

MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC
Lisbon, Portugal, 11 January 2021
(held via videoconference)

AGENDA:

- 1. Opening of the meeting**
 - **Welcome address by Mr Eduardo FERRO RODRIGUES, President of the Portuguese *Assembleia da República***
 - **Introductory remarks by Mr Luís CAPOULAS SANTOS, Chair of the European Affairs Committee, Portuguese *Assembleia da República***
- 2. Adoption of the agenda of the meeting of the Chairpersons of COSAC**
- 3. Procedural issues and miscellaneous matters**
 - **Briefing on the results of the meeting of the Presidential Troika of COSAC**
 - **Draft Programme of the LXV COSAC**
 - **Outline of the 35th Bi-annual Report of COSAC**
 - **Letters received by the Presidency**
 - **Any other business**
- 4. Priorities of the Portuguese Presidency of the Council of the European Union**
Keynote speaker: Mr Augusto SANTOS SILVA, Minister of State and Foreign Affairs of Portugal
- 5. European Union's Recovery and Resilience**
Keynote speaker: Ms Elisa FERREIRA, European Commissioner for Cohesion and Reforms

PROCEEDINGS

IN THE CHAIR: Mr Luís CAPOULAS SANTOS, Chair of the European Affairs Committee of the Portuguese *Assembleia da República*

1. Opening of the meeting

- **Welcome address by Mr Eduardo FERRO RODRIGUES, President of the Portuguese *Assembleia da República***
- **Introductory remarks by Mr Luís CAPOULAS SANTOS, Chair of the European Affairs Committee, Portuguese *Assembleia da República***

Mr Eduardo FERRO RODRIGUES, President of the Portuguese *Assembleia da República*, welcomed all the participants and thanked the Germany Presidency for its hard work in such difficult circumstances.

Mr FERRO RODRIGUES stressed that national Parliaments must respect the Treaties and contribute to the proper functioning of the Union, as also required by Portuguese national law. He stressed the importance of the Own Resources Decision and the European Commission's Work Programme for 2021, which gave a precise idea of what was on the Union's agenda. Mr FERRO RODRIGUES also referred to the direct impact of COVID-19 on the European Union and the need for a rapid, effective and universal vaccination process to contain the pandemic. Referring to the increase in economic and social inequalities, Mr FERRO RODRIGUES highlighted the importance of the recovery plan, which would provide Member States the necessary tools to assist the economy and promote a green and digital transition. Their economies would thus become more resilient, allowing the proposed climate goals to be met and boosting technological innovation. He stressed the importance of moving forward

within the European pillar of social rights and also referred to Brexit and the need to define the future relationship between the United Kingdom and the European Union, while also alluding to the United States elections and the need to strengthen the transatlantic relationship. Mr FERRO RODRIGUES emphasised the holding of international meetings on biodiversity and the interparliamentary meeting to be organized by the Portuguese Parliament on the subject, as well as the intention to organize a High Level Conference on Migration and Asylum and a meeting on the relationship with Africa in order to discuss the strengthening of its relations with the EU. Furthermore, he informed participants that a Conference on Democracies was also being envisaged, in order to debate how to value democracy and how to bring citizens closer to the parliamentary institutions. Regarding the Conference on the Future of Europe (CoFE), Mr FERRO RODRIGUES stressed the support for its implementation, with the hope that its conclusions would lead to a stronger and more cohesive Europe. Finally, Mr FERRO RODRIGUES also hoped that 2021 would usher in the implementation of strategic decisions and a more prosperous world.

Mr Luís CAPOULAS SANTOS, Chair of the European Affairs Committee of the Portuguese *Assembleia da República*, renewed his welcome to all participants of the first meeting of the parliamentary dimension of the Portuguese Presidency. He thanked the trio of presidencies for their work and congratulated Germany on its Presidency. Mr CAPOULAS SANTOS expressed his solidarity with the Croatian colleagues following the recent tragedy that had struck the country. A special greeting was also addressed to Ms Roberta METSOLA, in her new role as First Vice-President of the European Parliament, responsible for relations with the national Parliaments. Mr CAPOULAS SANTOS also welcomed the new Chairpersons of other European Affairs Committees of EU Parliaments who were attending this meeting for the first time: Mr Stefan MUSOIU, from the Romanian *Camera Deputaților*; Mr Angel TÎLVAR, from the Romanian *Senat*; Mr Emanuel MALLIA, from the Maltese *Kamra tad-Deputati*; and Ms Mailis REPS, from the Estonian *Riigikogu*.

