

MORE EUROPEAN DEBT FOR EUROPE'S FUTURE?

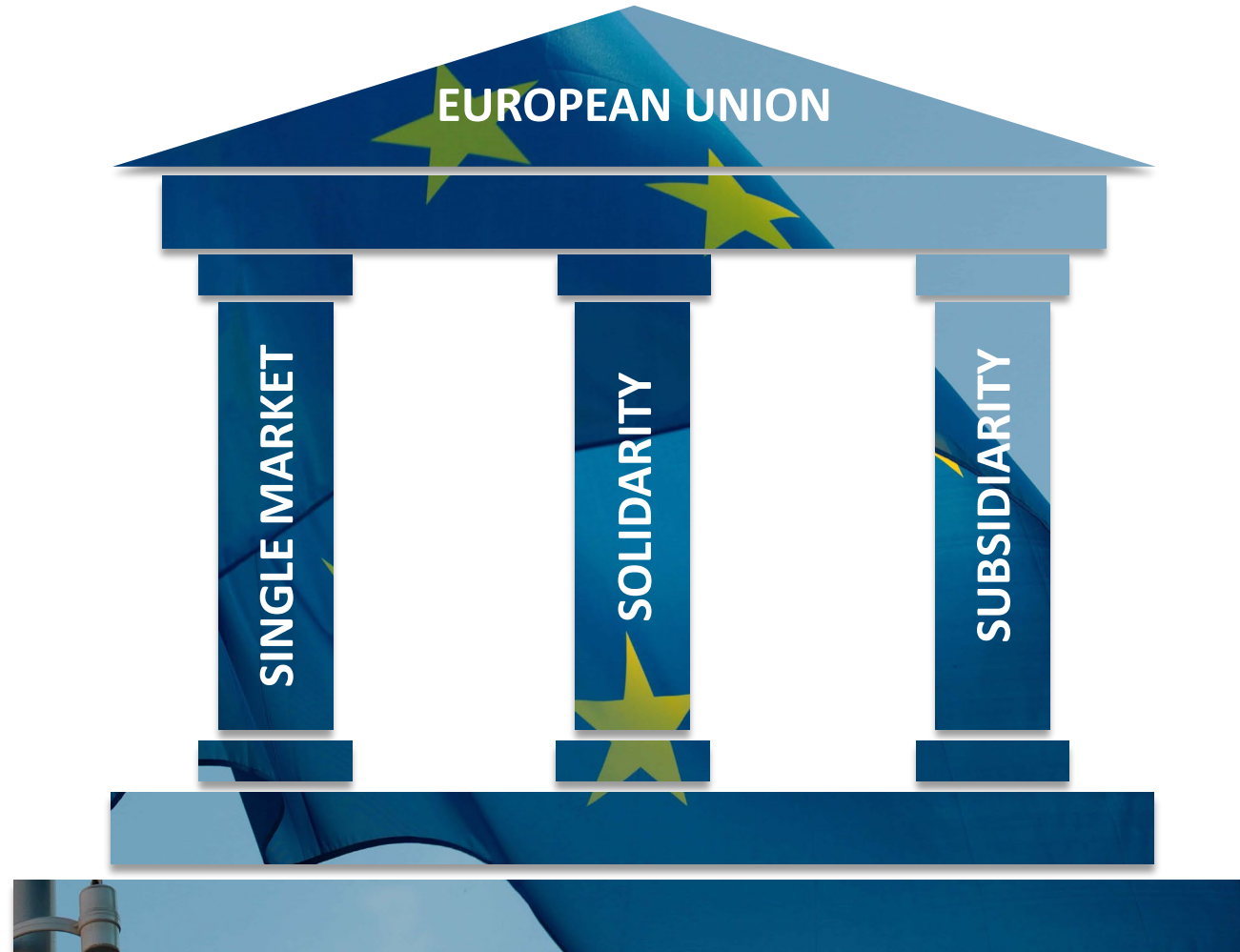
The European Crisis Response Framework - Challenges and Opportunities

