

European Parliament

2019-2024



*Plenary sitting*

X[X-XXXX/2020]<sup>(1)</sup>

[22.07.2020]

## MOTION FOR A RESOLUTION

to wind up the **debate on MORE for Europe** (a Multiannual financial framework, an **O**wn resources system and a **RE**covery plan **for Europe**)

pursuant to Rule 132(2) of the Rules of Procedure<sup>(2)</sup>

**on on MORE for Europe** (a Multiannual financial framework, an **O**wn resources system and a **RE**covery plan **for Europe**)

[Internal footer]

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*United in diversity*

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- <sup>(1)</sup> The relevant departments will insert the numbering after the motion for a resolution has been tabled.  
<sup>(3)</sup> Rule 132(2) applies by analogy to statements by the Court of Auditors (Rule 134) and the European Central Bank (Rule 135).

**B[9-0110/2019]**

**European Parliament resolution on MORE for Europe (a Multiannual financial framework, an Own resources system and a REcovery plan for Europe)**

*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 its interim report of 14 November 2018 on the Multiannual Financial Framework 2021-2027 – Parliament’s position with a view to an agreement<sup>1</sup>,
- having regard to its resolution of 10 October 2019 on the MFF 2021-2027 and own resources: time to meet citizens’ expectations<sup>2</sup>,
- having regard to its resolution of 15 May 2020 on New MFF, own resources and Recovery plan<sup>3</sup>,
- having regard to the conclusions of the European Council adopted on [18] July 2020,
- having regard to Rule 132(2) of its Rules of Procedure,

A whereas the COVID 19 outbreak has claimed thousands of lives in Europe and the World and has led to an unprecedented crisis with disastrous consequences for people, families, workers and businesses which requires an unprecedented answer;

B whereas Europe’s recovery should be based on the European Green Deal, the Digital Agenda, and New Industrial Strategy and entrepreneurship, so that our economies emerge from this crisis stronger, resilient, sustainable and competitive.

C whereas the EU and its Member States have committed to the implementation of the UN 2030 Agenda for Sustainable Development, the European Pillar of Social Rights and the Paris Agreement;

D whereas the Single Market is at risk of irreparable distortions ;

E Whereas the European Council adopted its position extremely late, after three inconclusive summits, thus delaying the MFF negotiations;

F Whereas the EU’s long-term priorities embodied in the MFF must not be sacrificed on the altar of the recovery;

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<sup>1</sup> Texts adopted, P8\_TA(2018)0449.

<sup>2</sup> Texts adopted, P9\_TA(2019)0032.

<sup>3</sup> Texts adopted, P9\_TA(2020)0124.

G whereas the Parliament, should be fully involved in the implementation of the recovery instrument, both for the borrowing and lending operations ;

H whereas the Parliament is the guarantor of a transparent and democratic recovery and must be involved in both the ex-post and ex-ante scrutiny of the Recovery Plan;

1. Mourns the victims of the Corona virus and pays tribute to all workers who have been fighting the pandemic; Believes that under such unprecedented and exceptional circumstances, Europeans have a collective duty of solidarity;

2. Welcomes the Heads of State or Government's acceptance of a Recovery Fund to kick start the economy as proposed by the European Parliament in May; deplores however, the reduction of the grant component in the final agreement; Recalls that legal basis chosen to set up the Recovery Instrument does not give a formal role to elected members of the European Parliament;

3. Does not accept, however, the political agreement on the Multiannual Financial Framework 2021-2027 as it stands; is ready to engage immediately in constructive negotiations with the Council to improve the proposal; recalls the Parliament's mandate from November 2018; stresses that the European Parliament must consent to the MFF regulation agreement under article 312 of the Treaty

4. Deplores that all too often exclusive adherence to national interests and positions jeopardizes the attainment of common solutions in the general interest; warns that the cuts applied to MFF goes against the EU's objectives; Believes for instance the proposed cuts on health and research programmes are dangerous in the context of a global pandemic; that the proposed cuts on education, the digital transformation and innovation do away with the future of the next generation of Europeans; that the proposed cuts on programmes supporting the transition of carbon-dependant regions runs against the EU's green deal agenda; that the proposed cuts asylum and migration and Border management imperil the EU's position in an increasingly volatile and uncertain world;

5. Believes that Heads of states and Government have failed to tackle the repayment plan; recalls that there are only three options to do so: further cuts to programmes with EU-added value until 2058, an increase of member states' contributions or the creation of new own resources; believes that only the creation of new own resources can help repaying the EU's debt, salvage the EU budget while alleviating the fiscal pressure on national treasuries and European citizens; recalls that the creation of new own resources is the only repayment method acceptable for the European Parliament,

6. Regrets that the European Council rejected the proposed "bridge solution", which was meant to respond to acute financing needs for investments in 2020, precisely to provide immediate crisis response to the citizens and beneficiaries, and provide the necessary funding between the first response measures and the longer term recovery"