2. Adoption of the agenda for the Meeting of the Chairpersons of COSAC

Mr CAPOULAS SANTOS presented the draft agenda of the COSAC Chairpersons' meeting, which was approved without amendment.

3. Procedural issues and miscellaneous matters

- Briefing on the results of the meeting of the Presidential Troika of COSAC**
- Draft Programme of the LXV COSAC**
- Outline of the 35th Bi-annual Report of COSAC**
- Letters received by the Presidency**
- Any other business**

Mr CAPOULAS SANTOS presented the results of the Presidential Troika meeting, noting the approval of the agenda and the outline of the 35th Bi-annual Report of COSAC and the debate on the draft programme for the plenary meeting of COSAC, which would take place in May and June, and which would consist of five sessions: the first would focus on the Portuguese Presidency of the Council of the EU; the second session would address Social Europe; the third session would deal with the implementation of the national recovery and resilience plans; the fourth session would look into the state of play of the Conference on the Future of Europe; and the fifth and final session would tackle a current issue still to be decided. Mr CAPOULAS SANTOS also referred to the letters requesting invitation to attend the COSAC meetings that were received from the Icelandic *Althingi*, the Swiss *Assemblée Fédérale*, the Norwegian *Stortinget*, the UK *House of Lords* and the Parliament of Georgia. Mr CAPOULAS SANTOS said that, following consultation with the Presidential Troika, invitations were sent to the parliaments of Iceland, Switzerland and Norway. Furthermore, the

invitation sent to the UK would only pertain to the meeting of the Chairpersons: the UK's participation to the LXV COSAC would be reassessed once interparliamentary cooperation between the EU and the UK was better defined. Regarding the letter received by the Georgian Parliament, it was understood that, based on its late arrival, and since there was no direct link between this country and the topics under discussion, an invitation to the Chairpersons' meeting would not be extended and the request to participate in the plenary meeting would be re-examined at a later date.

With regard to the outline of the Bi-annual Report, Mr CAPOULAS SANTOS presented the four topics of the questionnaire: Action Plan to implement the European Pillar of Social Rights; EU-Africa Strategy; Next Generation EU: scrutiny of National Recovery and Resilience Plans – implications for the European Semester; and the Conference on the Future of Europe. These topics were related to the priorities of the Portuguese Presidency. The questionnaire would be brief and would be sent to delegations in early February, with a deadline set for 9 March 2021.

He also reminded colleagues that the costs of the office of the Permanent Member of the COSAC Secretariat were shared by the national Parliaments that wished to contribute. The agreement for the current funding period would expire at the end of 2021. The Portuguese Presidency would therefore send a letter to the national Parliaments to confirm their intention to contribute to the current co-financing mechanism for the COSAC Secretariat for the next two years, starting on 1 January 2022.

Subsequently, technical questions on the conduct of the debates at the meeting were addressed.

Ms Roberta METSOLA, European Parliament, wished the Portuguese Presidency success for the next months and renewed the endorsement for the decisions already taken during the Troika meeting. She also referred to the ambitious programme of the COSAC plenary meeting, the outline of the 35th Bi-annual Report, which was in line with the Presidency priorities, and hoped for a speedy launch of the CoFE. Ms METSOLA reiterated the decisions made on the letters received and discussed by the Troika members, and highlighted the step by step approach regarding the future relations between the EU and the UK. Lord Charles KINNOULL, UK *House of Lords*, expressed his gratitude for the invitation to participate in the Chairpersons' meeting. He recalled the trade and cooperation agreement between the United Kingdom and the European Union, endorsed by both the UK *House of Lords* and the UK *House of Commons*, as well as the continuation of its scrutiny process in the European Parliament. He also reaffirmed the UK's commitment to continue the dialogue with EU national Parliaments, with whom it shared common values, and congratulated the Portuguese presidency on its work in these crucial times.

