

EU27 need €2 trillion recovery package to tackle COVID-19 fallout

Citizens must be at the heart

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USPA NEWS - In a resolution on the post-2020 EU budget revision and economic recovery plans, European Parliament demand a robust package focused on citizens' needs and building on the EU budget. The resolution was adopted on Friday by 505 votes in favour, 119 against and 69 abstentions.

"European citizens must be at the heart of the recovery strategy," MEPs stress, adding that Parliament will stand firm in defending citizens' interests. The recovery efforts must have a strong social dimension, addressing social and economic inequalities and the needs of those hardest hit by the crisis.

Parliament insists that the new "recovery and transformation fund" must be of €2 trillion in size, be financed "through the issuance of long-dated recovery bonds" and be "disbursed through loans and, mostly, through grants, direct payments for investment and equity." They urge the Commission not to use "dubious multipliers to advertise ambitious figures" and not resort to "financial wizardry," as the EU's credibility is at stake.

The recovery plan must be provided on top of the next Multiannual Financial Framework (MFF), which is the EU's long-term budget, not to the detriment of existing and upcoming EU programmes, MEPs warn. In addition, they insist that the MFF must be increased and underline that Parliament will use its veto powers if EP demands are not met.

The recovery money "should go to programmes within the EU budget," to guarantee parliamentary oversight and participation. Parliament must also be fully involved "in the shaping, adoption and implementation of the recovery fund." They warn the Commission to refrain from "any attempt to design a European recovery strategy that is outside the community method and resorts to intergovernmental means."

Plan must focus on priorities

The "massive recovery package," which MEPs demanded already in their recent April resolution, must last long enough to tackle the "expected deep and long-lasting impact of the current crisis." It must "transform our economies" by supporting SMEs, and "increase job opportunities and skills to mitigate the impact of the crisis on workers, consumers and families." They call for investments to be prioritised according to the Green Deal and the digital agenda and insist on the creation of a new standalone European health programme.

MEPs reiterate their call for the introduction of a basket of new "own resources" (sources of EU revenue), so as to prevent a further increase of member states' direct contributions to the EU budget to meet the needs of the MFF and the Recovery and Transformation Fund. As the ceiling for the EU revenue is expressed in GNI, which is expected to drop significantly due to the crisis, MEPs also call "for an immediate and permanent increase of the Own Resources ceiling."

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