

3.1 Lunchgesprek met FRA Min EUZA, De Montchalin

Gesprek M met Amélie de Montchalin, maandag 15 juni

Opzet

Taal: Engels

Tijd/duur gesprek: 12.00-13.45u (aansluitend VTC RBZ)

Locatie: U ontvangt De Montchalin te Museum Bredius in Den Haag. Ontvangst met aperitief gevolgd door fotomoment, korte rondleiding en vervolgens werklunch.

Aanwezigen: (10)(2e)

Gesprek op verzoek van: FRA

Recente ontmoetingen incl. follow-up: zie in bijlage verslag telefonisch onderhoud met De Montchalin op 1 mei 2020 i.h.k.v. uw Europese MFK-outreach.

KERNpunten

[Bilateraal/introductie]

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Informatie valt buiten de reikwijdte van het WOB-verzoek

[MFK/Recovery Fund]

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 MS are better prepared for the next crisis. We should use this momentum to make the EU, and therefore its MS, 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.

Recovery instrument

- **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 added value 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 outlook in 2021 (due to reliance on external demand). Only two countries recover more slowly than NL (Spain and Italy)
- **Size + allocation + temporality:** 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 going to Eastern Europe? Size of fund must come down. Increase in headroom is too high (+0.6% GNI). 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 term.
- **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.

Would create substantial repayment obligations for all MS in the coming years and decades. Undesirable precedent holding the risk to be repeated 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 linkage 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 is a good system, but shouldn't be window-dressing.
- **Country-Specific Recommendations (CSRs):** Regarding the CSRs for 2020, we understand focus on immediate action due to COVID-19. However, significantly decreased attention on structural challenges makes them insufficient as a basis for link with reforms in the context of the Recovery Fund (RRF) (e.g. housing market/pension reform in the NL or FRA pensions/ tax and regulatory environment firms are now missing in the CSRs). So need to include the 2019 CSR's in 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).

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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.

Voorbereiding ER 19/6

- These negotiations will take time. Positions still far apart. European Council will only have a first discussion of the proposed package on 19th June. We will have to await a new version of the negotiation box before real negotiations can start. We recognize the sense of urgency and are prepared to move swiftly, but the end result counts. What are your expectations?

Prioriteiten vergroening, digitalisering, klimaat

- Pleased that European Council of March emphasized importance of green and digital recovery, and pleased by the key role of the Green Deal in the recovery plans of CION.
- It is important that at least 25% of the investment of the Next-Generation EU instrument will be dedicated to climate related investments and that the entire recovery package contributes to the objectives of the Green Deal and the implementation of the National Climate and Energy Plans.

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- We should look for options to accelerate and prioritize investments for infrastructural projects for example in clean hydrogen, off-shore wind and sustainable transport. We can also speed-up renovation of buildings.

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[Situatie (post)-COVID]

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Achtergrond

[Bilateraal/introductie]

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[MFK/Recovery Fund]

- Insteek De Montchalin voor haar bezoek zoals aangekondigd op Twitter. Geen deal op de ER zou slecht zijn. Noodzaak akkoord, voordat de herstelfase begint. Wil precies horen waar bezwaren zitten. Wil precies horen wat nodig is voor akkoord. NL en vergelijkbare LS kunnen niet uit de crisis komen als het hun buurlanden slecht gaat. F4 zijn geen blok volgens haar (dus belangrijk tegendeel aan te tonen).

(10)(2a)

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- FRA net als NL nettobetaler aan MFK en het herstelinstrument. FRA hoort met €37 mrd bij de grote ontvangers o.b.v. bekende allocaties herstelinstrument (onvolledig beeld): ITA (EUR 68 mrd.), SPA (€ 65 mrd.), POL (€ 35 mrd.), GRI (€ 21 mrd). NL ontvangt € 8 mld. FRA en NL dragen ook fors bij (FRA € 87 mrd en NL € 28 mrd) en onder aan de streep beide nettobetaler. BUL, GRIE en KRO in termen van netto-positie grootste ontvangers.

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