4. Priorities of the Portuguese Presidency of the Council of the European Union

Keynote speaker: Mr Augusto SANTOS SILVA, Minister of State and Foreign Affairs of Portugal

Mr Augusto SANTOS SILVA, Minister of State and Foreign Affairs of Portugal, noted that, contrary to previous instances, the main objective of the 2021 Presidency was not to change the institutional architecture of the Union. In fact, the European Institutions had proved to work efficiently within the framework of the Treaty of Lisbon. The Portuguese Presidency had defined three major priorities within the objectives of the Union's Strategic Agenda, which had been adopted by the European Council in June 2019 for the years 2019-2024. The first priority was to contribute to a resilient Europe, aimed primarily at supporting an efficient reaction by the EU to the health crisis caused by the COVID-19 pandemic. In the context of a coordinated common vaccination strategy, free universal vaccination needed to be guaranteed to all European citizens. One of the lessons learnt had been that European health-related instruments needed to be strengthened. In this regard, the Portuguese Presidency was going to follow the proposals made by the European Commission concerning the

creation of a European Health Union, by strengthening the responsibilities of the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA).

Furthermore, the Portuguese Presidency intended to address the economic impact caused by the COVID-19 pandemic. The relaunch of the European economy as well as the strengthening of the internal market were of fundamental importance. The two instruments crucial in this regard were the next Multiannual Financial Framework 2021-2027 (MFF) as well as the recovery package composed of the Next Generation EU recovery instrument (NGEU) and the Recovery and Resilience Facility (RRF). Mr SANTOS SILVA stated that it was the Presidency's task to manage the ratification process and ensure the timely submission of recovery plans by Member States, while at the same time emphasizing that recovery did not mean the return to a status quo prior to the pandemic. Rather, economic recovery had to go hand in hand with fundamental changes in European economies with regard to a green and digital transition. The Portuguese Presidency hoped to see the first European climate legislation approved in the course of the next six months. The start of discussions on digital legislation as well as the conclusion of the reform of the Common Agricultural Policy (CAP) and the new EU Forest Strategy were among the objectives of the Portuguese Presidency.

In order to achieve these objectives while at the same time leaving no one behind, the Presidency was also going to address the social consequences of the pandemic, aiming at mobilizing social partners and citizens in order to strengthen the measures and structures of well-being and equality in Europe. Mr SANTOS SILVA stressed the fact that this needed to be achieved by implementing measures that had already been approved, namely the 2017 European Pillar of Social Rights, and not by adopting new ones. In this regard, the Portuguese Presidency hoped to be able to promote the discussion on topics such as the new "child guarantee" and the regulatory directive on a European framework for minimum wages.

Finally, it was the Presidency's aim to further strengthen Europe's role as a global actor. One objective was to restart the dialogue with the United States as well as to continue Europe's close relationship with the United Kingdom in the post-Brexit environment. Furthermore, the Portuguese Presidency was going to organize an informal meeting with India. Promoting Europe's relationship with Africa as well as with Latin America was also going to be among the Presidency's priorities.

During the debate that followed, 22 speakers took the floor. In their interventions, parliamentarians expressed their support for the ambitious programme of the Portuguese Presidency.

Ms Roberta METSOLA, European Parliament, began her remarks by saying that the coming months had to be defined by a strong and united Europe imparting resilience, recovery and optimism. The Portuguese priorities reflected this ambition and underlined the recognition of the important role that the EU played, not only for its citizens, but also in the world. In addition to finding a sustainable and fair approach to migration, giving new impetus to EU-Africa relations and improving crisis management, Ms METSOLA highlighted in particular the need to protect the rule of law. She said that the events that had recently played out at the United States Capitol Hill showed once again that Europe must stand by its values and defend the rule of law and democracy.

Ms Mailis REPS, Estonian *Riigikogu*, Ms Sabine THILLAYE, French *Assemblée nationale*, and Mr Gunther KRICHBAUM, German *Bundestag*, welcomed the Portuguese Presidency's prioritisation on Europe's digitization and stressed the importance of a digital transition. Ms REPS asked in this regard whether there were any united efforts to regulate digital media. Ms THILLAYE and Mr KRICHBAUM also stressed the need to focus on foreign policy issues. In this context, Mr KRICHBAUM commended the planned Portuguese approach regarding China.