7. Recalls that the European Council's conclusions on the MFF represent no more than a political agreement between Heads of State and Government; stresses that Parliament will not rubber-stamp a *fait accompli* and is prepared to withhold its consent on the MFF until a satisfactory agreement is reached in the upcoming negotiations between Parliament and Council; recalls that all 40 EU programmes financed by the MFF will have to be agreed by the European parliament as co-legislator;

8. Instructs the relevant Parliamentary teams to negotiate the relevant legislative files according to the respective EP's mandate for trilogues; instructs its MFF/OR negotiating team to negotiate on the basis of the following mandate;

### ***European Parliament's priorities in view of an overall agreement***

### ***Rule of law***

9. Strongly regrets that the European Council significantly weakened the efforts of the Commission and the European Parliament to uphold rule of law, fundamental right and democracy in the framework of the MFF and the NGEU; reconfirms its demand to complete the co-legislator's work on the Commission's proposed mechanism to protect the EU budget where there is a systemic threat to the values enshrined in Article 2 of the Treaty on European Union (TEU), and where the financial interests of the Union is at stake; stresses that, to be effective, this mechanism should be activated by “reversed qualified majority”; underlines that this mechanism shall not affect the obligation of government entities or of Member States to make payments to final beneficiaries or recipients; underlines that the Rule of Law regulation [XXX/XXX] will be adopted under codecision;

### ***Own resources***

10. Reiterates once again that Parliament will not give its consent to the MFF without an agreement on the reform of the EU's own resources system, including the introduction of a basket of new own resources by the end of the MFF 2021-2027 which should aim at covering at least the costs related to the Next Generation EU (principal and interests) to ensure the credibility and sustainability of the NGEU repayment plan; underlines that this basket should also aim at reducing the share of the GNI-based contributions ;

11. Stresses therefore that this reform should include a basket of new own resources which shall enter the Union budget as of 1 January 2021; stresses that the Plastics contribution only represents a first partial step in fulfilling this Parliament's expectation; intends to negotiate a legally binding calendar to be agreed by the budgetary authority for the subsequent introduction of additional new own resources in the course of the first half of the next MFF, such as the Emissions Trading System (and its revenues raised by any future enlargement); a Carbon Border Adjustment Mechanism, the digital tax, the Financial Transaction Tax and the Common Consolidated Corporate Tax Base ; calls for the use of the MFF mid-term revision in order to add, if necessary, additional own resources in the second half of the MFF 2021-2027 to ensure that the objective will be reached by the end of the MFF 2021-2027;

12. Reiterates its firm position in favour of ending all rebates and corrective mechanisms altogether, as soon as possible; deplores that the European Council has not only retained but even increased the rebates benefiting some Member States; reaffirms its position concerning the costs of collection of the custom duties which should be set at 10%, its original rate;

### ***EU flagship programmes***

13. Deplores the cuts made to future-oriented programmes in both the MFF 2021-2027 and the Next Generation EU; considers that it will undermine the foundations of a sustainable and resilient recovery; affirms that a MFF 2021-2027 below the EC proposal is neither viable not acceptable; stresses that the latest Commission's proposal set the funding of several of those programmes at a very low level on the understanding that they would be topped-up by the NGEU; regrets that the European Council removed that logic and cancelled most of the top-ups; reaffirms its strong position to defend the adequate funding of the next MFF and its long-term investments and policies, which should not be jeopardised because of the need for the immediate financing of the recovery instrument; intends to negotiate targeted reinforcements of flagship EU programmes in the next MFF

14. Stresses that the interinstitutional negotiations should include the MFF figures per heading and per programme; highlights that flagships 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

will be below the current EU budget 2020 levels jeopardizing the EU's commitments and priorities, notably the Green Deal and the Digital Agenda; insists that targeted increases on top of the figures proposed by the European Council, must single out programmes in the field of Climate, digital, health, youth, culture, infrastructure, research, border management and solidarity (such as Horizon Europe, InvestEU, Erasmus +, Child guarantee, Just Transition Fund, Digital Europe, CEF, LIFE +, EU4health, Integrated Border Management Fund, Creative Europe, Right and Values, European Defence Fund, NDICI and humanitarian aid), as well as relevant EU agencies and the EPPO;

### ***Horizontal issues***

15. Stresses that in order to align the political priorities and the spending programmes, it is of the utmost importance to include horizontal principles in both the MFF and NGEU regulation, but also in all relevant legislation, the UN SDGs and pursue competitive and future oriented EU's long term objectives fair and socially and inclusive transition, a legally binding climate-related spending target of 30% and a biodiversity-related spending target at 10%; stresses therefore that a transparent, comprehensive and meaningful tracking methodology should be adopted swiftly, and adapted if necessary during the MFF mid-term revision, for both the climate-related spending and the biodiversity-related spending; points out the need to enshrine, in both the MFF and NGEU regulations, the "do no harm principle"; highlights, furthermore, the need to gradually phase out fossil fuel subsidies; calls on the Commission to consider referring to the Taxonomy regulation [XXX/XXX] for investments;

