

**Executive Vice-President Valdis Dombrovskis
Opening statement at the
Conference of Parliamentary Committees for EU Affairs of the
national parliaments of the EU**

Virtually, 7 April 2021

Honourable Mr. Chair Capoulas Santos, ladies and gentlemen

Thank you for inviting me to take part in today's debate.

It is a pleasure to address the conference of national parliamentary EU affairs committees.

Even in these difficult times, you are managing to continue this vital work of inter-parliamentary cooperation.

The European Commission highly values its cooperation with national parliaments. Our regular meetings are a good example of the inter-parliamentary and inter-institutional dialogue within the European Union.

So I welcome this opportunity to engage with you today on two areas of interest for all Europeans – the EU's economic recovery and its future trade policy - and how they can give us the best chance for a lasting, sustainable and inclusive recovery.

Let me start with the recovery and general economic situation.

So far, we have received more than 70 opinions from national parliaments relating to the pandemic and its consequences.

Last year, we received 44 opinions from 13 chambers on various parts of the recovery package.

So, I would like to thank all concerned for their input and contributions. Your input is critical for the Commission to understand the situation on the ground in individual Member States.

From the start of the crisis, our priority has been to tackle the public health emergency, protect people's jobs and incomes, and keep businesses afloat.

This solidarity and support applies across all countries in the European Union and it continues as long as the pandemic continues.

However, once health risks diminish - and for those countries able to do so - we should slowly move from immediate crisis measures to policies promoting a resilient and sustainable recovery.

As you know, the main vehicle for financing the recovery is the Recovery and Resilience Facility – or RRF.



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To access its funding, each Member State needs to prepare and submit a reform and investment plan with a strong focus on areas of potential growth such as green and digital.

They are working hard to prepare their plans. We have come long way in just a few months. The Commission now has a good understanding of what vast majority of countries intend to include in their plan. But there is still a lot of work to do.

We expect most countries to submit their plans towards the end of April.

In the meantime, the Commission will continue in-depth technical discussions with all Member States to guide them towards making their plans ready.

However, while speed is important to get the RRF funding flowing as soon as possible, quality of the finalised plans is paramount.

That includes getting the right balance between reforms and investments and translating them into relevant, defined milestones and targets to guide disbursements.

So far, we see a strong focus on investment, reforms are sometimes not represented so well.

But these two elements must go hand in hand.

Reforms are crucial for facilitating investment, especially given the large amounts that need to be absorbed. This could be eased by reducing administrative and other barriers, for example.

Each plan must have a long-lasting impact, not just lead to a short-lived surge in GDP growth. That would not be good enough.

There is a lot of money at stake and it should be spent properly.

Along with the economic, green and digital aspects, the plans should contain a strong social element, in line with the country-specific recommendations in the European Semester.

The plans have to meet legal requirements too.

Here, some areas which require work, such as on:

- audit and control systems to minimize any fraud;
- credible cost estimates and tracking of climate and digital spending;
- respect for the principle of 'do no significant harm'.

The responsibility for drafting the plans and putting them into effect lies with national governments and in line with national procedures such as subject to approval by national parliaments.

They will be the ones to receive the RRF payments. But broader ownership is also key for a successful and inclusive recovery.

Social partners civil society, regional and local governments must be closely involved at all stages of the process. They will play a key role in helping to translate ambitious objectives into policy initiatives that will benefit people and businesses on the ground.



We are conveying this message directly to national governments,

They will need to explain how their plans reflect stakeholder contributions: whether selectively on specific components, or generally on a comprehensive draft plan.

Once the plans are submitted and approved, the focus for the rest of this year will be on putting them in a proper effect.

Here, the European Parliament will play an important role.

Up to every two months, the Parliament may invite the Commission to a structured discussion on the implementation of the RRF and horizontal topics appearing in the national plans.

First though, the Commission needs to start its borrowing programme under Next Generation EU so that Member States can access this unprecedented funding.

As you know, the own resources decision will authorise the full amount of this borrowing to be used for exceptional expenditure and loans to Member States.

It will only enter into force once it has the approval of all Member States in line with their national constitutional requirements.

In most cases, this means approval by national parliaments.

Many of you, as representatives of your national parliaments, have a key role in this process. I call on you to help us in ratifying the decision quickly to get the RRF up and running.