Furthermore, Ms THILLAYE congratulated the Portuguese Presidency for giving priority to the social dimension, which needed to be strengthened. Mr Sergio BATTELLI, Italian *Camera dei Deputati*, said it was extremely important to place emphasis on the implementation of the European Pillar of Social Rights. Mr Richárd HÖRCSIK, Hungarian *Országgyűlés*, expressed serious concerns about the adequacy and usefulness of the European Commission's proposal for a directive on adequate minimum wages, questioning the necessity of having uniform rules. Some delegates, such as Mr Angel TÎLVAR, Romanian *Senat*, and Ms Susana SUMELZO JORDÁN, Spanish *Cortes Generales*, welcomed the organisation of a Social Summit.

A number of speakers referred to EU-Africa relations in their interventions. Ms SUMELZO JORDÁN supported the convening of an EU-Africa Summit and stressed its importance, while Mr Jean-François RAPIN, French *Sénat*, emphasised the need for an equal partnership between the EU and Africa. Addressing the future relations with the United Kingdom, Mr RAPIN took the view that the concluded free trade agreement was not enough and called for concluding an agreement on defence issues.

Mr Dimitrios KAIRIDIS, Greek *Vouli ton Ellinon*, noted that Greece was particularly interested in a fast, effective and efficient distribution of the additional funds of the MFF and the Recovery Fund. Mr Bojan KEKEC, Slovenian *Državni zbor*, named the recovery of the economy as Europe's current main task.

Several parliamentarians underlined migration as a fundamental policy challenge to Europe. Mr KAIRIDIS stressed Greece's great interest in the migration issue. Ms Silvana GIANNUZZI, Italian *Senato della Repubblica*, expressed concerns about the migration and asylum package proposed by the European Commission. Ms GIANNUZZI said that Italy would advocate for an obligatory mechanism rather than an approach based on voluntary solidarity. She called for a change in approach and appealed for greater solidarity.

Mr Guido WOLF, German *Bundesrat*, stressed the importance of a more climate-friendly economy and a climate-neutral transport system. He called for an active involvement of citizens in this process.

Mr Domagoj HAJDUKOVI , Croatian *Hrvatski sabor*, referred to the challenging times with reference to the Corona pandemic and the earthquakes that shook Croatia, and in this context called for work on a resilient and responsive Europe. Mr TÎLVAR further stated that, at the same time, the EU should capitalise on the lessons learnt during the pandemic in order to improve the EU's response capacity to similar crises. Mr Sergio BATTELLI, Italian *Camera dei Deputati*, called for a concerted action at EU level in order to cope with the heavy social and economic consequences and to coordinate the health response.

In the context of the US Capitol Hill events, Mr Bogdan KLICH, Polish *Senat*, called for Europe to protect democratic achievements - institutions, rule of law, independence of the judiciary, human and civil rights, among others. With regard to the Conference of Democracies, Mr KLICH urged colleagues to seek dialogue with US President-elect Joe BIDEN. Ms Radville MORK NAIT - MIKUL NIEN , Lithuanian *Seimas*, also stressed the utmost importance of protecting the values of the EU.

Mr BATTELLI expressed his hope for the Conference on the Future of Europe (CoFE) to start as soon as possible. Ms Ria OOMEN RUIJTEN, Dutch *Eerste Kamer*, asked about the concrete role of national Parliaments in the CoFE.

Mr Yves CRUCHTEN, Luxembourg *Chambre des Députés*, referred to the implementation of a Supply Chain Act for respecting human rights initiated by the Finnish and German Presidencies and asked what further steps the Portuguese Presidency was willing to undertake in this regard.

Ms Anniken HUITFELDT, Norwegian *Stortinget*, spoke in favour of expanding international cooperation and called for more efforts in trying to resolve the deep conflict between Israelis and Palestinians.

Ms Elvira KOVACS, Serbian *Narodna skupština*, expressed her hope of speeding up the dynamics of negotiations on Serbia's EU membership. Mr Arber ADEMI, North Macedonian *Sobranie*, called for overcoming Bulgaria's bilateral objections and releasing the negotiation process on the EU accession of North Macedonia. Mr Branimir GVOZDENOVIC, Montenegrin *Skupština*, stated that Montenegro would remain dedicated to the goal of EU Membership even with a newly elected leadership.

