



Plenary sitting

B9-0230/2020

22.7.2020

MOTION FOR A RESOLUTION

to wind up the debate on the statements by the European Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on the conclusions of the extraordinary European Council meeting of 17-21 July 2020
(2020/2732(RSP))

Ryszard Antoni Legutko, Raffaele Fitto, Roberts Zile
on behalf of the ECR Group

B9-0230/2020

European Parliament resolution on the conclusions of the extraordinary European Council meeting of 17-21 July 2020 (2020/2732(RSP))

The European Parliament,

- having regard to Articles 225, 295, 310, 311, 312, 323 and 324 of the Treaty on the Functioning of the European Union (TFEU) and Articles 2, 3 and 15 of the Treaty of the European Union,
 - having regard to the Commission proposal of 2 May 2018 and the amended Commission proposal of 28 May 2020 for a Council regulation laying down the multiannual financial framework (MFF) for the years 2021 to 2027 (COM(2018)0322),
 - having regard to the Commission proposal of 2 May 2018 and the amended proposal of 28 May 2020 for a Council regulation on the system of Own Resources of the European Union (COM(2018)325),
 - having regard to the Commission communication of 27 May 2020 on ‘the EU budget powering the recovery plan for Europe’ (COM(2020)442) and the accompanying MFF-related, Own Resources-related and Recovery Plan-related regulations, decisions and legal texts,
 - having regard to the Commission’s European Summer Economic Forecast of 7 July 2020,
 - having regard to the conclusions of the European Council adopted on 21 July 2020,
 - having regard to Rule 132(2) of its Rules of Procedure,
1. Takes note of the outcome of the European Council meeting of 17-21 July and the conclusions adopted by the Heads of State and Government; further welcomes the Heads of State and Government’s acceptance of a Recovery Instrument to kick-start the economy, as proposed by the European Parliament in May; expresses support for the approach taken by the European Council, which did not go beyond the provisions of the Treaties; believes the overall package provides an investment impulse, including by drawing in private investment, which will assist Member States in combating the expected deep and long-lasting impact of the current crisis; stresses this recovery package will be instrumental in the ongoing efforts to transform our economies, through the pooling of strategic investments to support SMEs and European industry, and to increase job opportunities and skills to mitigate the impact of the crisis on workers, consumers and families; finds it important that it addresses social and economic inequalities and the needs of those hit hardest by the crisis;
 2. Expresses doubts about the inclusion of linkages to climate-related objectives, which may be over-ambitious and may hamper the ability of Member States to support employment and a strengthened national industrial base;

3. Commits to constructive and forward-looking negotiations with the Council and Commission based on their respective positions; is ready to have an accelerated negotiation to ensure a positive and constructive outcome in time to allow implementation from the beginning of 2021;
4. Notes that the COVID-19 crisis has very different effects on the economies in the Member States as the scope for reaction to the economic crisis is highly heterogeneous; emphasises that many Member States that are hit hardest by the health crisis will suffer most also in economic terms; expresses concern that Member States' asymmetric economic responses could lead to another financial and sovereign debt crisis, endanger the EU's convergence efforts, and create distortions to the single market;
5. Expresses concern that funds agreed under the recovery package will not be immediately available; believes it to be extremely regrettable if funds earmarked to respond to the COVID-19 pandemic are only available in Spring 2021, some twelve months after the depths of the crisis in many Member States;
6. Stresses that the programmes financed through the Next Generation EU should be consistent and fully aligned with the EU's commitments and priorities; notes that the coronavirus pandemic has radically altered public and private finances, which will require the Commission to comprehensively re-examine its political priorities, including through the introduction of a 'recovery test' and a suspension of all anticipated actions under the European Green Deal, in order to reduce administrative and regulatory burdens and enable all necessary measures to be taken in support of businesses and industry at European and national level;
7. Considers that the reforms and investments financed under the recovery could pursue competitiveness and future-orientated goals, such as research, digitalisation and support for SMEs but also promote entrepreneurship and decreasing energy dependence on third countries, with the main goal being to stimulate and encourage strong, competitive economies across all Member States, leading to employment and economic growth; underlines that Member States are best placed to identify those projects and investments most able to deliver added-value from use of recovery funds;
8. Believes Parliament as one arm of the budgetary authority and due to the importance of transparency, democracy and accountability must be fully involved in the establishment and implementation of the recovery instrument and the borrowing and lending operations, as these are fundamental budgetary operations; believes that funds should be disbursed in a swift manner to support the urgently needed recovery process and to ensure RRF programmes are synchronised with existing EU funds and objectives that present real European added-value; believes ex-post democratic scrutiny by the Parliament in the establishment and implementation of the recovery instrument and the borrowing and lending operations must be secured and complimented by the necessary transparency, information and accountability to citizens;
9. Calls on the Commission to avoid unrealistic expectations or projections of the rate of return on its projects and to implement improved performance metrics that better capture the results of projects, to allow for a better assessment of their value for money;
10. Endorses the use of the inter-governmental approach to resolve divisions efficiently and

