

# Speech by Vice-President Šefčovič on behalf of President Juncker at the Plenary Session of the European Parliament on the Conclusions of the European Council meeting of 20 and 21 June 2019

Thank you very much,

Mr President of the European Parliament,

Mr President of the European Council,

Honourable Members,

I have the pleasure and the honour in addressing, on behalf of President Juncker, this House in its first plenary session of the new legislature.

We have talked about jobs and names over the past few days – and the past few nights.

It can often take time to find the right balance and the right compromise. And it is worth taking the time to get the right people for the right jobs when the future of our Union for the next five years is at stake.

This is why I am delighted that this House chose President Sassoli for what might be the most difficult job of all.

So caro Presidente, congratulazioni and congratulation of course to all Members of the European Parliament on their successful election. I would like to congratulate you not only on my behalf, but also on behalf on the President of the Commission and all my colleagues in the College. And I would like to underline that we are all looking forward to working closely with all of you.

The same applies to all the candidates nominated by the European Council – including the candidate for President of the European Commission Ms Ursula von der Leyen, who has all the credentials to lead our institution.

This House of course will have the final say and we will have the opportunity to debate this in the weeks ahead.

But the June European Council was not just about people and personalities – it was about our strategic priorities for the next five years. And I am pleased to say that there is a lot of common ground between our two different institutions.

I would like to emphasise two points. First, the social dimension. Now more than ever we must ensure equal opportunities for all at a time when Europeans are confronted with and they have to go through multiple transitions – economic, ecological, digital – which all have profound repercussions on our daily lives.

My second point, which I believe is equally vital, is the question of climate change.

It was my proudest moment serving as a Commissioner when I was honoured and I could sign on behalf of the European Union probably the most important agreement in recent historic time: the Paris Agreement in New York.

This House knows very well that it was one of the key priorities for the Commission and how hard we have been all working together with you over the last five years to deliver on our pledges and commitments. We can today say that ours is the first big economy in the world to have committed itself under the Paris Agreement to reducing greenhouse gas emissions by at least 40 % by 2030, compared with 1990 levels. You know very well that with all your hard work we set the framework for making sure that we would over-achieve this target by 2030. And we have to say that is the most ambitious contribution of any major economy. We have now established a legislative framework to deliver on all our commitments.

For the European Union to continue to lead, all Member States must now match their deeds to their words when it comes to achieving our commonly-agreed 2030 targets.

But climate change will not stop in 2030 – whether we meet our targets or not.

Therefore, Europe must very clearly commit to a path of climate neutrality by 2050, as proposed by the Commission last year and supported by the Parliament and recognised by a vast majority of the European Council. 'A Clean Planet for all' is in all of our interests, not least in our economic interest, including that of the very small minority of Member States that may still need to be brought fully into our common ambition.

This is why we have committed to investing at least 25 % of our next long-term budget in climate action and therefore we have launched a sustainable finance strategy as part of the Capital Markets Union, in order to channel the flows of private capital more effectively into more sustainable investments.

However, none of these objectives can be achieved by the European Union unless we have the right money to hand at the right time.

That is why I insist that we must still reach an agreement on the future Multiannual Financial Framework this autumn. I trust that you, Honourable Members, will also make it your priority to finalise the negotiations jointly with the Finnish Council Presidency.

Voters in the European elections called for an effective Europe. Europe can

only act effectively if a budget is concluded on time. This requires a willingness to compromise on all sides.

When I think of Europe's tens of thousands of researchers, 100,000 cohesion projects and one million Erasmus students, every single day counts if the programmes are to begin promptly on 1 January 2021. In this case it really applies: time is money.

Since we are talking about money: at the European Council, we could see how our hard work in recent years on deepening the Economic and Monetary Union has paid off. Today we have a stable currency with an average inflation rate of 1.8 % in the euro area.

European banks are now much more secure than before the financial crisis: Their equity buffer is now close to 20 % of their total expenditure, compared to only 10 % before the financial crisis. As a result of the Banking Union, the share of non-performing loans has also been more than halved since 2014 and is approaching pre-crisis levels.

But we must not rest on our laurels – there is still work to be done in order to complete the Economic and Monetary Union.

The budgetary instrument for convergence and competitiveness is an important step towards a budget line for the euro. We need to secure its financing and governance.

Further efforts are also needed on the Treaty on the European Stability Mechanism. To make it effective and credible, it needs to be integrated into Union law over time.

We also need a common deposit guarantee to complete our banking union. We cannot afford to wait until the next crisis before we finally make headway on this crucial issue.

There is still much to do. I am therefore happy that with this plenary session your work is only just beginning.

Honourable Members,

Allow me to finish with a few words on some of the other issues we discussed during the last European Council.

Firstly, I want to reaffirm our full support for Cyprus in light of Turkey's continued illegal drilling activities.

President Juncker was the first one to say already back in Sibiu that "on this issue I am Cypriot". I was delighted that at the European Council every Member State spoke in unison and said: "We are all Cypriots".

The Commission is now backing up that spirit of solidarity: we are working on concrete actions we can take. I can assure the people of Cyprus that we will do what we have to do. Europe stands in full solidarity with Cyprus.

I cannot mention Cyprus without once again offering my sincere condolences to the family of former President Demetris Christofias – a man who shared his love for Europe and Cyprus in the same way as we do.

On the Western Balkans, I want to repeat the Commission's commitment to a firm and credible EU perspective for the region.

I believe it is the best way to bring stability to the region, overcome bilateral issues and keep up the reform momentum that is serving the people of the region so well.

The Member States put back a decision on accession negotiations for North Macedonia and Albania until October. The Commission is ready to keep explaining its recommendation to open talks on the basis of our objective assessment of the progress achieved.

In the meantime, it is essential that the two countries – and the region as a whole – keep up the momentum.

These reforms, these efforts are first and foremost for the citizens of the region. They are about building a society based on fairness and the respect of the rule of law. The European Union will support all efforts to achieve this.

Finally, let me reiterate our full and unequivocal support for Ukraine. We are following the issues in the East of the country very closely and we will continue to make the full implementation of the Minsk agreements the number one priority. The European Commission will repeat this message loud and clear in Kiev next week at the next EU-Ukraine Summit.

And I will do my utmost personally to make sure that there will be a continuation of long-term gas transit through Ukraine for the next long-term period and I would just like to inform you that the next trilateral talks between Ukraine, Russia and the European Commission under my chairmanship will resume already in September.

Honourable Members, Mr President, Mr President, Thank you very much.