Taking the floor for his final remarks, Mr Augusto SANTOS SILVA thanked the speakers for their support.

He promised that the Portuguese Presidency would continue the work of the German and previous Presidencies regarding the implementation of the EU's mechanism on the rule of law, starting from the in-depth analysis of the situation of the rule of law in the second group of countries, which would continue by alphabetical order. The Portuguese Presidency awaited the publication of the guidelines for the implementation of the new conditionality mechanism by the European Commission, in coordination with the Council.

On the subject of democracy, Mr SANTOS SILVA expressed Portugal's hope to establish early contacts with the new US administration and to cooperate with US President-elect Joe BIDEN in convening a Conference on Democracies.

In response to Mr CRUCHTEN's question, he assured him that Portugal was proceeding with the implementation of the new regime of sanctions related to the violation of human rights, approved by the Council of External Affairs in December.

As to the digital transition, he called for legislative and political steps to be taken on digital services. Referring to Mr KRICHBAUM's contribution, Mr SANTOS SILVA underlined the need for the EU to move forward with its digital strategy and to shape a digital transition.

Mr SANTOS SILVA thanked various speakers for their encouragement regarding Portugal's social agenda and the organisation of the Social Summit, adding that the plan was to implement the European Pillar of Social Rights.

Referring to the proposal on the minimum wage, he said that Portugal wished to guarantee that all countries belonging to the EU would protect social rights and fight the low-wage problem.

Mr SANTOS SILVA acknowledged migration as a fundamental policy challenge to Europe and welcomed the European Commission's proposal for a new migration and asylum package as a good working platform.

He expressed his pleasure at the opportunity to hold, for the first time, a joint meeting of Foreign and Home Affairs Ministers to bring together the internal and external dimensions of migration. Furthermore, he said that it was important to advance technical instruments to achieve progress on

the whole dimension of migration policy, specifically mentioning the Euro Bank and European Agency for Asylum Seekers.

Referring to the EU's enlargement, the objective of the Portuguese Presidency was to convene an Intergovernmental Conference with North Macedonia and Albania, as well as to continue negotiations with the other candidate countries.

He stressed the importance of cooperation with the United Kingdom in areas that were important for both the EU and the UK, explicitly referring to the area of security and defence in this regard.

Finally, Mr SANTOS SILVA referred to the EU's partnership with Africa and stressed the importance of developing this partnership as well as organising an EU-Africa Summit. He spoke in favour of a joint strategy between the EU and the African Union, urging his colleagues to listen carefully to African partners, and to focus on fostering a positive relationship.

5. European Union's Recovery and Resilience

Keynote speaker: Ms Elisa FERREIRA, European Commissioner for Cohesion and Reforms

Ms Elisa FERREIRA, European Commissioner for Cohesion and Reforms, began her address by highlighting the crucial role of national Parliaments, especially in current times when the democratic foundations were being questioned.

She then congratulated the German Presidency for its successful work, particularly with regard to finalizing the decisions on the various financial packages, adding that it was the role of the Portuguese Presidency to implement these decisions, as evidenced by its motto: "Time to deliver". She welcomed the priorities of the Portuguese Presidency, which were in line with the European Commission's priorities for the next semester.

Ms FERREIRA noted that the COVID-19 pandemic had an unprecedented effect on Europe's health, mobility and economy. She recognized that the crisis had disproportionately affected certain sectors, regions and social groups more than others, but stressed that Europe had reacted rapidly and decisively with exceptional measures taken on state aid and cohesion funds, for example.

With regard to the latter, Ms FERREIRA said that the Coronavirus Response Investment Initiative (CRII) had enabled the reprogramming of 19.5 billion EUR to finance crisis-related action. Regarding state aid, she emphasized its role in supporting small businesses during the crisis. The temporary Support to mitigate Unemployment Risks in an Emergency (SURE) initiative enabled the European Commission to raise up to 100 billion EUR from the financial markets to mitigate unemployment risks.

