



Plenary sitting

B

[21.11.2022]

MOTION FOR A RESOLUTION

pursuant to Rule 132(2) of the Rules of Procedure

on [State of play of the negotiations between the Commission and the Hungarian Government linked to the Conditionality Regulation and the RRP]

Petri Sarvamaa, Jeroen Lenaers

On behalf of the EPP Group

Eider Gardiazabal, Thijs Reuten

On behalf of the S&D Group

Moritz Körner, Katalin Cseh

On behalf of the Renew Group

Damian Boeselager, Gwendoline Delbos-Corfield, Daniel Freund

On behalf of the Greens/EFA Group

Younous Omarjee, Malin Björk

On behalf of the Left Group

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PE000.000v00-00

State of play of the negotiations between the Commission and the Hungarian Government linked to the Conditionality Regulation and the RRP

The European Parliament

- having regard to the Charter of Fundamental Rights of the European Union (the ‘Charter’),
- having regard to the Treaty on European Union (TEU), in particular Articles 2, 4(3) and 7(1) thereof,
- having regard to the European Convention on Human Rights and the protocols thereto,
- having regard to the Universal Declaration of Human Rights,
- having regard to the international human rights treaties of the United Nations and the Council of Europe,
- having regard to the regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget,
- having regard to the regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility,
- having regard to the regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy,
- having regard to the ECJ’s decision of 3 June 2021 in case C-650/18 dismissing Hungary’s action against Parliament’s resolution of 12 September 2018 triggering the procedure for determining the existence of a clear risk of a serious breach by a Member State of the values on which the European Union is founded,
- having regard to the country chapters on Hungary in the Commission’s annual Rule of Law Reports in particular that of 2021 and 2022,
- having regard to the case-law of the Court of Justice of the EU,
- having regard to its resolutions notably:

-of 15 September 2022 on the proposal for a Council decision determining, pursuant to Article 7(1) of the Treaty on European Union, the existence of a clear risk of a serious breach by Hungary of the values on which the Union is founded,

-of 9 June 2022 on the rule of law and the potential approval of the Polish national Recovery Plan (RRF), of 5 May 2022 on ongoing hearings under Article 7(1) TEU regarding Poland and Hungary

- of 10 March 2022 on the rule of law and the consequences of the ECJ ruling,

- of 8 July 2021 on breaches of EU law and of the rights of LGBTIQ citizens in Hungary as a result of the legal changes adopted by the Hungarian Parliament,

-of 10 June 2021 on the rule of law situation in the European Union and the application of the Conditionality Regulation (EU, Euratom) 2020/2092,

- having regard to the written notification sent by the Commission to Hungarian government on 27 April 2022 in line with article 6(1) of Regulation 2020/2092 on a general regime of conditionality for the protection of the Union budget

- having regard to the remedial measures sent by the Hungarian Government to the European Commission in a letter on 22 August 2022

- having regard to the European Commission proposal for a council implementing decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary on 18 September 2022

- having regard Hungary's ranking in World Justice Project 2021 Rule of Law Index (69th out of 139 countries and last in the EU, European Free Trade Association and North America region)

- having regard to Rule 132(2) of its Rules of Procedure,

A. whereas the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, as set out in Article 2 TEU, and as reflected in the Charter of Fundamental Rights of the EU and embedded in international human rights treaties; whereas those values, which are common to the Member States and to which all Member States have freely subscribed, constitute the foundation of the rights enjoyed by those living in the Union;

B. whereas the measures under the Conditionality Regulation are proposed by the Commission when the breaches of the rule of law principles directly affect or are seriously risking to affect the sound financial management of the Union;

C. whereas on the 18 September 2022 the European Commission has put forward budget protection measures under the "Conditionality Regulation" through a proposal for a Council Implementing Decision ensuring the protection of the EU's financial interests against breaches of the principles of the rule of law in Hungary, with a suspension of 65% of the commitments for

three programs under cohesion policy or, if applicable the approval of the three programs, as well as a prohibition to enter into legal commitments with the public interest trusts for programs implemented in direct and indirect management;

D. whereas the remedial measures adopted by the Hungarian government are not sufficient to prove that breaches of the principles of the rule of law in Hungary no longer affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union nor are not adequate enough to remedy the limited set of deficiencies that the Commission chose to address in the draft Council Implementing Decision and whereas even their full implementation seem unlikely to be adequate to remedy breaches of the rule of law affecting or seriously risking to affect the sound financial management of the EU budget in Hungary);

E. whereas Hungary has decided not to participate in enhanced cooperation for the establishment of the European Public Prosecutor's Office;

1. Welcomes the decision to trigger the Rule of Law Conditionality Regulation in the case of Hungary, albeit after a long delay and with a too limited scope;

2. Is of the opinion that the 17 measures negotiated by the Commission and the Hungarian government are not sufficient to address the existing systemic risk on the EU's financial interests;

3. Calls on the Commission to point in its assessment to the still existing risk and maintain the need for remedial measures, in order to provide for the grounds for the Council to approve by qualified majority the Commission proposal of September 18 for a Council implementing decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary;

3. Calls on the Council to adopt the measures under the conditionality mechanism, as proposed by the European Commission on 18 September 2022, and to lift the adopted measures only after evidence has been presented proving that the conditions for the adoption of the measures are no longer fulfilled, namely that the remedial measures adopted by the Hungarian government have had a sustainable effect in practice and that in particular no regression on already adopted measures has been registered;

4. Calls on the Commission to take immediate action under the regulation as regards other breaches of the rule of law, particularly those relating to the independence of the judiciary and other grounds addressed in the letter sent by the Commission to Hungary on 19 November 2021;

5. Reiterates its call on the Commission to ensure that the final recipients or beneficiaries of EU funds are not deprived of these funds in the event that sanctions are applied under the Rule of Law Conditionality Mechanism, as set out in Article 5(4) and (5), of the Rule of Law Conditionality Regulation; calls on the Commission to find ways to distribute EU funds via local governments and NGOs if the government concerned does not cooperate regarding the deficiencies in the implementation of the rule of law;

6. Recalls that the purpose of the RRF is to boost recovery and resilience in the EU and its Member States, including Hungary; deplores that, because of the Hungarian Government's actions, the RRF funding has not reached yet the people and regions of Hungary nor local governments or civil society organizations, while the 26 other RRF plans have been approved; Notes the risk of misuse of funds under the Recovery and Resilience Facility and reiterates its call for the Commission not to approve Hungary's plan until it has fully complied with all recommendations in the field of the rule of law and until it has implemented all of the relevant judgments of the CJEU and ECtHR; expects the Commission to exclude any risks of programs under cohesion policy contributing to the misuse of EU funds or to breaches of the rule of law before approving the partnership agreements and cohesion policy programs;

7. Regrets the lack of information made available to the Parliament regarding the negotiations between the Commission and the Hungarian authorities; expects the Commission to inform swiftly and regularly the Parliament on any relevant development; notes the importance of transparency also for European citizens, including Hungarian citizens for whom the stakes are incredibly high;

8. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.