

## Press release – EP negotiators: recovery plan crucial, but do not trade long-term for short-term



The six members of the MFF/OR negotiating team commented on the Commission's proposals for a revised Multiannual Financial Framework (MFF) and recovery plan presented on Wednesday in an extraordinary plenary session:

"We will carefully assess the package of proposals presented by the European Commission today. We positively acknowledge the reinforcement of the current MFF in 2020 and the significant borrowing which are much needed.

Today's Commission proposals are an important step. We therefore regret that the Commission has reduced its original MFF proposal, thus moving further away from Parliament and closer to the European Council President's February 2020 proposal. Once the recovery phase is behind us, this could leave us with a weakened budget that prevents the EU from investing in its common future – such as climate and digital transformation –, leaving it more vulnerable to further crises.

Parliament shares the view that the recovery plan will be channelled through the MFF and must be embedded in a reformed system of own resources. But it would be self-defeating to trade the long-term against the short-term: the recovery strategy should not be financed at the expense of the core MFF and its wider objectives, which the COVID-19 outbreak has made more relevant than ever. Furthermore, any new budgetary tool must ensure Parliament's participation and the community method to boost democratic oversight, transparency and accountability.

We express, however, our concerns about future debt and the way it will be repaid in the future.

Parliament agrees with the general approach that the long-term repayment of the borrowing should be re-financed by new, genuine own resources in order to use European, rather than ever more national means to finance our needs and thus to avoid a new dividing line between net contributors and net recipients. We regret, however, that the Commission is only putting forward a menu of possible revenue sources rather than submitting concrete legislative initiatives for a basket of new own resources as requested by Parliament, which would also have immediate economic and policy benefits as of 2021. Parliament recalls its consent is conditional on the introduction of a basket of new own resources without further delay.

Parliament must give its consent to any new MFF, and stands ready to do so if the final agreement will include its main priorities and will genuinely provide for Parliament's participation. We call on the Council to work constructively with Parliament on improving the Commission's proposals.

Failing an agreement before the end of the year, 2020 ceilings would be automatically extended. That is why Parliament has formally requested that the Commission present an MFF contingency plan in order to eliminate any risk of discontinuity or disorderly extension. A contingency plan based on 2020 ceilings could indeed provide a better basis for the European Union's recovery than a late and inadequate MFF.

Since November 2018, we have repeatedly expressed our readiness to engage with the Council on the MFF and the Own Resources, to no avail. Given how urgent this is, it is high time to start these negotiations without further delay."

### **The EP's negotiating team for the next long-term EU budget and Own Resources reform**

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