Ms FERREIRA highlighted the work of the European Commission to secure COVID-19 vaccines. The Commission had secured 2.3 billion doses of potential vaccines, enough for all European citizens. She expressed her belief that joint procurement was the right approach because it increased leverage, lowered prices, and ensured that all Member States were treated fairly and equally.

Ms FERREIRA stated that the Next Generation EU (NGEU) was an unprecedented mechanism due to the unilateral support from all Member States and its financial extent. She explained that the European Commission had introduced new own resources, including a border mechanism to prevent carbon leakage, and a digital tax, to help repay the borrowing. She went on to outline the different instruments for recovery under the NGEU.

Firstly, the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), with 47.5 billion EUR of investment, was aimed at bridging the gap between emergency response and recovery. It focused on ensuring more resilient healthcare systems, job creation, especially for young people, support for the poorest and working capital and investment support for small and medium enterprises (SMEs).

Secondly, the Recovery and Resilience Fund (RFF) provided 312.5 billion EUR in grants and 360 billion EUR in loans to support growth-enhancing reforms and public investments. Ms FERREIRA stressed that the success of the RFF depended on the national recovery and resilience plans, which therefore needed to be territorially balanced, as well as economically sound and socially fair, while allowing participation of various levels of public administration, business and civil society. In addition, she underlined the importance of the quality of public administration and stated that a new and reinforced Technical Support Instrument was made available to support reforms and improvements in Member States.

Thirdly, Ms FERREIRA referred to the Multiannual Financial Framework 2021-2027 (MFF) and cohesion policy, stating that under the new MFF, cohesion policy investment would amount to some 375 billion euros (including Justice Transition Fund (JTF) and REACT-EU), for which the preparation of relevant programmes was in progress. She argued that cohesion policy would continue to offer vast opportunities for Europe's economic recovery and restructuring.

In addition, she also called for the use of funds from other European programmes and highlighted the potential of Horizon Europe for a more innovation-driven and resilient Europe.

Ms FERREIRA concluded by expressing her belief that Europe had never had such capacity to deliver on a recovery. In this context, she emphasized the importance of national Parliaments. She urged parliamentarians to swiftly ratify the Own Resources Decision, to ensure inclusion of all stakeholders in the recovery plan, to exercise democratic accountability and oversight of the plan, and to make sure European actions were being properly explained and understood.

During the debate that followed, 16 speakers took the floor.

A number of parliamentarians elaborated their views on the role of national Parliaments regarding the national recovery and resilience plans. Ms Sabine THILLAYE, French *Assemblée nationale*, stressed that each country was different and had to develop a dialogue with the different national sectors in order to establish its own national strategy. However, she warned against waiting until these plans were established, as this would be too late, and stressed that national Parliaments should not be set aside in the process of drafting these plans. On the contrary, governments should be reminded that the national plans should be harmonised and that the national Parliaments should be involved in this respect. Mr Dragomir STOYNEV, Bulgarian *Narodno sabranie*, referred to the responsibility of the national Parliaments to ratify the Own Resources Decision and suggested proactive action to influence the governments and to participate actively in the process of adopting the recovery programmes and monitoring their implementation. He stressed that the national plans should have a European added value and should sustainably impact innovation and the creation of jobs. Similarly, Mr Rubén MORENO, Spanish *Cortes Generales*, noted that, while the situation was being addressed in the different Member States, national Parliaments were not yet playing a role in defining the priorities for the recovery plans. He added that Parliaments were following the decisions on the funding, but collective mobilisation was required for an efficient implementation. Mr Sergio BATTELLI, Italian *Camera dei deputati*, also repeated that it was essential to fully involve the national Parliaments, both during the drafting and the implementation of the plans.

