



THE SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
12TH TERM

452ND

RESOLUTION OF THE SENATE

Delivered on the 25th Session held on the 22nd of July 2020

on the amended proposal of the multiannual financial framework for the years 2021 to 2027 and the European Union Recovery Instrument

- **Amended proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027 (Senate Print N 053/12, COM(2020) 443)**
- **Proposal for a Council Regulation establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 pandemic (Senate Print N 054/12, COM(2020) 441)**
- **Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions Europe's moment: Repair and Prepare for the Next Generation (Senate Print K 055/12, COM(2020) 456)**
- **Communication from the Commission The EU budget powering the recovery plan for Europe (Senate Print K 056/12, COM(2020) 442)**
- **Amended proposal for a Council Decision on the system of Own Resources of the European Union (Senate Print J 057/12, COM(2020) 445)**

The Senate

I. Welcomes

the European Commission's initiatives striving for mitigation of economic and social impacts of the coronavirus epidemic and recovery of economic growth;

II. Understands

the arguments why financing a part of the recovery measures by means of borrowing by the European Commission is more favourable than independent action of the Member States;

III. Emphasizes

1. the urgency of adopting measures for stabilisation and recovery of the European economy;
2. the interest of the Czech Republic as an open and export-oriented country on a Europe-wide recovery;
3. the necessity that the declared aims of the unprecedented and *ad hoc* recovery instrument and the indicators selected for its distribution among the Member State correspond to each other;
4. the need to find a more balanced proportion, in the 2021-2027 EU budget in contrast to the proposal, among the reaction to the coronavirus crisis, the support of convergence and the support of structural reforms in those areas of Member States' public policies that are a long-standing source of problems;
5. the urgency of achieving a timely agreement on the method and resources of repayment of the debt arising from the financing of the Recovery Instrument by borrowing;

IV. Supports

1. a swift adoption of the multiannual financial framework, the Recovery Instrument and the system of Own Resources in the ambitious volume proposed by the European Commission;
2. the endeavour of the Government of the Czech Republic for a more balanced construction of the allocation formula that would correspond better with the main aims of the interventions, including the substitution of the Gross Domestic Product by the Gross National Income per capita and the weakening of the value of pre-crisis unemployment rate;
3. making access to financing from the multiannual financial framework and the Recovery Instrument conditional upon the adherence to the principles of rule of law;

V. Expresses concern

over the significant cuts in the financing of resolving migration-related problems, border management, security and defence in the compromise proposal of the multiannual financial framework presented by the President of the European Council;

VI. Draws the attention of the Government of the Czech Republic and the European Commission

to the necessity to reach an agreement on more detailed rules for the use of finance from the Recovery Instrument as soon as possible, because the Commission proposals do not render sufficiently concrete e.g. the types of investment or reforms suitable for financing or the relation to other sources of financing;

VII. Calls on the Government of the Czech Republic

1. to actively contribute – apart from the legitimate defence of the specific interests of the Czech Republic – to achieving a compromise on the proposals that would prevent resorting to a provisional budget in the European union and that would facilitate the swiftest possible preparation for the use of the allocated funds;

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2. to give preference – during the negotiations on the methods and timeframe of the use of the Recovery Instrument funds – to the interest of citizens and economic subjects on a swift access to the additional financial resources before its own chronic problems with introducing reforms and implementing, using and administration of European funding instruments;
3. to clearly communicate to the Parliament its opinion on the procedure for approving the Own Resources Decision in the Czech Republic;
4. to learn from the previous and current programming period when setting up the instruments and to alleviate to the utmost the administrative demands of the use of EU funding by domestic subjects while increasing the transparency and providing a sufficient protection against the conflict of interests in line with the Financial Regulation;
5. to begin, without delay and in dialogue with the Parliament, the social partners and the representation of regional and municipal self-government, with the preparations for the use of European funding from the Recovery Instrument in 2021-2027 including the strategic documents that will evidently form the basis for the access to this finance;

VIII.

1. Requests

the Government to inform the Senate no later than on the 30th of September 2020 about the way this resolution was taken into account and about further development of negotiations of the proposals;

2. Authorises

the President of the Senate to forward this Resolution to the European Commission.

Miloš Vystrčil
sign manual
President of the Senate

Šárka Jelínková
sign manual
Senate Verifier