

EU virus recovery plan delayed by clashing visions

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Delivery of a much-anticipated economic recovery plan for Europe has been delayed until the end of the month as EU officials struggle to reconcile the clashing visions of member states.

On Thursday, European sources told AFP that the plan will be tabled no sooner than May 27 or 28, several weeks beyond the date of May 6 originally announced by Brussels.

EU leaders have tasked the European Commission with the unenviable task of drawing up a plan that must meet the opposing objectives set by Europe's frugal-minded north and by southern countries desperate for spending.

The coronavirus pandemic has thrust the European economy into its worst recession in [modern history](#), with little hope of a swift improvement as stay-at-home orders are only very partially lifted.

National governments have unleashed a massive wave of domestic stimulus spending, but the firepower is much greater in richer countries such as Germany than in heavily-indebted Italy, Spain or Greece.

European Commission President Ursula von der Leyen on Wednesday told MEPs she is working on an "ambitious" plan despite suspicions that member states will not give her the means to do so.

The commission's intention is to use the EU budget as a cushion to build

a stimulus of one trillion euros (\$1.1 trillion) that would help bridge the funding gaps and ensure a more equitable recovery.

Critics fear that the commission will use creative accounting to puff up the numbers by claiming that spending will be multiplied by as much as 45 times by private investment in the real economy.

"Even Jesus Christ was not capable of doing so when multiplying the breads and the fishes," Belgian MEP Guy Verhofstadt told a session of European Parliament on Wednesday.

"Will it be a real recovery fund for the European economy or a trickery fund?" the former prime minister demanded.

Von der Leyen did not give a specific figure in her address to MEPs, but said the plan would be linked to the EU's regular budget and would be funded in part by the commission borrowing on [financial markets](#).

This part of the plan will meet the firm objections of the Netherlands and other self-styled "frugals" who do not want Brussels to win expanded powers to borrow.

Once tabled, the commission's plan will require the approval of EU leaders, as well as that of the European Parliament.

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