Concerning the European Semester, Mr MORENO noted with respect to his country the need to redress the situation and to look towards the future. Timely and adequate decisions should be taken to address the crisis. Mr Gunther KRICHBAUM, German *Bundestag*, referred to the speed of the recovery, comparing it to the situation in China, where recovery was already well underway, and stressing that being the first to recover would be a decisive factor on the international scene. Regarding the use of the resources from the recovery fund, he also called for attention to small and medium-sized enterprises (SMEs) and to future technologies, including artificial intelligence, since these were important for the future of the EU. Mr BATTELLI stressed that the national recovery and resilience plans would not only deal with the economic and social impacts of the crisis but also represented an opportunity to modernise the economies. Therefore he underlined the need to focus on projects with high impact and in the most advanced sectors from the point of view of technology, environmental sustainability and innovation, including within the framework of projects of common European interest which would be drivers of innovation in strategic sectors, and gave the example of synergies in developing national clouds. Ms Ria OOMEN RUIJTEN, Dutch *Eerste Kamer*, asked the Commissioner how the results of the European Semester would be used when dividing the funds, whether enough attention would be paid to supporting SMEs, and how the rule of law mechanism would be implemented.

Both Ms Roberta METSOLA, European Parliament, and Mr Marko POGA NIK, Slovenian *Državni zbor*, agreed that recovery would be a central theme in 2021 and that the EU agreement on the recovery funds was a defining and historical moment for the EU. Ms METSOLA noted that this funding was the biggest ever in monetary terms, and at the same time the broadest because of the way it would bring all Member States together. She hoped that the EU would come out of the crisis stronger and more resilient. She also stressed the clear link between the dispersion of EU funds and the protection of the rule of law, independence of the judiciary, democracy and freedom of the media, and underlined that the European Parliament would remain vigilant that EU funds would be used respecting the European values and way of life. Ms METSOLA also referred to the issue of own resources and stressed that this was not an uncontroversial matter, not least because it raised concerns about the impact on Member States' competitiveness, and noted the important role of the national Parliaments in the process of deciding for new EU revenues. Mr BATTELLI also commented on the Own Resources Decision and the importance of ratification, as well as on the need to progressively introduce new revenues such as the digital tax in order to strengthen the sustainability of the plan for reimbursement of the EU recovery instruments.

Mr Dimitrios KAIRIDIS, Greek *Vouli ton Ellinon*, stressed that the recovery fund was the first step of a fiscal and eventually political union. He noted that it was time for rapid implementation, given Europe's poor performance during the pandemic, especially when compared to other developed countries and competitors. In addition, he noted many differences and inequalities in Europe between south and north, and between east and west: Eastern Europe was diverging politically and Southern Europe was diverging economically. Mr POGA NIK noted that the EU was one of the areas worst hit by COVID-19 in the world and consequently the EU economy was one of the hardest hit and that it was important to restore the EU's economic power. He also referred to the Slovenian priorities for the national recovery plan, which included, among others, investing in digital transformation, environmental protection, and improving the education and health systems. Ms Silvana GIANNUZZI, Italian *Senato della Repubblica*, informed participants that Italy was designing its own plan for a resilient health network with particular attention to fighting inequalities. She noted that Southern Italy urgently needed to reboot growth with green and digital investments in order to regain competitiveness and that sustained growth in less developed areas was important and to the benefit of all, as it created an enlarged market. Furthermore, the gender-gap was to be addressed horizontally. Finally, she stressed that the state aid flexibility and the temporary framework proved useful tools, and called for an extension until at least December 2021. While welcoming all EU financial instruments, Mr Nicos TORNARITIS, Cyprus *Vouli ton Antiprosopon*, stressed that the second wave

of the pandemic developed even more devastating consequences on the Member States' economies. He called for a revision of instruments in order to include all sectors affected and for supporting the governments during the current lockdown. He further underlined that support of the health sector remained an urgent priority requiring immediate financial assistance to ensure resilient health care systems, able to respond to the continually increasing requirements. Ms Mailis REPS, Estonian *Riigikogu*, agreed with other speakers who expressed the view that the second wave of the pandemic was harsher and that recovery could not start before the health crisis had been resolved. She emphasised that recovery should pay particular attention to the sectors that were hardest-hit, such as tourism, logistics, and the health sector. She also called for a rapid, but flexible, implementation with respect to state aid and public procurement rules.

Mr Jean-François RAPIN, French *Sénat*, also touched upon the own resources issue and the need to optimise the EU revenues. He mainly elaborated on Brexit and the impact on fisheries for certain regions depending on the fisheries sector and called for adequate plans to help restore the negative impacts. He called for the EU to show solidarity to these sectors and spoke about sustainable fisheries and controlling overfishing.