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Mannheim, 11 July 2025



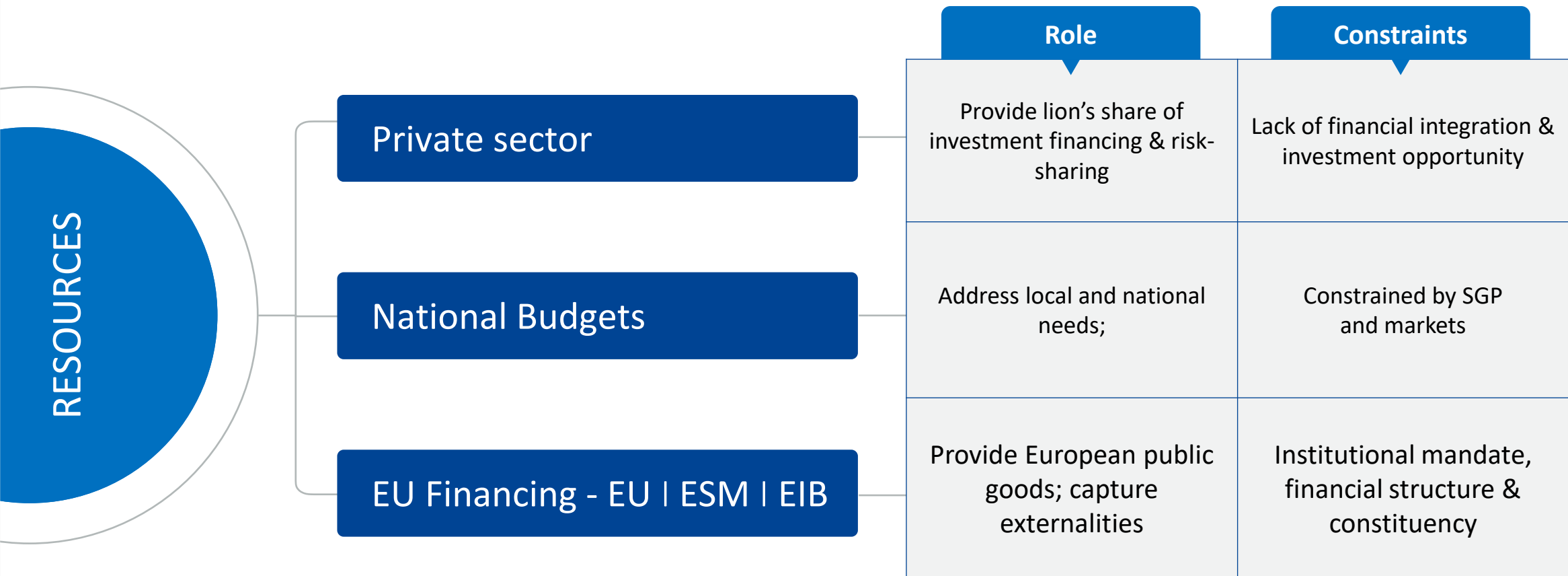
THREE PRINCIPLES OF EU ECONOMIC INTEGRATION



RESILIENCE - THE EU VALUE-ADDED

	EU	MEMBER STATES
 CLIMATE CHANGE	<ul style="list-style-type: none">• Single market (carbon pricing, financing)• Technological progress• Insurance and risk-sharing	<ul style="list-style-type: none">• Investment (mitigation & adaptation)• Dealing with stranded assets• Tax incentives for innovation (directed technological change)
 GEOECONOMIC FRAGMENTATION	<ul style="list-style-type: none">• Trade policy• Competition policy and anti-trust• Insurance and risk sharing	<ul style="list-style-type: none">• Competitiveness policies (tax incentives, regulation, business climate)• Subsidies/state-aid
 DEFENCE READINESS	<ul style="list-style-type: none">• Coordination and common procurement• Disruptive innovation• Insurance and risk sharing	<ul style="list-style-type: none">• Bolstering military capability• Linkages with civilian industry

RESOURCES AVAILABLE TO FINANCE INVESTMENT, RESILIENCE AND EUROPEAN PUBLIC GOODS



THE EU AND ESM TOOLKITS ARE GEARED TOWARDS THE RESPECTIVE POLICY OBJECTIVES

The EU instruments to support competitiveness, cohesion, enlargement and resilience

Budgetary Guarantees
InvestEU, EIB Foreign assistance

Third Countries
Ukraine Facility, MFA

Stabilisation
BoP, EFSM

Defence
SAFE

Covid era
SURE, RRF

The ESM's toolkit is designed to safeguard financial stability in the euro area.

