

Opzet

Taal: Engels

Tijd/duur gesprek: xxx

Locatie: xxx

Aanwezigen: xxx

Gesprek op verzoek van: xxx

Vorig contactmoment incl. follow-up: Vorige VTC met de Benelux-premiers was op 21 april jl.

Doelstellingen/deliverables

- **[MFK/Herstelinstrument]:** Nederland neerzetten als 'constructieve speler met smalle marges': bereid ad ultimo te zoeken naar een landingszone maar daarvoor moet het voorstel op aantal elementen wezenlijk worden aangepast.
- **Omvang + verdeling herstelinstrument:** Benadrukken dat zowel omvang als verdeling van het herstelinstrument gebaseerd moeten zijn op de impact van COVID-19, *needs assessment* niet toereikend hiervoor.
 - Huidige omvang onvoldoende onderbouwd, dus graag omlaag. Moet COVID-19-herstel gerelateerd zijn, voor bestaande doelen (convergentie) zijn er bestaande instrumenten (cohesie).
 - Narratief tegenspreken dat alleen Zuiden is geraakt. NL in top 3 (na ITA/SPA) langzaamst economisch herstel.
- **Financiering herstelinstrument:** Markeren dat *loans for grants* voor NL echt heel ingewikkeld ligt. Een principieel punt dat de lopende uitgaven uit EU-begroting niet met leningen worden gefinancierd. Ook problematisch dat we nu groot bedrag uitgeven zonder duidelijkheid over hoe terug te betalen.
- **Hervormingen:** Benadrukken dat link met hervormingen en governance daarvan versterkt moeten worden (CIE-voorstel biedt onvoldoende waarborgen). Hervormingen zijn absoluut noodzakelijk voor duurzaam groeipad en grotere weerbaarheid lidstaten bij volgende schok.
- **MFK:** Zoveel mogelijk beperken van een structurele afdrachtenstijging. Eerdere onderhandelingsprincipes blijven gelden: benadrukken belang behoud permanente afdrachtenkorting, beperkte omvang, noodzaak modernisering en terughoudend op nieuwe eigen middelen.

Informatie valt buiten de reikwijdte van het WOB-verzoek

Spreekpunten

[Introductie]

- Important to keep in touch as Benelux-countries. I am happy to see that the situation in our three countries starts looking more and more similar these days – and that we all managed to get the medical situation under control.

[MFK/Herstelinstrument]

Introductie/kernboodschap

- This unprecedented crisis calls for solidarity and responsibility.
- We need a common strategy, that reflects the economic inter-dependencies; divergence and fragmentation should be avoided. However, current proposals go beyond purpose and are not politically feasible for NL. Recovery support should ensure that all Member States are better prepared for the next crisis. We should use this momentum to make the EU, and therefore its member states, stronger.
- Therefore, my main points are:
 - Major savings necessary on recovery instrument: needs assessment does not support proposed size and allocation;
 - Recovery instrument should work on loans basis;
 - Link to national reforms should be strengthened;
 - Regular MFF: position unchanged, savings and permanent rebates necessary;
 - Positive about links to transition to a climate-neutral, digital economy with a strengthened Single Market, and Rule of Law conditionality.

Herstelinstrument

- Needs assessment: Needs assessment does not provide a clear base for the size and distribution of the recovery instrument, nor the wide scope of investments. These should be linked to the COVID-19 impact. We should more clearly focus on additionally of the European effort and what is best done at the national level.
- CION's Spring Forecast shows all MS will suffer from a large economic contraction in 2020 with an asymmetric recovery in 2021. Also NL is hit very hard, relatively weak recovery in 2021 (due to reliance on external demand). Only two countries recover more slowly than NL (Spain and Italy).
- Size + allocation + temporary: Size and allocation has to be based on COVID-19 impact, otherwise there is no link to solidarity to those affected. What is the explanation for the large sums of money for Eastern Europe? Size of fund must come down. Increase in headroom is too high (+0.6% GNI; vinden DUI en FRA ook). We support the temporary, one-off nature of the fund, but should be more

limited. 4 years is too long, covers more than half of next MFF period.

