

Press release – Taxpayers deserve an effective protection of the EU budget and of the rule of law



In Monday's plenary debate, most MEPs criticised the [Council's position on the "rule of law conditionality mechanism"](#) adopted last week, saying it did not create an instrument that could ever be triggered in practice. With continued violations of rule of law and corruption in some EU countries, the EU owed it to its citizens and taxpayers to effectively protect the EU budget. Some even called on the EU to stop financing breaches of fundamental rights in the member states.

The German presidency of the Council and the European Commission were blamed by some MEPs for creating an ideology that would allow individual member states to be attacked.

Michael Roth of the Council presidency highlighted the fact that the Council and the Parliament were finally in agreement on the need for such an instrument, with all of the EU countries on board with the current proposal, and now had the unique opportunity to create its content together. He asked for Parliament's help in moving the legislators' positions closer to each other, and expressed his hope that Parliament would support the instrument's rapid adoption.

Watch the opening statements by Council Presidency and European Commission on EbS+

<https://audiovisual.ec.europa.eu/en/video/I-195701>

Re-watch the first round of EP political group speakers on Ebs+

<https://audiovisual.ec.europa.eu/en/video/I-196053>

Re-watch the full debate

<https://www.europarl.europa.eu/plenary/en/debate-details.html?date=20201005&etailBy=date>

Negotiations on the next long-term EU budget and Own Resources continue

Also on Monday, the members of the Parliament's [negotiating team on the Multiannual Financial Framework \(MFF\) and Own Resources \(OR\)](#) sat together with the Council of the EU for a sixth round of talks on the next EU long-term budget and new sources of EU revenue. They did not reach a breakthrough, neither on the issue of top-ups for [15 EU flagship programmes](#), nor on other issues.

After the talks, the negotiating team held a press conference. You can find a summary of it by way of a list of their quotes, with the video embedded, all [on this webpage](#).

[See their latest press release](#) (28/09/2020).

Remarks by Paschal Donohoe following the Eurogroup video conference of 5 October 2020



Good afternoon. Today's Eurogroup was in the form of a videoconference again. I obviously look forward to the day we can all meet again in person, but we did have a good discussoin.

Before I go through the main points of the meeting, let me touch upon the ongoing ECB nomination process.

Today, the Eurogroup supported the candidacy of Mr Frank Elderson, currently Executive Board Member of the Dutch national bank, to become a member of the ECB Executive Board, succeeding Mr Yves Mersch. The Council is now expected to formally recommend Mr Elderson's candidacy to the European Council.

Today was also the first Eurogroup of our new Belgian colleague, Vincent Van Peteghem. Vincent took us through the priorities of the new Belgium government which was sworn in last weekend.

Our first item was the Eurogroup's Work Programme for the coming nine months. I tabled a comprehensive programme to help ensure the Eurogroup will continue to lead the euro area economy towards an inclusive recovery that benefits all citizens and works on the strengthening of the Economic and Monetary Union. This programme reflects extensive consultation over recent weeks, and I am pleased to say it is now officially endorsed.

If you review this programme, which is now published, you will see that, during my mandate as President of the Eurogroup, we will focus mainly on three priorities – the economy, financial issues and the euro itself. So a word on each.

First, the Eurogroup will focus on economic policies to support the recovery and long-term growth and, ultimately, to support the living standards of citizens at a time of such challenge. We will engage in regular policy dialogue to coordinate our action at national level. This will be based on the ongoing insight of the euro that we can achieve more collectively through the coordination of our efforts that we can achieve on our own.

Our aim will be to support recovery and to support growth and avoid the risk that the crisis of Covid-19 leads to a widening of imbalances and divergences.

Second, we will work intensively to strengthen Banking Union and the Capital Markets Union. We will work to ensure the financial sector can better support economic recovery, and better share and manage the financial risks which of course are always with us.

And third, we will focus on the common currency, our common currency of the euro – which is used every day by citizens but which is also now one of the two predominant world currencies.

Digitalisation is creating major challenges but at the same time opens up many opportunities in the financial sector and for our common currency. We got to work on this programme straight away, with a discussion on our first priority – supporting the economic recovery. Our starting point is that, as you know, Europe has agreed to an unprecedented reform and investment drive, backed by a 750 billion euro recovery and resilience facility.

The recovery is a matter for all EU Member States but, for the euro area, there is still more at stake, as our economies are closely intertwined. The Eurogroup is playing a very important coordinating role here, to identify priorities and to ensure the positive impact on the euro area's growth and jobs is greater than the sum of individual Member States' actions.

