

## Press release – EU recovery and long-term budget: Leaders must do better



[“We have read the draft European Council conclusions \(‘negotiating box’\) presented by President Charles Michel on Friday](#) very carefully.

We appreciate that President Michel has taken on board the size and balance of the Recovery instrument as proposed by the Commission, and we urge the European Council members not to water it down. The grants are an essential part of this instrument and a decrease would be unacceptable.

However, we regret that this comes at the cost of some fundamental elements of the package.

Firstly, we cannot accept the very low level proposed for the Multiannual Financial Framework (MFF) ceilings for 2021-2027. While the European Commission already downsized its original proposal by 35 billion Euros last May, this proposal is slashing it even further by cutting another 25 billion Euros from key programmes such as Erasmus+, Digital Europe, Horizon Europe and migration. This is unacceptable and another step away from Parliament’s position. The European Union’s long-term objectives have not disappeared with the COVID-19 outbreak and should not be sacrificed for the sake of short-term recovery. Nevertheless, we welcome the new climate target of 30% and its application to both the MFF and the Recovery Instrument.

Secondly, we deplore backward-looking proposals on the revenue side. An outdated mechanism of financial corrections (“rebates”) would immediately be re-established for five countries, and a further type of correction would be built into the new plastic-based contribution. Yet when it comes to setting up a modern basket of new own resources, any decision is postponed to later, without any commitment on the part of the Member States. We should not leave the next generations with the choice of refinancing common debt either through additional national contributions or through reduced investment

capacities. We need a clear and binding calendar for the introduction of new own resources, with a basket of new ones as of 1 January 2021. It remains one of the European Parliament's conditions for its consent on the expenditure side.

Finally, several provisions proposed by President Michel could jeopardise the effective implementation of the programmes (notably those under the Recovery instrument) as well as Parliament's democratic oversight. The Parliament will ensure that its power of control is respected when negotiating with the other institutions over this issue, as proposed in President Michel's negotiating box. Furthermore, the way in which the rule of law mechanism is enforced is key. We ask for a proper negotiation, respecting the rules laid down in the treaties. Our values cannot be an adjustment variable for a deal.

We recall that Parliament will provide its consent to the new MFF Regulation only if it is satisfied with the overall MFF, own resources and recovery package. Furthermore, many of the elements contained in the draft European Council conclusions are governed by legislative acts that are to be co-decided on an equal footing between Parliament and the Council.

We therefore urge the European Council to be ambitious and substantially improve the proposal, by taking on board Parliament's views and finally opening the way for long overdue inter-institutional negotiations. We need sufficient financial means to overcome challenges that are clearly identified by the European Union and its Member States. We must meet the citizens' expectations."

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

[Johan Van Overtveldt](#) (ECR, BE), Chair of the Committee on Budgets

[Jan Olbrycht](#) (EPP, PL), MFF co-rapporteur

[Margarida Marques](#) (S&D, PT), MFF co-rapporteur

[José Manuel Fernandes](#) (EPP, PT), Own Resources co-rapporteur

[Valérie Hayer](#) (RENEW, FR), Own Resources co-rapporteur

[Rasmus Andresen](#) (Greens/EFA, DE)

*Follow them on Twitter:*

[https://twitter.com/EP\\_Budgets/lists/mff-negotiation-team](https://twitter.com/EP_Budgets/lists/mff-negotiation-team)

---

## **[Article – Plenary highlights: German](#)**

# presidency, EU recovery, mobility, public health



## Reform of road transport sector

Parliament voted in favour of [updated rules on road haulage](#) to [improve drivers' working conditions](#) and stop distortion of competition in road transport on Wednesday.

## Money laundering

MEPs debated the European Commission's action plan to tackle money laundering and terrorist financing, which includes measures to be taken over the next 12 months. In a resolution adopted on Friday, MEPs highlighted areas that still need work, such as identifying high-risk countries and letterbox or shell companies in the EU.

