

2.1 Werkdiner met MinEUZA Amendola, Italië

Gesprek met MinEUZA Amendola op 1 juli 2020

Opzet

Taal: Engels

Tijd/duur gesprek: om 18.00 uur ontvangst gevolgd door korte tour en aperitief.

Werkdiner van 18.30-20.00 uur.

Locatie: Museum Bredius

Aanwezigen: (10)(2e) (10)(2e) (10)(2e)

(10)(2e)

Gesprek op verzoek van: Italië

Recente ontmoetingen incl. follow-up: uw ontmoeting met Amendola tijdens uw bezoek aan Rome op 23 juni 2020.

KERNpunten

[Intro]

- Great to welcome you again in The Hague and thank you for warm welcome in Rome last week.
- Understood you also met with Dutch parliamentarians and representatives of Italian companies today?

[MFK incl. recovery/ER juli]

- [PM] uitkomsten MP met Conte 26-6
- [PM] Indien hervormingsplan IT voor deze ontmoeting plaatsvindt, volgen nadere spreekpunten en appreciatie.
- How did the discussion of the national recovery plan go in the 'Stati Generali'? I understand it was an extensive dialogue with many stakeholders, hope you managed to gain support for an ambitious agenda. Could you perhaps give some information on the process and timing for publication of the recovery plan?
- I understand that digitalisation (incl. 5G), innovation, green transition and gender equality are cross-cutting themes of the plan, glad to see we share these priorities for recovery. Investments should go hand in hand with reforms though.

- Can you perhaps say a little more on a possible VAT-reduction? As I mentioned last time, this would be quite unfortunate for the recovery fund discussions.
- And will the ending of the temporary exceptions to the Fornero pension reform introduced by the previous government be part of your policy, if so, would be very helpful for public opinion in NL.
- The informal economy is also a theme of discussion I understand, could you perhaps elaborate on what kinds of plans you're developing to tackle this issue?
- NL willing to work in spirit of solidarity on EU contribution to recovery in all MS. We need 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 (MS) are better prepared for the next crisis. Should use this momentum to make the EU, and therefore its MS, stronger and strengthen the Internal Market. Recovery should be reform-driven.
- Therefore, my main points remain, as I mentioned last week and as underlined by Rutte in the European Council:
 - On the MFF, the NL position is unchanged; modernization is key (Green Deal, Digitalization, Rule of Law conditionality); savings and sufficient permanent corrections are necessary. Without this, discussion on the recovery instrument is a non-starter.
 - There seems no need for a recovery instrument of the proposed size.
 - The recovery instrument should work on the basis of loans.
 - The link to national reforms, and the governance of the recovery instruments should be strengthened. Decisions should be taken on the basis of unanimity.
- **Size:** There is no link with needs assessment, makes it very difficult to explain why this huge amount. Also, absorption capacity is not big enough for such an amount, even CION acknowledges this. Part of recovery will have to be private, shouldn't crowd that out by flooding economy with too much public money.
- **Loans:** Grants are no option for us, no majority in parliament and don't see rationale. (i) using grants or loans won't change debt sustainability, it just

changes the level on which the debt is registered, both need to be repaid [false solutions, markets won't differentiate]. (ii) what would improve debt sustainability is structural reforms leading to sustainable growth and improved public finances, this will provide trust in future. (iii) Lastly, debts of all EU MS still sustainable as judged by CION (as part of ESM instrument) and ITA spread historically low (180 bps), not comparable to 8 years ago (500 bps). (iv) shouldn't be shifting public debt from one country to the other, also private debt in Italy is relatively low and in NL quite high, have to look at the whole picture.

- **Reforms:** Good discussion last time on the need for reforms and have the feeling we have common understanding of the issues. We need both reforms and investment. The reform-part is key for us to find margins of maneuver to reach an agreement. Was good to hear about ambition with regards to public administration improvements [all well with the Decreto Semplificazione?], but labour market, business environment and pensions are also key.
- (10)(2a) we have to work on the definition of conditionality. Our main concern is that the right measures are taken (contributing to sustainable growth, resilience and a stronger EU as a whole) and that those will be implemented. So we will look closely at the governance structures of the RRF.
- Governance of RRF, needs to be some sort of unanimity decision in Council approving the reform plans and for payment on basis of progress (milestones). With these huge amounts of financing the governance cannot be a formality, will need to be able to explain at the time to public what is happening with the money and what progress is made with regards to improving growth and resilience of MS. [Can't do this if not assured that possible concerns are taken into account / won't be disregarded].