We need full approval of the own resources decision so that EU money can start flowing to support the recovery and restart economies in a sustainable and resilient direction.

Let me turn now to trade policy, which plays an important role to play in getting our economies back on track.

In today's world, trade should play a stronger role in supporting our wider geopolitical goals. This is why the Commission recently published a new strategy for EU trade policy.

In line with our commitment to ensuring a transparent and inclusive policy, we conducted an intense consultation exercise. I would like to thank those national parliaments that contributed.

The strategy aims to build a new consensus for trade policy based on three key principles: openness, sustainability and assertiveness.

Trade is already a strong pillar of the EU economy.

One in six jobs depends on exports, securing high-quality well-paid employment for millions of people.



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Looking to the future, we know that 85% of global growth will take place outside the EU in the next decade.

So to take advantage of this economic opportunity, we need more trade, not less. We have a strong network of trade agreements to help us: 46 deals with 78 partners.

While we aim to ratify agreements and complete ongoing negotiations, we will put a much stronger focus on extracting maximum value from existing deals.

This will help our companies – particularly the smaller ones, SMEs - to find new opportunities and speed up their recovery.

We never forget that SMEs provide two of every three jobs in Europe. They are the backbone of our economy. This is why supporting them is so important. I also know that this is a priority for many national parliaments.

Last year, we appointed the first EU Chief Trade Enforcement Officer, with a mandate to help our companies gain more value from our trade agreements – and SMEs in particular.

We know that SMEs have fewer resources to go global.

So we recently launched a dedicated portal called Access2Markets: a one-stop-shop to help our SMEs reach new markets. And we created a new streamlined complaints system to support them when they face unjust market barriers abroad.

By connecting us to key growth regions around the world, trade provides us with a platform to work with our global partners. It helps us to pursue our interests and values, in particular the green and digital transformations of the global economy.

Of course, open trade can only operate based on strong and appropriate global rules. This is why we have published a detailed European agenda on WTO reform, which I know is a strong priority for many parliaments.

Among other areas, it will address issues such as competitive neutrality, subsidies and state-owned enterprises. I am confident that it points us in the right direction.

We believe that 2021 presents us with promising circumstances. With a new administration in the United States, and with a new WTO Director-General, we have good prospects for change.

We will strive to generate the momentum for achieving results at the 12th Ministerial Conference in November.

Our goal is to recast the WTO as a forum for tackling the most pressing problems of today's world, such as:

- tackling the effects of Covid-19;
- supporting environmental and social responsibility;
- updating the rules for digital trade; and
- addressing unfair trading practices.



We are also committed to promoting our values, including on climate and sustainability, in our bilateral relationships.

For the first time, we are making sustainability a clear headline priority in trade policy. The Paris Climate Agreement will now be an essential element for new negotiating mandates.

We are not stopping there.

We have also proposed a trade and climate initiative at the WTO and we are seeking agreement on climate neutrality in our trade deals with G20 countries.

The EU's free trade agreements will continue to include chapters on trade and sustainable development as a core element, and we will work on improving their implementation and enforcement of those chapters.

Many parliaments have made it clear that this is your expectation too, and that of your citizens.

Finally, the strategy spells out a plan for Europe to be more assertive in trade context.

On the enforcement side, we want to make sure to extract maximum value from the deals we sign around the world. We need to see that our partners live up to their obligations too - on market access, and on environment and labour rights.

This is where the EU's Chief Trade Enforcement Officer will help. He will proactively enforce our rights in trade deals, particularly to support our SMEs.

In addition, we need to strengthen our own capacity to level the playing field, and defend ourselves when our partners do not play by the rules.

To that end, we will prepare an anti-coercion instrument and explore options for an EU strategy on export credits.

The Commission looks forward for continued engagement with national parliaments on the future of EU trade policy in the coming months.

Honourable members, ladies and gentlemen

I hope that this has been a useful and solid overview of the Commission's strategies for the EU's economic recovery and what role our trade policy can play in the post-crisis phase.

National parliaments provide a vital link between Europe's people and institutions and are a key partner in our democracies. I welcome our continued cooperation and dialogue.

Thank you very much for listening, and I now look forward for your questions.

