



renew europe.



**To Mrs. Angela Merkel
Chancellor of the Federal Republic of Germany, Presidency of the Council of the EU**

**To Mrs Ursula von der Leyen
President of the European Commission**

Brussels, 26/08/2020

Dear **Chancellor Merkel**, dear **President von der Leyen**,

In the previous mandate, our three institutions had entered into constructive and result-oriented negotiations on the *regulation on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States* (2018/0136 (COD)). The European Parliament has always strongly advocated for such a conditionality mechanism because we cannot allow that the values enshrined in Article 2 TEU are systemically threatened or violated by any of the 27 Member States while EU funds continue to be received by the responsible governments. At the same time, it is evident that the core tools available to the EU to protect these values, including democracy, the rule of law and fundamental rights are limited in scope, inadequate and insufficient. It is our position that the Commission, as guardian of the EU treaties, needs to be empowered, including through this Regulation, to hold Member States to their commitments on these values.

Against this background, we strongly regret that the European Council in its extraordinary meeting of 17-21 July 2020 significantly weakened the efforts of the Commission and Parliament to uphold the rule of law, fundamental rights and democracy in the framework of the multiannual financial framework 2021-2027 (MFF) and the Next Generation EU (NGEU) instrument. It is our deep conviction that there can be no rebates on European values.

We therefore reiterate our commitment, as mentioned in the Parliament's resolution on the extraordinary European Council meeting conclusions from 23 July 2020, to complete the co-legislator's work on the proposed rule of law conditionality regulation in a constructive and collaborative manner, and we urge the German Council Presidency to resume technical and political meetings in close cooperation with the Parliament's Co-Rapporteurs without undue delay. At the same time, we have to stress that in line with Parliament's first reading position, there are a number of key demands for our political groups in particular on the need to

- **incorporate the Annual Monitoring Report on Union values**, to
- **maintain the "reverse qualified majority" rule**, to
- **preserve the institutionalised procedural role for the Parliament** and to
- **foresee safeguards for final beneficiaries and recipients.**

At this point, our political groups feel the need to underline once more that the above-mentioned rule of law regulation will be adopted by co-decision, and that the adoption of the

new Multiannual Financial Framework 2021-2027 (MFF) also fully depends on Parliament's consent. Without formal conclusion (closure) by the Council and the European Parliament of this file, it will be impossible for us to advance on the MFF.

The time has come to accelerate the fight against the erosion of democracy, the rule of law and fundamental rights in the very heart of the EU and to underline that electoral victories do not constitute a mandate for heavy-handedness and a departure from European values. We strongly believe that the creation of such a conditionality mechanism, which builds primarily on the Commission's Annual Monitoring Report on Union values, represents the most effective, proportionate and dissuasive response to the existing challenges. It is important that this addresses the core problem, and that violations are targeted in such a way that does not work to the detriment of European citizens and communities, in the interest of upholding the rule of law.

We therefore urge the German Council Presidency to close ranks and join Parliament's efforts to uphold democracy, the rule of law and fundamental rights by finalising the adoption of this proposal without undue delay.

Yours sincerely,

Manfred Weber
President of the European People's Party Group

Iratxe García Pérez
President of the Socialists and Democrats Group

Dacian Cioloş
President of the Renew Europe Group

Ska Keller
Philippe Lamberts
Co-Presidents of the Greens/EFA Group