## Youth employment initiative

MEPs backed an increase in the budget for the Youth Employment Initiative (YEI) to €145 million for 2020. The YEI funds apprenticeships, traineeships, job placements and education for young people in regions with high youth

unemployment.

## **Guidelines for funding energy projects and energy storage**

On Friday Parliament called for a revision of [funding guidelines for cross-border, trans-European energy infrastructure projects](#) to bring them into line with EU climate policy. They also called for a boost to energy storage solutions to help increase the share of renewables in the EU energy mix.

## **Support Syrian refugees in neighbouring countries**

On Friday Parliament approved €585 million to [support Syrian refugees in neighbouring countries](#).

## **Venezuela**

The [humanitarian situation in Venezuela](#) has prompted millions of people to leave the country in recent years, causing a migration crisis in the region. On Thursday, Parliament called for the urgent restoration of democracy and the rule of law.

## **Employment guidelines**

On Friday, MEPs adopted a resolution calling for radical measures to prevent massive job losses and a deep recession. Parliament urged the Commission to revise EU Employment Guidelines in light of the consequences of the pandemic and to be better prepared to respond to future crises.

## **Chemical strategy for sustainability**

MEPs called on the Commission to step up action against dangerous chemical and pushed for further regulatory measures to adequately protect vulnerable groups such as children, pregnant and breastfeeding women and the elderly.

---

**[Press release – Parliament calls on EU Commission to step up action against](#)**

# dangerous chemicals



Following [Wednesday's debate](#), where MEPs requested the Commission to close loopholes in EU chemicals legislation to help [REACH](#) to function more efficiently, Parliament adopted a resolution by 653 votes to 17 and 11 abstentions. It calls on the Commission to come up with a new chemicals strategy that effectively ensures that health and the environment are well protected, by minimising exposure to hazardous chemicals. Further regulatory measures are needed to protect vulnerable groups in particular such as children, pregnant and breastfeeding women and the elderly.

According to MEPs, the new chemicals strategy must fully reflect the precautionary principle and the polluter-pays principle, and ensure more transparent approval processes. It should also stimulate competition for developing safe and sustainable alternatives, e.g. by committing to securing funds for research.

MEPs believe in the 'one substance – one hazard assessment' principle: substances should be reviewed by only one EU agency to speed up the process and make chemicals regulation more consistent.

## **Reduce exposure to endocrine disruptors and pesticides**

The resolution calls for a comprehensive EU framework on [endocrine disruptors](#) (EDCs) to effectively minimise the extent to which humans and the environment are exposed to EDCs. Specific provisions on toys, food contact materials and cosmetics should be inserted into legislation to treat EDCs in the same way as substances that are carcinogenic, mutagenic or toxic for reproduction.

It also calls on the Commission to heed the various [calls of the European Parliament](#) to improve the EU's authorisation procedure for pesticides and accelerate the transition towards low-risk pesticides.

## **Encourage green innovation and end toxic recycling**

MEPs call on the Commission to develop EU criteria for Sustainable Chemicals to provide incentives for sustainable chemistry, materials and technologies, especially non-chemical alternatives that are safe. Harmful chemicals also end up in recycled products and should therefore be covered by the same rules as new products.

The EU must also minimise and progressively replace animal testing by using more new approach methodologies and intelligent testing strategies.

### **Next steps**

The resolution is Parliament's input to a new [EU chemicals strategy for sustainability](#) to be presented by the Commission this autumn. A draft [roadmap](#) was open for feedback until 20 June. It is part of the [European Green Deal](#).

---

## **[Press release – MEPs set out new measures to stop money laundering](#)**



In a resolution adopted on Friday with 534 votes to 25 and 122 abstentions, MEPs welcomed the [Commission's Action Plan](#) on how to fight effectively against money laundering and terrorist financing and highlighted the most pressing changes needed to achieve an efficient EU framework.