effectively, demonstrating the value of finding a collective approach across all Member States grounded in respect for the nation states; stresses the final agreement must meet European citizens' needs;

11. Highlights the room for improvement, especially in the future-oriented programmes, in the MFF 2021-2027; stresses the need for real political negotiations and a qualitative agreement;
12. Expresses concern that the long-term viability of the MFF and its programmes should not be compromised via a short-term approach centred primarily on political compromise for financing recovery actions; considers that the allocation towards cohesion policy, which is a key element supporting the economic development of Member States, must not be structurally reduced;
13. Regrets that the cuts to Common Agricultural Policy (CAP) allocation do not recognise its strategic importance; highlights that the reduction of CAP budget goes against the European Parliament's call for the maintenance and stabilisation of the CAP budget in real terms; reiterates that cutting funding will limit the opportunities for farmers to contribute towards stability in agri-food markets in the EU and the achievement of other policy goals;
14. Stresses that the interinstitutional negotiations should include both the MFF and the NGE breakdowns per programme; highlights that some flagship programmes are now at risk of experiencing an immediate drop from 2020 to 2021; points out furthermore that as of 2024 the EU budget as a whole could plunge well below current levels contradicting and jeopardising the EU's commitments and priorities, notably the digital agenda, support for economic transition and a competitive single market, promotion of defence capabilities, employment support and the geopolitical agenda;
15. Stresses that all reimbursements related to the NGE (principal and interests) should be counted over and above the MFF ceilings and located in the 'Extraordinary and temporary increase of the own resources ceilings' as provided for in the Article 3(c) of the Council Decision on the system of Own resources of the European Union [COM(2020) 445 - 2018/0135 (CNS)];
16. Points out that the limited flexibility agreed during the previous MFF negotiations was extensively used by the Commission and the Council in order to face the unprecedented and/or unforeseen crises over the financial period; insists, therefore, that the flexibility should be enhanced at least at the level proposed by the European Commission and calculated over and above the MFF ceilings in both commitments and payments;
17. Recalls the agreement found on own resources by the Heads of State and Government; notes that the Commission has proposed new candidates for own resources in its MFF proposal; urges the Commission not to call for tax-raising powers for the EU or pursue further own resources linked to environmental objectives; stresses the gross national income 'GNI'-based contributions provides a reliable, and stable and fair source of revenue for the EU budget, and benefits from very strong support from a large majority of Member States, believes that own resources should be presented in a clear and uniform way in national budgets in order to ensure the transparency and comparability of the EU's revenue;

18. Declares, therefore, its readiness to accelerate the adoption of the MFF 2021-2027 programmes and the recovery plan in order to ensure a smooth start as of 1 January 2021, provided the aforementioned improvements can be sufficiently agreed upon;
19. Instructs its President to forward this resolution to the Council, the European Council and the Commission.