



Parlamentul României Senat

Bucharest, July 1, 2020

Courtesy translation

OPINION of the SENATE of ROMANIA

on the 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 - The EU budget powering the recovery plan for Europe COM (2020) 442 final

and

**the 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
COM (2020) 456 final**

The Romanian Senate examined the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - The EU budget powering the recovery plan for Europe COM (2020) 442 final and the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Europe's moment: Repair and Prepare for the Next Generation - COM (2020) 456 final, according to the provisions of the Treaty of Lisbon (Protocol no. 1).

Taking into account the report of June 26, 2020 of the Committee for European Affairs, **the Plenum of the Senate**, during its session of June 30, 2020

1. Welcomes the Commission's new proposals for strengthening the EU's economic recovery from the crisis caused by COVID-19, new programs for the public sector and related investments, and proposals for tackling future similar crises by strengthening shock-resistant health, with efficient healthcare and equitable access for all citizens;
2. Supports the swift adoption of the financial legislative package in order to ensure sufficient time for the authorities responsible for programming and using the funds;
3. Notes the lack of a complete diagnosis in the Commission's proposals, and it is still unclear whether the current crisis is a consequence of measures to counter

the COVID-19 epidemic or a consequence of the old crisis that many political and economic analysts have been waiting for since 2019;

4. Points out that:
 - a) the mere creation of favorable conditions for loans does not cause either banks to grant them or firms to borrow, as long as there is no demand for those goods and services, the European Union (especially the Eurozone) is already in a liquidity trap just before the crisis;
 - b) in the period 2014-2020, the MFF was mainly oriented towards cohesion and the CAP, while the new MFF reduces the amounts allocated to cohesion and creates new instruments mainly oriented towards access to competitiveness, with the risk of widening development gaps between developed and developing Member States with a low level of development.
5. Recommends clarification of the funding resources for the financial legislative package. In the case of loans that will be committed by the EU, although there are benefits of lower cost, due to financial credibility, the subsequent payment will be made on the old principles in which state contributions will be calculated based on GNP and keys that will have to be negotiated fairly. ;
6. Calls for the amount of cohesion and CAP allocations to be maintained in the long term, so as to ensure that economic disparities, social inequalities and demand stimulation are reduced, able to increase investor optimism and contribute to a closer Union; development of the Member States.

p. President of the Senate
Robert-Marius CAZANCIUC