- Loans/grants: very concerned about proposed funding mechanism in CION proposal, by issuing debt to finance the EU budget ("loans for grants"). This is a fundamental point as it runs counter to sound budgetary principles (EU budget must be in balance, no debt-financing) and might lead to debt mutualization. It will create substantial repayment obligations for all MS in the coming years and decades. Undesirable precedent holding the risk to be used over and over again. I am not convinced about the need for a grant-based recovery. Debt is debt no matter if on national or EU-level, it still has to be repaid. Best using loans (for loans). All Member States can borrow more on the market and have sustainable debt according to CION.
- Reforms: Strong commitment to reforms and the fiscal framework are essential to lift potential growth and enhance resilience. The BICC methodology proposed by CION is good starting point. However, if used for Recovery & Resilience Facility, it needs to be strengthened significantly. We need direct and clear links to reforms in the CSRs, now too vague and open-ended (i.e. "package" of reform and investment + broad link to priorities/challenges Semester). Also need independent assessment of proposals and progress. Idea of milestones with payment based on progress good system, but shouldn't be window-dressing.
- Country-Specific Recommendations (CSRs): Regarding the CSRs for 2020, we understand focus on direct action in relation to COVID-19. However, significantly decreased attention on structural challenges makes them insufficient as a basis for link between investment and reforms (e.g. housing market/pension reform in the NL or ITA labour market/informal economy/financial sector are now missing in the CSRs). So need to include in assessment the 2019 CSR's on reforms that are essential to address medium- to long-term structural challenges and support lasting economic growth.

MFK

- With regards to the MFF, NL position remains unchanged. Good that the Commission used the Negobox of 14 February as the starting point, but some changes go into the wrong direction. Especially with an additional recovery fund I don't see the need for a permanent increase of the MFF.
- On top of that, the MFF ceiling seems to be cosmetically lowered by having regular MFF programmes financed through the EU recovery instrument (loans). Still room for adjustments and reprioritization, f.e. by adjusting margins and special instruments and adjusting the deflator.
- Maintaining permanent rebate as discussed in February will remain an essential part of the deal. The rationale behind corrections remains valid. Excessive budgetary

imbalances must be avoided. The proposed cut in the collection costs is not justified (cost of Brexit).

- We remain reluctant towards the original and possible new proposals for new own resources. Also, idea of first spending money and only afterwards deciding on how to repay back is a politically problematic strategy.
- We are more optimistic about the focus of investments on green & digital transitions, and research & innovation.
- The conditionality with regards to the rule of law must be effective (RoL cannot be bargained with). Text from Finnish negobox must be reinstated. The appropriate procedure in the Council for the adoption of measures is by reversed QMV.
- **[Passief] Solvency Support Instrument (SSI):** we agree that the different availability and use of state aid in the member states can harm the level playing field. However, given that the Solvency Support Instrument is a completely new approach, we need to make sure it is well thought-out and designed. State aid rules need to apply to target the funds to the sectors that need it most and avoid competition with national measures. Member States will probably also have to provide extra capital to the EIB to guarantee the new instruments. That means another contribution on top of MFF and Recovery Fund.

Informatie valt buiten de reikwijdte van het WOB-verzoek

- **[Passief] REACT-EU (cohesie):** the REACT-EU proposal is problematic for us, like with Recovery & Resilience Facility there is no link to needs with regards to size and distribution. Also question if funds can be used timely enough for crisis. Flexibility in using funds was acceptable during height of crisis (CRII+), but shouldn't become structural, thematic concentration remains important.

[Grensoverschrijdende samenwerking]

Informatie valt buiten de reikwijdte van het WOB-verzoek

Achtergrond

MFK

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- BEL en LUX net als NL nettobetalers aan MFK en het herstelinstrument. LUX zal o.b.v. CIE-voorstel minste ontvangen o.b.v. bekende allocaties herstelinstrument (NB onvolledig beeld), nl. EUR 211 mln. Grote ontvangers o.b.v. bekende allocaties herstelinstrument (onvolledig beeld): ITA (EUR 68 mrd.), SPA (EUR 65 mrd.), POL (EUR 35 mrd.), GRI (EUR 21 mrd.), ROE (EUR 19 mrd.), POR (EUR 14 mrd.). NL (EUR 8 mld.) en BEL (EUR 7 mld.). BUL en KRO in termen van nettopositie grote ontvangers (+500% van inleg).
- **Solvency Support Instrument**: een nieuw en tijdelijk instrument in het herstelpakket voor solvabiliteitssteun via private investeerders aan door crisis getroffen bedrijven. Betreft een garantie vanuit EU-begroting aan EIB (EUR 31 miljard, gericht op het mobiliseren van 300 miljard euro aan private investeringen). Dit instrument dient als aanvulling op nationale regelingen en beoogt een Europees gelijk speelveld.

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