

Resolution on the new multiannual financial framework, own resources and the recovery plan

2020/2631(RSP) - 13/05/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 505 votes to 119, with 69 abstentions, a resolution tabled by the EPP, S&D, Renew, Greens/EFA and ECR groups on the new multiannual financial framework, own resources and the recovery plan.

Parliament stressed that European citizens must be at the heart of the recovery strategy, warning the Commission against any attempt to define a European recovery strategy that is outside the community method and resorts to intergovernmental means.

A credible European Recovery and Transformation Fund

Parliament called on the Commission to present a massive recovery package in line with its [resolution](#) of 17 April 2020. It called for the creation of a EUR 2 trillion Recovery and Transformation Fund to be financed by the issue of long-term recovery bonds guaranteed by the EU budget and subject to a repayment plan. The duration of the Fund would depend on the expected scale and duration of the impact of the current crisis.

The package would take the form of loans and, for the most part, grants, direct investment payments and equity, with the Fund being directly administered by the Commission. The financial assistance should be granted to programmes in the EU budget which are subject to parliamentary scrutiny and involvement and which meet the appropriate audit and financial reporting requirements.

Support for SMEs, Green Deal, digital agenda

The Recovery and Transformation Fund should be aligned with the structure and objectives of the Multiannual Financial Framework (MFF) and be operational as soon as possible this year. It should be financed in addition to current and future EU policies and should neither affect the EU's strategic objectives nor result in a reduction of the MFF.

The recovery measures should support SMEs by increasing employment opportunities and skills to mitigate the impact of the crisis on workers, consumers and families.

Therefore, Members called for investments to be prioritised in the Green Deal, the digital agenda and the establishment of European sovereignty in strategic sectors and to be accompanied by a coherent industrial strategy, shorter and more diversified supply chains and a reorientation of trade policies. They called for the creation of a new independent European Health Programme.

A strong multi-annual financial framework for the recovery of the European Union and for the future

Recalling its position on the need for an ambitious MFF that meets the expectations of EU citizens, Parliament requested that the Commission's revised proposal for the MFF 2021-2027 should include the new Recovery and Transformation Fund in addition to the next MFF.

Members warned the Commission against any attempt to define the European recovery strategy without basing it on the MFF and its programmes. They called for Parliament to be involved in the definition, adoption and implementation of the Recovery Fund and to be at the heart of the decision-making process in order to ensure democratic accountability.

Parliament warned the Commission against using misleading headline figures when presenting its recovery plan and against presenting a revised MFF in which the recovery plan would be financed at the expense of existing or future programmes.

New own resources

Parliament called for a reform of the EU own resources system to avoid a further increase in Member States' direct contributions to the EU budget. It called for the recovery plan to be part of an upwardly revised MFF that includes new own resources such as: (i) a common consolidated corporate tax base, (ii) a digital services tax, (iii) a financial transaction tax, (iv) income from the emissions trading scheme, (v) a plastics contribution and (vi) a carbon border adjustment mechanism.

Members also reiterated their position in favour of abolishing all rebates and corrections, simplifying the VAT-based own resource and using fines and fees as additional revenue for the EU budget.

Parliament called for an immediate and permanent increase in the own resources ceiling to meet the needs of the MFF and the Recovery and Transformation Fund and to take account of the anticipated GNI drop after the recession induced by the crisis.