### **Better implementation and cooperation**

MEPs deplore the incorrect and patchy implementation of the Anti-money laundering/Combating Terrorism Financing (AML/CTF) rules in member states and call for a zero-tolerance approach and infringement procedures against member states who lag behind in transposing the rules into national law. Judicial and law enforcement authorities in member states must cooperate more

and share information with each other, they say.

Parliament welcomes the fact that its proposal to create a coordination and support mechanism for Financial Intelligence Units (FIU) was taken on board. It would give member states access to the relevant information and support work on cross-border cases

### **Effective use of data**

MEPs want the Commission to address the persisting lack of quality data to identify ultimate beneficial owners by setting up interconnected and high-quality registers in the EU with high standards of data protection. They also want to widen the scope of supervised entities to include new and disruptive market sectors such as crypto-assets. Finally, MEPs reiterate that non-cooperative jurisdictions and high-risk third countries must be immediately blacklisted, while creating clear benchmarks and cooperating with those undertaking reforms.

### **Harmonise dissuasive sanctions at EU level**

MEPs call for the mutual recognition of freezing and confiscation orders to be enforced. This would make criminal assets easier to recover across borders and enable swift cross-border cooperation. In addition, they want the European Central Bank to be able to withdraw the licences of any banks operating in the euro area that breach AML/CTF obligations, independently of the assessment of national AML authorities.

In the resolution, MEPs recall crimes of corruption and money laundering such as Luanda Leaks, as well as other reported scandals, such as Cum Ex, the Panama Papers, Lux Leaks and the Paradise Papers, which have repeatedly undermined citizens' trust in fair and transparent financial and tax systems.

Finally, they highlight the valuable contribution of international investigative journalism and whistle-blowers in exposing possible crimes. They call on authorities to identify those who instigated the assassination of Daphne Caruana Galizia, and to investigate those against whom serious allegations of money laundering are still pending.

---

**[Press release – Parliament wants a European Health Union](#)**



In a resolution adopted on Friday by 526 votes to 105 and 50 abstentions, the European Parliament sets out the principles of the EU's future public health strategy post-COVID-19.

MEPs underline the need to draw the right lessons from the COVID-19 crisis and engage in far stronger cooperation in the area of health to create a European Health Union. This should include common minimum standards for quality healthcare, based on urgently needed stress tests of member states' healthcare systems to identify weaknesses and verify that they are prepared for a possible resurgence of COVID-19.

The resolution calls for a European Health Response Mechanism to be created rapidly to respond to all types of health crises through better coordination and management of the strategic reserve of medicines and medical equipment. The upcoming EU pharmaceutical strategy must contain measures to make essential medicines more immediately available in Europe. Diversified supply chains need to be put in place to guarantee affordable access at all times.

The new dedicated 9.4 billion EUR [EU4Health Programme](#) is strongly welcomed and MEPs believe that long-term investments and commitments are needed. They request the establishment of a dedicated EU fund to improve hospital infrastructure and health services. On top of that, the European health agencies [ECDC](#) and [EMA](#), as well as joint health research, must be strengthened.

With the COVID-19 crisis ongoing, MEPs also reiterate their call for affordable access for all people worldwide to future COVID-19 vaccines and



treatments as soon as they are available. Joint EU procurement must be used more systematically to avoid competition between member states when public health is at stake.

## **Background**

Primary responsibility for public health and, in particular, healthcare systems lies with the member states. However, the EU has an important role to play in improving public health, preventing and managing diseases, mitigating sources of danger to human health, and harmonising health strategies between member states.

Parliament has consistently promoted the establishment of a coherent EU public health policy and in a [resolution on the post-2020 EU budget revision and economic recovery plan](#), MEPs insisted that a new stand-alone European health programme should be created.

The Commission has since presented a proposal for 9.4 billion EUR [EU4Health](#) programme for 2021-2027 as part of the [Next Generation EU recovery plan](#).

To watch the plenary debate, click [here](#) (08.07.2020).