

Berlin, 11 November 2020

Statement by Michael Roth, Minister of State for Europe, on behalf of the Council at the
November I Plenary Session of the European Parliament

President, Honourable Members,

I regret that I cannot be with you in person on the occasion of this plenary session, and I would like to thank President Sassoli for granting me this opportunity to address you in writing. I will follow this important and topical debate attentively from Berlin.

The COVID-19 pandemic has far-reaching consequences on every aspect of our society. Supporting a lasting recovery requires unprecedented efforts.

To that end, on 21 July 2020, after four days and five nights of complex negotiations, Heads of State or Government agreed to their political guidance on the Recovery Package and the future MFF. This was a historic moment, which paved the way for the final stretch of political discussions between the European Parliament and the Council.

Yesterday, negotiators from the European Parliament and the Council reached a long-awaited provisional political agreement in talks aimed at securing the Parliament's consent to the next Multiannual Financial Framework, the EU's long-term budget.

This builds on two years of regular exchanges with the European Parliament on the various Commission proposals, months of highly technical work and ten weeks of intense political contacts. The Presidency welcomes this outcome, which will allow the finalisation of the MFF and Recovery package and its implementation with and in the Member States.

The provisional political agreement with the European Parliament negotiators complements the comprehensive financial package of €1 824.3 billion negotiated by EU leaders in July, which combines the next Multiannual Financial Framework – €1 074.3 billion – and a €750 billion temporary recovery instrument, Next Generation EU (in 2018 prices).

While discussions focused on the MFF Regulation and the Interinstitutional agreement, the political package agreed with the European Parliament includes:

- a targeted reinforcement of EU programmes, including Horizon Europe, EU4Health and Erasmus+, by €15 billion through additional means (€12.5 billion) and reallocations (€2.5 billion) in the course of the next financial period, while

respecting the all-important expenditure ceilings set out in the European Council conclusions of 17-21 July;

- more flexibility to allow the EU to respond to unforeseen needs, drawing the lessons learnt from the current period;
- greater involvement of the budgetary authority in the oversight of revenue under Next Generation EU, the innovative funding vehicle rendered necessary by the consequences of the COVID-19 pandemic;
- higher ambition on biodiversity and strengthened monitoring of biodiversity, climate and gender related spending, which complements our political ambition to put climate at the centre of the economic recovery;
- an indicative roadmap towards the introduction of new own resources, which is a historic step for the Council.

I want to underline here the cooperation that made this breakthrough possible, and in particular the personal involvement of Chair Van Overtveldt. The stakes were high, the expectations even higher, and the complexities of the substance were a challenge, but negotiators delivered a deal that strikes a balance between the strong positions of our two institutions.

This comes a few days after a preliminary agreement was found on the budget conditionality file, another very sensitive part of the overall MFF and recovery package. And the European Parliament delivered its opinion of the Own Resources Decision last 16 September, clearing the way for its adoption by the Council.

The Presidency is now in a position to present to delegations all the political components of the MFF and recovery package for their political endorsement. This will take place in the next days, and will be a crucial step to enable institutions to finalise the various legal acts.

Honourable Members,

The package on the table means that additional funding would be available for most EU programmes compared to the current situation. This is the case for example for key programmes such as Digital Europe, EU4Health, Horizon Europe and Erasmus.

And this package is also a transformation strategy that will lead us to the Europe of the future. Its two pillars - the Green Deal and the Digital Agenda - will help us build a more resilient and inclusive Europe. And we never forget what underpins our action: our unique set of European values.

Thank you very much for your attention.