Today, I sensed a shared view around the table not only on the challenges but also on the actions needed. As we progressively move away from emergency action to recovery, we agreed that our policies should foster economic

transformation and unlock new growth potential in the euro area. At the same time, our policy should address the risks of economic divergence and of imbalances.

This has several dimensions.

On budgetary policy, we reconfirmed the view that we should continue to support economies. Ministers shared their intentions to gradually orientate their budgets towards recovery measures, while keeping flexibility to swiftly react to unforeseen developments.

Common financial integration projects, such as banking union and the capital markets union, are even more relevant now than they were before the pandemic.

We also need to prepare for the future, to meet the challenges of the green and digital transitions.

This informed discussion and preparation for the euro area recommendations that we will agree on later this year that will codify these priorities and, ultimately, they will be reflected in our Recovery and Resilience Plans for next year.

Just quickly and in conclusions:

– We took stock of exchange rate developments – this is part of our regular monitoring ahead of international meetings. Our strong and united response to the pandemic has driven market sentiment and it has contributed to the appreciation of the euro.

– We also took stock of the 7th Enhanced Surveillance Report for Greece and we commended the Greek authorities and our colleague Christos Staikouras for the progress made. The pandemic has hit the Greek economy hard, but thanks to the hard and difficult work over recent years, the country can count upon well-managed public finances and the confidence that has been instilled by a track record of delivering economic reforms.

[Visit the meeting page](#)

[Press release – Council President Charles Michel to discuss recent and next EU summit with MEPs](#)



On Tuesday morning, European Council President Charles Michel will present the outcome of the summit, including on other Foreign Affairs topics such as relations with China, the situation in Belarus and the poisoning of Alexei Navalny.

EU-UK relations

MEPs will also look ahead to the next regular European Council meeting, to be held 15-16 October, with a focus on the EU's Climate Law and the state of the negotiations on the future EU-UK partnership including preparing for all scenarios after 1 January 2021.

You can follow the debate live on Parliament's [webstreaming](#) and on [EbS+](#) .

Council and Commission statements

Debate: Tuesday, 6 October

[Press release – October I plenary session opens in Brussels](#)



The EU's civil protection mechanism has helped to look for victims and for those lost in the floods in Italy and southern France, said the president.

Outgoing MEPs

Petra DE SUTTER (Greens/EFA, Belgium) as of 1 October.

Changes to the agenda

Three legislative files, pursuant to Rule 163, will be voted on during the first voting session, starting at 19:15

- *Application of railway safety and interoperability rules within the Channel tunnel,*
- *Decision empowering France to conclude an international agreement concerning the Channel tunnel, and*
- *Organic production: date of application and certain other dates*

With no proposal to reject the Council's positions and no amendments tabled, two proposed acts were deemed adopted:

- *Markets in financial instruments, and*
- *European Crowdfunding Service Providers (ECSP) for Business.*

Wednesday

The title of the Statement by the Vice-President of the Commission/High Representative on "The resumption of hostilities between Armenia and Azerbaijan in relation to Nagorno-Karabakh enclave" has been changed to "The resumption of hostilities between Armenia and Azerbaijan in relation to the Nagorno-Karabakh conflict".

The information concerning the distribution of votes is available on the website of the European Parliament under the section "Priority information".

The changes to the agenda with timing of votes and including requests for

urgent procedure on legislative files related to COVID-19 can be found [here](#).

Requests by committees to start negotiations with Council and Commission

Decisions by committees to enter into inter-institutional negotiations (Rule 71) are published [on the plenary website](#).

If no request for a vote in Parliament on the decision to enter into negotiations is made by Tuesday 12.00 midnight, the committees may start negotiations.

Information on the extraordinary remote participation procedure is available [here](#).

Eurogroup Work programme until June 2021



The COVID-19 pandemic has caused an unprecedented economic shock, with high human costs and deep social repercussions. In response, the European Union and its member states have taken equally unprecedented steps to mitigate the impact of the crisis.

The Eurogroup was at the forefront of the early economic policy response and it will continue to play a key role in assisting citizens, businesses and member states to recover from the impacts of the pandemic. The Eurogroup in inclusive format agreed EUR 540bn worth of safety nets to assist member states address the immediate challenges faced. These safety nets include the instrument for temporary support to mitigate unemployment risks in an emergency (SURE), the EIB pan-European Guarantee Fund, and the ESM Pandemic Crisis Support.

In July, the European Council agreed on a recovery instrument of historical significance to deal with the aftermath of the crisis. Next Generation EU will allow the Union to provide loans and grants to the member states to support their recovery efforts. The Eurogroup looks forward to working in an open and collaborative way with all parties to ensure the euro area emerges strongly from the crisis.