(10)(2a)

- *[Passief over timing]* Negotiations will take time. Positions still far apart. NL agrees that swift agreement on this complex discussion helps EU to move forward. However there are questions unresolved that we need to find an answer to, before we can start negotiations. Given the large (positive) impact this package will have on the EU in the upcoming years and even decades, it is important to have it right. Furthermore, several reasons why I believe urgency is not as pressing:
 - The Eurogroup package of 540 bln., with the ESM instrument being operational (but not used) and the other instruments (SURE and EIB guarantee fund) becoming operational soon. Doesn't this provide a sufficient bridge? Are there any developments in the internal discussions you have on using the ESM instrument?
 - Financing for all MS still available against historically low (ITA 1,8% interest for 10-years debt in comparison to 5% during euro crisis), largely due to efforts of the ECB, which have been expanded and prolonged. Furthermore, the Commission has concluded that all debt levels are still sustainable.
 - Absorption capacity will be low in the beginning anyway according to the Commission, more than half of the funding is expected to be paid out in 2024 and later. What is necessary now is the development of plans for reforms and for public investments, this process can start irrespective of the definitive shape and details of the recovery fund.
 - Let's stay in close contact, we can follow-up with proposals for the new negobox. We recognize the sense of urgency and are prepared to move swiftly, but the end result counts. The Eurogroup package of EUR 540 bln., with the ESM instrument being operational (but not used) and the rest following soon, should in combination with the ECB effort and the fact that all MS can borrow against favorable rates alleviate some of the pressure / urgent needs.

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[Green Deal]

- Pleased that European Council of March emphasized importance of green and digital recovery. The Green Deal is important as the EU growth strategy and provides opportunities for the economy to recovery from COVID-19.
- 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. Do you see opportunities for investments in green innovation in ITA? Willing to support and cooperate.

Informatie valt buiten de reikwijdte van het WOB-verzoek

- [Passief] We think at least 25% of the funding from the Next-Generation EU instrument should be dedicated to climate related investments. Moreover the entire recovery package should contribute to the objectives of the Green Deal and the implementation of the National Climate and Energy Plans.

Achtergrond

[Intro]

- Amendola brengt op 1 juli 2020 op eigen verzoek een tegenbezoek aan Den Haag, ruim een week na uw bezoek aan Rome (zie verslag als bijlage 3.2).
- Insteek van uw onderhoud is MFK/Recovery/ER juli, maar ook verkenning van common ground op thema's als Conferentie voor de Toekomst van Europa en Klimaat.

[MFK incl. recovery]

- Voor laatste stand van zaken, zie stukken BWO van 30 juni.

Counter Narratives (loans/grants, omvang, urgentie en kortingen in spreeklijnen):

- Nieuwe eigen middelen: Alles wordt uiteindelijk betaald door EU-burger ('no fresh money') en dus ook nieuwe eigen middelen. Eigen middelen lopen vaak via de nationale afdrachten, waardoor lasten niet worden verminderd. BNI-afdracht is duidelijk en transparant en minder onderhevig aan mogelijke

verdelingsvraagstukken (rechtvaardig).

