



Union of European Federalists
Union Europäischer Föderalisten
Union des Fédéralistes Européens



JOINT STATEMENT OF THE SPINELLI GROUP AND THE UNION OF EUROPEAN FEDERALISTS ON THE STATE OF THE UNION AND NEXT GENERATION EU 2020

We welcome the adoption on the 21 July 2020 by the European Council of the Recovery Instrument for Europe (NextGenerationEU) as an important step for the fair, inclusive, sustainable and resilient recovery of the Union. After four days of long negotiations, the Member States agreed an economic stimulus of € 750 billion on top of the MFF for 2021-2027. Both are expected to be subject to concrete and effective rule of law conditionality provisions. For the first time, the European Union agreed to issue a sizable common federal debt, for the financing of transfers and the EU budget. This gives a “Hamiltonian” or new momentum towards building a Federal Europe. This constitutes the embryo of a temporary financial union that should be completed with fiscal instrument’s union and the introduction of new genuine own resources in the form of pan European taxes. This historic step was achieved following the resolutions approved by the European Parliament on 17 April and 15 May 2020 and the European Commission’s ambitious proposal from the 27th of May 2020. The Recovery Plan constitutes an important step for the future of Europe.

On 16 September 2020, 500 days after the European Elections, the President of the Commission, Ursula von der Leyen, highlighted during the Debate on the State of the Union that the EU needs to be more ambitious than ever before. This means leading the digital and green transition, social consolidation, protecting lives and livelihoods, fighting for equal opportunities and against discrimination, adopting a new approach to migration based on solidarity, strengthening Europe’s leadership in the world and making the Union more resilient. President von der Leyen highlighted a number of worthy proposals, including many that were proposed by The Spinelli Group:

1. The establishment of a European Health Union, including a new distribution of competencies in health matters to be discussed during the Conference on the Future of Europe. It also called for a larger budget for the health programme.

2. Use of the European Recovery Plan to transform the European economy, with an overall target of 30% of Next Generation EU's expenditure supporting climate objectives.
3. Establishment of a European directive on fair minimum wages to achieve better convergence in Europe.
4. Increasing the emissions reduction target for 2030 to at least 60% compared to the 1990 level, instead of 40% as planned, and launching new hydrogen projects, keeping in mind also that the European Parliament in its Climate Law introduces a more ambitious target to at least 60%.
5. Strengthening the European cultural dimension with the creation of a new European Bauhaus, as a new cross-cutting and creative space.
6. A new Pact on Migration should be completed in 2021 with a Strategy on the future of Schengen, a new Schengen evaluation mechanism as well as concrete proposals aimed at creating legal channels for migrants ensuring their effective integration. Saving lives at sea is not optional and pushbacks are prohibited. The Commission proposed a new monitoring mechanism, which should be in place in order to ensure effective implementation of the EU acquis and international Human Rights commitments. Those countries that fulfil their duties protecting EU external borders must be able to count on an effective solidarity mechanism. The proposals put forward by the Commission on 23 September, need to better clarify the new quick pre-entry screening procedure, the new swift EU system for return, improve the protection of children and vulnerable groups at all steps of the migration process, sharing concrete European solidarity and establishing a solid and robust migration crisis system.
7. Boosting initiatives against racism, ending "LGBT-free zones" and combatting anti-Semitism. The Commission will soon present a strategy to strengthen LGBTQI rights and the fight against racism.
8. Activation of qualified majority in the Council, at the very least, for adoption common rules on sanctions for Human Rights violations (Navalny Act), ensuring internal –external coherence in the EU action in the area of Human Rights.

9. Finally, the President set out the guidelines that the Union will follow to strengthen the multilateral system, including a new transatlantic agenda, showing firmness towards Russia, and finding a sustainable solution with Turkey.

Yet for The Spinelli Group and the UEF, these reforms need firstly to be implemented properly and timely and also to go further truly building a federal Europe. The EU needs a stronger 2021-2027 MFF supporting strategic EU Programmes (like EU4Health, Horizon 2020, Erasmus+, Creative Europe, the European Social Fund +, the European Regional Development Fund, the Just Transition Fund), and must launch the Conference on the Future of Europe rapidly. In addition, NextGenerationEU needs to be approved with, a legally binding calendar for the introduction of new own resources (levies on, for instance, the quantity of non-recycled plastic, online platforms, financial transactions, CO² emissions, a Common Consolidated Corporate Tax Base and ECB profits). Moreover, both the NGEU and the next MFF need to be accompanied by a binding framework for monitoring climate and biodiversity spending in view of achieving an overall target of at least 30% of MFF appropriations and NGEU expenditures supporting climate objectives and at least 10% supporting biodiversity objectives. A new Trade policy as well as European Sustainable Corporate Governance rules will ensure transparency and level playing field for all businesses.

They should also effectively support the overall gender mainstreaming of the Union budget and the implementation of the UN Sustainable Development Goals. The Recovery Fund should also be permanent, as the ECB proposes. In this perspective, which makes it necessary to achieve a true fiscal union, the European Parliament approved in its resolution on the draft Council decision on the system of Own Resources of the EU that "In view of future deliberations about treaty changes, and using the momentum of the Conference on the Future of Europe, the democratic legitimacy, accountability, resilience and alignment with major policy objectives of the Union budget's revenue side, should be further strengthened by granting the European Parliament enhanced competences in the legislative decision making and a more active role in the monitoring of the implementation of the own resources system as well as in the underlying sectoral legislation.

Von der Leyen's speech conveyed the need to increase Europe's unity of action. The President's message was clear: Together we are stronger. The



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anti-crisis response should be an opportunity to boosting the EU's ecological and digital transitions, but also to complete the nascent financial union with a stronger political union, thereby achieving the construction of a federal Europe.

Europe cannot afford to waste any more time. Any time missed jeopardises our European project. Imminent problems need common European solutions, discussed in an open and constructive way in a new and innovative exchange with EU citizens: we must start the Conference on the Future of Europe. We call on the German Presidency of the Council to ensure that the Conference is launched this autumn with an interinstitutional declaration in autumn 2020.