



PES Presidency Declaration on the Next Generation EU, the MFF negotiations and the Rule of Law

Adopted by the PES Presidency, 16 October 2020

In July 2020, the EU's Prime Ministers and Leaders reached a historic compromise on the MFF 2021-2027 and the ambitious recovery package of Next Generation EU. Our PES Leaders pushed to ensure a sustainable recovery for all European economies heavily impacted by the consequences of the COVID-19 crisis and at the same time promote a progressive and democratic agenda in Europe that can address the climate, digital and social transitions and future challenges. The signal was clear: the MFF and the new recovery fund would lead Europe on a path of sustainable and green economic growth, based on the Social Pillar and the Green Deal, and the EU's Gender Equality Strategy.

At the same time, our leaders ensured that the July agreement also included measures to defend the Rule of Law through a novel conditionality clause to uphold all fundamental EU values. These include the respect for human dignity, human rights, including women's rights, freedom, and equality, in every member state, region and municipality. In this respect, any sanction should be applied to the relevant level of governance. The rule of law mechanism must guarantee the protection of the final beneficiaries - local authorities, NGO, civil society organisations, SMEs - of the budget of the EU funds. Safeguarding democracy, human rights and the rule of law is a founding European principle and an inalienable right of every citizen. It is our duty to ensure that every citizen lives in a society where the rights and values of the EU's Charter prevail. We remain vigilant on this. Our Union is a community built on the Rule of Law and all Member States must respect that.

Unfortunately, some right-wing populist governments in Europe insist on going down a reactionary path, putting this principle under pressure. Our political family has been spearheading the debate on the respect of the rule of law. We are proud that social-democratic Commissioners, Prime Ministers, Party Leaders, Ministers, the S&D Group and members have tirelessly defended the respect of democratic principles and values.

As Socialists and Democrats, we are convinced of the necessity to have a swift agreement on the implementation of an ambitious MFF and recovery plan with effective rule of law conditionality. We are entirely committed to both. We believe that it is inconceivable to have to choose between the one or the other. The European Commission, the European Council and its Member States, and the European Parliament all have a critical role to



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play in this process. We urge all those involved to deliver a swift decision on the MFF and the Recovery and Resilience Facility.

In this defining moment for the European project, our political family stands firm in the belief that the July agreement must be honoured in all its aspects: an urgent agreement and implementation of the financing of the recovery, and an unwavering defence of the rule of law. No crisis can be used as an excuse to undermine democracy, and there can be no excuse to hold the recovery hostage. In view of the urgency of the crisis, in its health, economic and social dimensions, there is no time for delay. Therefore, we must urgently deliver the package agreed to in July to move towards a more progressive, sustainable and democratic Europe.