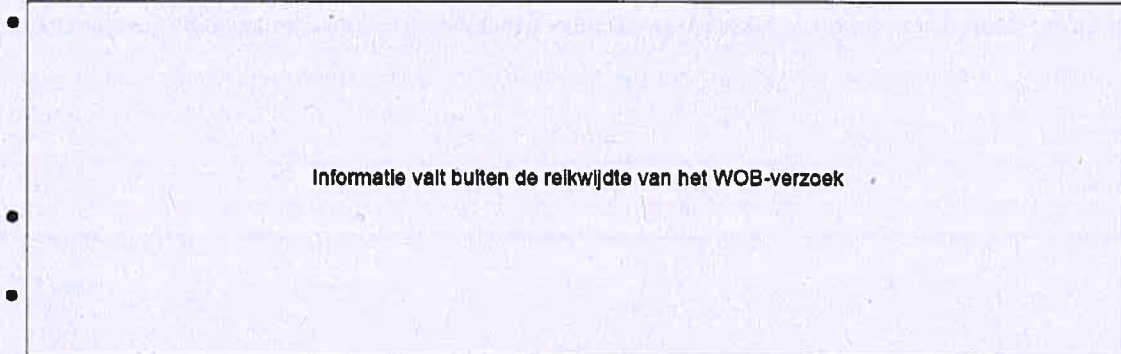
- **Asymmetrisch herstel, bedreiging IM:** Om asymmetrisch herstel en divergentie te voorkomen is van belang de concurrentiekracht van lidstaten naar een hoger niveau te tillen. Hiervoor hervormingen nodig (arbeidsproductiviteit, investeringsklimaat, arbeidsparticipatie). Met een groter verdienvermogen van de LS wordt de interne markt versterkt (en niet door transfers). [Volgens credo: 'Give a man a fish, teach a man to fish']. Alleen lidstaten die zelf niet snel genoeg kunnen herstellen van de COVID-19-crisis moeten worden gesteund.
- **Voorwaarden:** De voorwaarden waar NL op aandringt zijn gericht op het versterken van het groeivermogen en verhogen van de weerbaarheid van lidstaten. Dit is dus primair in het belang van de lidstaten zelf. Ook een vorm van solidariteit richting de Unie. Deze crisis bestrijden met hervormingen én investeringen.
- **Cohesie behouden:** Cohesiemiddelen zijn niet bedoeld als crisismaatregel, maar als langetermijninvestering voor de minst welvarende lidstaten. Geen noodzaak om cohesie te verhogen met crisisgeld. Daarnaast hebben deze landen vaak een lage schuld en een hoog groeivermogen waardoor ze klappen ook zelf op kunnen vangen.
- **GLB verhogen:** Voedselvoorziening is niet in gevaar door COVID-19. Geen extra middelen nodig. Voorgestelde extra middelen niet geschikt voor herstel coronacrisis, want extra middelen komen pas in nieuwe GLB (naar verwachting in 2023) beschikbaar. Voorgestelde extra middelen dragen niet bij aan de groene transitie, want de eis dat minimaal 30% van het budget uit de tweede pijler moet worden ingezet voor klimaat en leefomgeving geldt niet voor deze voorgestelde extra middelen. [Conferentie toekomst EU incl. transparantie en verdragswijzig]

Informatie valt buiten de reikwijdte van het WOB-verzoek

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[Green Deal]

- Vanuit het oogpunt van een duurzaam economisch herstel is het van belang dat economische herstelmaatregelen en investeringen gericht zijn op de groene en digitale transities.



Informatie valt buiten de reikwijdte van het WOB-verzoek

- Het kabinet deelt de inhoudelijke focus die de CIE wil geven aan het herstel met investeringen in onder andere klimaat en vergroening. Het wordt in het huidige voorstel van de Commissie echter nog onvoldoende duidelijk in welke mate het Next-Generation EU instrument aan de klimaatinvesteringen in het MFK.

Aandachtspunten/Deliverables

- Uitdragen staande NL positie t.a.v. MFK/Herstelfonds.

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- Informatie valt buiten de reikwijdte van het WOB-verzoek

Recente ontmoetingen – inclusief follow-up:

- Telcon MFK d.d. 11 mei 2020 – afspraak om contact te houden over MFK.

Gesprek op verzoek van:

- BUL, n.a.v. gesprek met PVEU d.d. 2 juli 2020 over toekomst CVM.

Tijd: Maandag 6 juli 2020, 10:00 uur

Meeluisteren: DEU DIE (PM)

Spreekpunten

[MFK/Herstelfonds]

- This unprecedented crisis calls for solidarity and responsibility.
- My main points are:
 - Regular MFF: position unchanged, savings and permanent rebates necessary.
 - The RoL conditionality needs to be strong and effective, also for NextGenEU.
Connecting EU funds with conditionalities on rule of law are vital to ensure that EU taxpayers' money is spent appropriately and effectively and is a point Dutch parliament feels very strongly about.
 - Recovery instrument should work on loans basis.
 - Allocation has to be clearly focused on MS most affected.
 - Link to national reforms should be strengthened within recovery instrument.
Strong commitment to reforms and the fiscal framework essential to lift potential