployment, the decrease in hours worked is estimated to be equivalent to 18

million full time jobs in the third quarter of 2020. The path back to pre-COVID levels of output is likely to be long, uneven and with a high degree of uncertainty.

Therefore, it is imperative that policymakers support our economies. European citizens and companies are waiting for the green light for the Recovery Plan. A swift response must be provided, especially to those who had to close temporarily their activities, to workers who are worried about their job, to people whose way of life is threatened. If we really want to succeed the fight against the pandemic, forces must be joined and deployed to move forward and start to rebuild our future.

BDI, CEOE, Confindustria, Lewiatan and Medef represent companies from the five countries which are among the main beneficiaries of the Recovery and Resilience Facility (RRF), with almost two third of the grants' component expected to support their reforms and investments.

Therefore, we urge European institutions and Member States to deliver simple and stable rules to ensure truly effective Plans for Recovery and Resilience, ensuring the full involvement of social partners in their elaboration and implementation.

The opportunity represented by the RRF is unprecedented and State aid rules will play a key role in this respect. According to the RRF Regulation, the implementation of national recovery plans will have to comply with State aid rules so as to avoid any distortion of competition. At the same time, it is key to provide a coherent and adapted EU State aid framework, allowing member States to support and finance the recovery at national level, bearing in mind the need to guarantee a level playing field within the internal market.

In order to ensure a timely implementation, for measures that will still require prior authorization from the European Commission it appears essential to foresee shorter and smoother notification processes. Furthermore, it appears crucial that reforms and investments are based on clear priorities and properly combined to meet the EU ambitions in terms of environmental protection and of digital innovation. This will only be possible by allowing new forms of public-private cooperation aiming not only at giving continuity to the implemented reforms, but also at generating productive investments. Support to large and integrated projects, covering research, innovation and first industrialization, will be key.

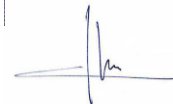
BDI, CEOE, Confindustria, Lewiatan, and Medef, together with our European organization BusinessEurope, are strongly committed and mobilized to make the European Recovery Plan a success for our companies, workers, and citizens.

Yours sincerely,

Dieter Kempf, President BDI



Antonio Garamendi, President of CEOE



Carlo Bonomi, President Confindustria



Maciej Witucki, President of Lewiatan



Geoffroy Roux de Bézieux, President Medef