Ms Satu HASSI, Finnish *Eduskunta*, stressed that there was a need to strive towards a resilient carbon-neutral circular economy in the EU. She added that the pandemic taught people to do things differently and that this should lead to reconsidering certain aspects of political life, e.g. how meetings in the EU took place, namely through more use of virtual meetings, thus limiting flights. On the other hand, she was hopeful for positive movements from many countries around the world, such as the United States, Japan, South Korea and China, towards environmental goals, and insisted that the EU should lead this global effort.

Mr Domagoj HAJDUKOVIĆ, Croatian *Hrvatski sabor*, stressed that a strong and resilient EU should mean a cohesive Europe, especially if the latter intended to be a global actor. He expressed his satisfaction with the compromise reached on the cohesion funds within the Multiannual Financial Framework, but underlined that a cohesive Europe should always be an important objective.

Mr Stefan MUSOIU, Romanian *Camera Deputaţilor*, welcomed the fact that the Portuguese Presidency's programme promoted a Union based on the common values of convergence, solidarity and cohesion and placed the European social model in the centre. He stressed that the implementation of the EU budget was essential and hoped that the Portuguese Presidency would finalise all relevant sectoral files. He supported the initiatives aiming to increase social convergence in the EU while respecting national competences in this area, in parallel with the consolidation of the internal market, and called for strengthened dialogue and collaboration during this semester.

In her replies, Ms FERREIRA first focused on the question of partnership principle and said that the new recovery instruments would change the way Member States grew and developed in the next decade. She emphasized the role of national Parliaments in the recovery and stated that a balance between the speed of implementation and inclusion of all stakeholders was essential.

Furthermore, she reiterated that the implementation of national recovery and resilience plans was closely connected to the quality of the public administration. She noted that, in the next four to five years, Member States would need to manage higher numbers of investments than previously, which could be challenging for some. In this context, she emphasized that there was a need for reforms in public administrations, for which funds from the RFF and support from the Technical Support Instrument were available.

With regard to the disproportionate effects of the crisis on certain sectors and regions, she emphasized that the established mechanisms took this into account as could be seen in case of the European

Regional and Development Fund, which enabled simultaneous investments in tourism, culture, health.

Referring to the contributions by Ms HASSI and Ms OOMEN RUIJTEN, Ms FERREIRA agreed that future visions of growth and development needed to follow the paradigm of green and digital transition. She added that there was also the need for social and regional cohesion, because recovery could not be successful if people were left behind.

She recognized the important role state aid played in mitigating unemployment risks, but noted the differences between the Member States' abilities to use state aid and the impact of its long-term use on the internal market.

In reply to Mr TORNARITIS, Ms FERREIRA acknowledged the need for urgent financial help and said that cohesion funds were being used with full flexibility. This way of financing was being prolonged through REACT-EU with 47,5 billion EUR to be used by Member States until 2023, which funds could also be used to finance past projects (established after 1 February 2020) created to fight the COVID-19 pandemic. In this context, she stressed that REACT-EU served as a transition mechanism from the emergency response to the long-term recovery and that Member States could already set up their projects for it.

Ms FERREIRA emphasized that for the recovery to start, national Parliaments needed to ratify the Own Resources Decision in order to enable the European Commission to borrow on the financial markets at more favourable rates than any individual Member State.

In response to the question raised by Mr RAPIN, regarding the specific support for regions most affected by Brexit, Ms FERREIRA highlighted the establishment of the Brexit Adjustment Reserve. It had an overall budget of five billion EUR, with four billion EUR in advance payments for Member States to assist affected regions and sectors, including those dependent on fishing activities.

Ms FERREIRA concluded her remarks by stating that most legislation concerning the recovery mechanisms had already been finalized and published or was in the process of being published. She emphasised that the time to deliver had come, and that this could only be accomplished with the involvement of all Member States, their national Parliaments, the European Parliament and other relevant partners.

Mr CAPOULAS SANTOS thanked Ms FERREIRA as well as all the participants to the meeting for their clear and constructive interventions. He reiterated that dialogues with the Commission would continue to be held, following the footsteps of the previous German Presidency. Finally, he thanked the Secretariat and all the staff working on making the meeting a success.