16. supports strongly the introduction of a gender mainstreaming and gender impact obligations (gender budgeting) in both the MFF regulation and the NGEU regulation; considers, therefore, that a transparent, comprehensive and meaningful tracking methodology should be adopted swiftly and adapted, if necessary, during the MFF mid-term revision;

17. Demands a legally binding MFF midterm revision to enter into force at the latest by the end of 2024; this revision must concern the ceilings for the period 2025-2027, the redistribution of the non-committed and decommitted appropriations of the NGEU, the introduction of additional OR and implementation of the Climate & biodiversity targets

18. Stresses that the MFF flexibility provisions agreed during the previous MFF negotiations proved to be imperative for the budgetary authorities to face the unprecedented and unforeseen crises during the current period; considers, therefore, that the MFF flexibility proposed by the Commission represents the bare minimum for the next MFF, and intends to negotiate on further improvements; opposes, in this context, any attempt to downsize and merge the MFF special instruments, and states that those should be and calculated over and above the MFF ceilings in both commitments and payments; furthermore insists on setting ceilings at a level that leaves sufficient unallocated margins above the programmes envelopes;

### ***Recovery and resilience Facility and democratic principle***

19. Acknowledges the creation of the Recovery Instrument which represents an historic move for the EU; takes note of the agreement on the overall volume of the Next Generation EU; deplores the massive cuts in the grants components which upset the balance between grants and loans and will undermine the recovery efforts, especially the cancellation of innovative programmes like the Solvency Support Instrument; believes that these cuts will decrease the firepower of the instrument and its transformative effect for the economy; regrets that once again some Member States negotiated in the spirit of operating budgetary balances while completely disregarding the overall benefits from the membership of the Single Market and the EU as a whole; Challenges the Council to justify the massive reduction to ReactEU, Horizon Europe, EU4health or NDICI in the context of the pandemic

and to InvestEU and the Just Transition Fund in the context of the Green Deal;

20. Calls to ensure that RRF reforms and investments are creating synergies with existing EU funds and objectives and present real European added-value and long-term objectives;

21. Opposes the position of the European Council on the governance of the RRF which moves away from the community method and endorses an intergovernmental approach; believes that such an approach will only complicate the functioning of the RRF and weakens its legitimacy; recalls that the Parliament is the only directly elected EU institution; calls for an on ex-ante democratic and parliamentary scrutiny and therefore demands to be involved through delegated acts, as well as in the ex-post verification that money under Recovery and Resolution Facility to make sure it is well-spent, in the interest of European citizens and ensure its genuine European added-value and support economic and social resilience; Demands full transparency of all final beneficiaries; is of the firm opinion that commissioners responsible for the RRF should be fully accountable to the EP;

22. Recalls that the Parliament is the budgetary authority together with the Council; demands, in this regard, to be fully involved, in line with the community method, in the Recovery Instrument; demands that the Commission presents a targeted revision of the Financial Regulation and the InterInstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management in order to enshrine the role of the budgetary authority in authorising the external assigned revenues in the annual budgetary procedure;

23. Stresses that a clear and realistic repayment plan is key to the overall success of the NGEU and represents a credibility test for the EU as a whole; believes that the repayment of the debt incurred must not be made at the expense of future European budgets and generations of Europeans, and should start as soon as possible; calls for Recovery and Resilience Facility spending to be clearly advertised as such, and subject to appropriate transparency requirements including publication requirements for a list of final beneficiaries;

24. Stresses that all costs related to the NGEU (principal and interests), should be budgeted over and above the MFF ceilings;

#### ***A safety net for beneficiaries of EU programs or “contingency plan”***

25. points to its readiness to negotiate since November 2018 and stresses that it will not be forced into accepting a bad agreement; Declares its intention to engage in meaningful negotiations with the Council on all above-mentioned elements in view of granting its consent to the 2021-2027 MFF Regulation;

26. Believes, however, that any political agreement on the next MFF would need to be reached by the end of October at the latest, in order not to jeopardise the smooth start of the new programmes as of 1st January 2021; recalls that, should a new MFF not be adopted on time, Article 312(4) of the TFEU provides for the temporary extension of the ceiling and other provisions of the last year of the present framework; points out that the MFF contingency plan is both at legal and political levels fully compatible with the Recovery Plan and the adoption of the new MFF programmes;

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27. Instructs its President to forward this resolution to the Council, the European Council and the Commission.

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<sup>(1)</sup> This citation should only be inserted if the motion for a resolution emanates from a committee.