ESM Loans

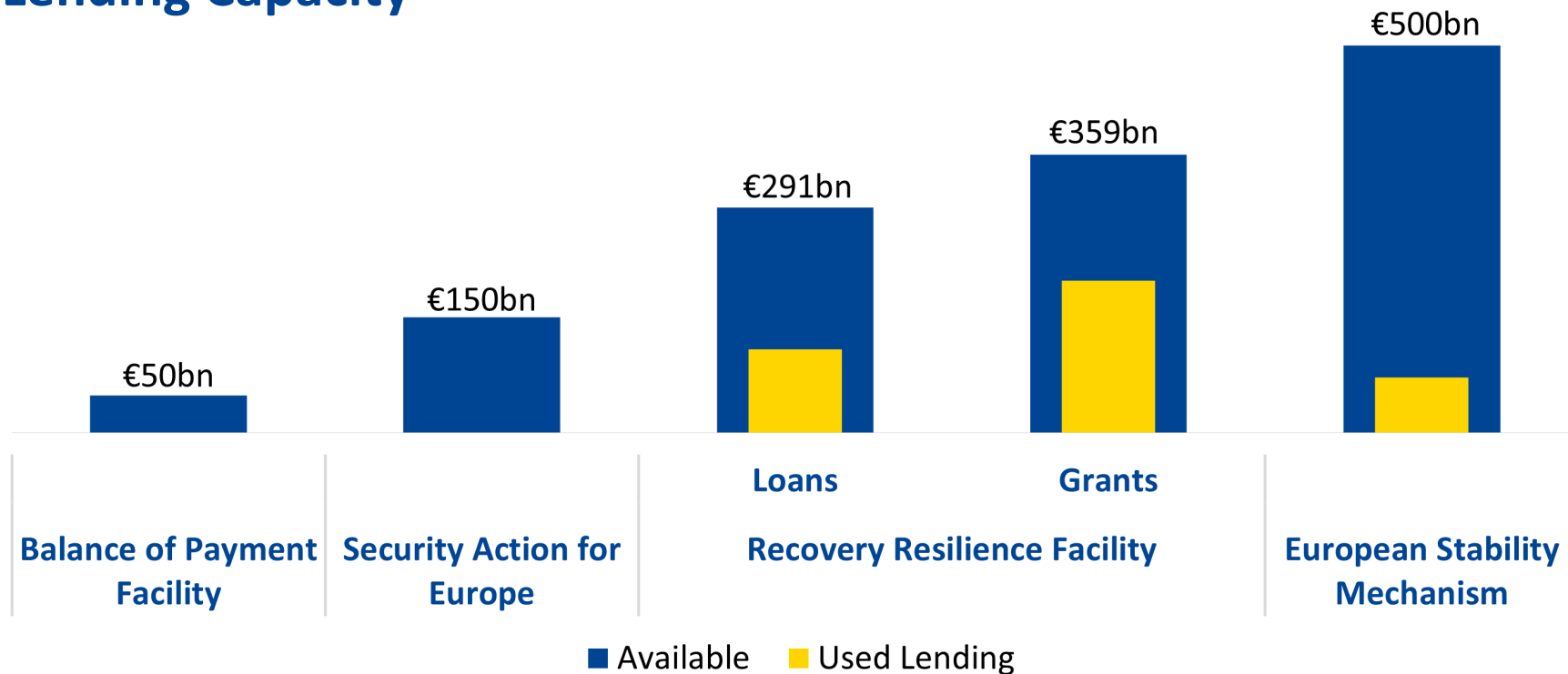
Precautionary instruments

Direct and Indirect Bank Recap.

Primary and Secondary Purchases

AVAILABLE FINANCING CAPACITY AT THE EU LEVEL

Lending Capacity



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