A strong European economy, with the euro at its heart, is essential for the recovery and the return to a sustainable growth path. Through its informal high-level discussions the Eurogroup will be a forum for inclusive deliberations, promoting common understanding on challenges and appropriate policies within the euro area and in cooperation with non-euro area member states in matters of common interest. It will work closely with the EU Institutions and the Council Presidency to achieve its policy priorities.

The Eurogroup's priority policy areas

The Eurogroup will continue to lead the euro area economy towards an inclusive recovery that benefits all citizens by focusing its work on a number of priority policy areas:

Economic and fiscal policies to support recovery and long-term growth.

Implementing effective, sustainable policies in a concerted manner to stabilize the economy and support the recovery requires intense policy dialogue and co-ordination. Next Generation EU, including its emphasis on green and digital agendas, will be a key element in supporting member states' recovery. The Eurogroup will play an important role in fostering consistency and coherence between national policies, the use of the new EU financing tools, and euro area priorities. Co-ordination within the Eurogroup will help to prioritise policy actions that facilitate economic recovery and promote the structural reforms and investments that increase the resilience and foster convergence within the Economic and Monetary Union and the EU as a whole. The Eurogroup will seek to align reform with the goals of a green transition and a digital future.

The annual assessment of Draft Budgetary Plans will be the time to provide guidance on the overall fiscal stance of the euro area and the fiscal plans of the member states. At the same time, the review of the economic governance framework launched by the Commission will provide an opportunity to take a critical but constructive perspective on the effectiveness of this process and fiscal surveillance in general. Similarly, the euro area Recommendations will provide the conduit for the Eurogroup to formulate its policy views and to support a coherent policy mix across a broad range of economic and fiscal policies, which is all the more relevant in the context of the recovery. The Eurogroup will continue to discuss policies that address longer-term challenges, such as higher and targeted investment in the green and digital transitions, and structural reforms to support growth potential, with a view to fostering mutual learning and spreading best practices.

Finally, on a regular basis the Eurogroup will monitor macroeconomic and fiscal developments and hold discussions on reforms.

Strengthening the Banking Union. The recent crisis has shown that a well-functioning financial sector and a resilient Banking Union are key to financing the recovery for households and businesses. The Eurogroup has agreed that completing the Banking Union is a priority and it has recognized the necessity of taking Banking Union forward in a holistic manner and on a consensual basis. In the coming months, Finance Ministers will focus on finalizing the agreement on the ESM Treaty as well as on the early introduction of the common backstop to the SRF on the basis of the forthcoming risk reduction assessment by the EU institutions. Ministers will also make progress with the issue of liquidity in resolution and as a matter of priority will look into some specific aspects of the crisis management framework.

The objectives of Capital Markets Union to support the financing of the

economy and to strengthen market-based adjustment mechanisms in the euro area merit consideration at Eurogroup given its increasing role in financing euro area economic activity without prejudice of the discussions taking place in the Ecofin Council. Capital Markets Union can complement Banking Union, as well as providing an alternative to bank-intermediated finance. It is also important for the deepening of the Economic and Monetary Union and deep and liquid capital markets are a prerequisite for an enhanced role of the euro.

In light of the impact of the current crisis, achieving these objectives is critical and will be fully supported by the Eurogroup.

The euro as a digital currency. New technologies in banking and payments are giving rise to new services and business models by established financial institutions and new market entrants. Analysis of digital currencies and of a potential digital euro is being undertaken by international institutions, governments and the private sector. Recent initiatives from the European Central Bank and the Commission highlight the scale of the challenge for the EU to find the appropriate balance between innovation and consumer protection, consolidating economic autonomy in the field of payments and a possible central bank digital currency. Although the detailed regulatory aspects of these changes are outside Eurogroup's purview, the Eurogroup will carefully examine the ongoing impact these changes will have on euro area economies in order to safeguard financial stability and monetary sovereignty, while remaining at the forefront of innovation and supporting growth.

International role of the euro. The euro is an important international currency. The Eurogroup will continue to monitor carefully the potential opportunities and advantages but also the risks of an enhanced international role of the euro. Equally important, the Eurogroup will monitor the plans and actions related to the introduction of the euro in the member states with a derogation. It will offer its support and guidance on the appropriate policies leading to successful participation in the ERM II and the eventual introduction of the euro.

Particular importance will be given to **strengthening the connection with European citizens and increasing their sense of ownership of the euro and of the Economic and Monetary Union.** The Eurogroup is committed to transparency and strengthening the legitimacy of the euro and Economic and Monetary Union. In its deliberations it will pay attention to and clearly communicate the impact to citizens. As part of the work programme, the Eurogroup will take stock of the implementation of the transparency regime.

[Visit the meeting page](#)