

Mr Charles Michel
President of the European Council

Copy to:

Mr Emmanuel Macron, President of the French Republic
Mrs Ursula von der Leyen, President of the European Commission
Mrs Roberta Metsola, President of the European Parliament

Brussels, 10 March 2022
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[Letter sent by email] [REDACTED]

Dear President,

Ahead of the informal Summit of heads of state and government in Versailles on 10 and 11 March, **SGI Europe** would like to address our **support** to the ambitious agenda and the needs of **bolstering EU defence capabilities, reducing energy dependency and building a more robust social and economic base**. This Summit could become a watershed moment for the EU's future and its place in the world in the face of those unprecedented challenges.

SGI Europe strongly deplores and condemns the **unprovoked attack by Russia on the territorial integrity of Ukraine**. This indiscriminate, unprovoked use of force against an independent country **is in complete opposition with the values of peace, freedom and democracy that underpin the EU project**. Our organisation is very attached to those values, including its active membership in the European Movement International and the activities of our members on the ground to support Ukrainian refugees, as illustrated by the EMI proposals joined to this letter.

Following the unanimous initial decisions, the European Union must continue to show unity and determination to build a common response. To that aim, **contingency measures, including on energy, need to be put in place swiftly**. Those measures must guarantee the security and protection of EU citizens, enterprises and workers both active in the regions affected by the conflict and impacted in the EU.

The European Union is and must remain a paragon for peace and democracy, and those principles should guide all our decisions moving forward. As events continue to unfold, **we call upon the European Union to:**

- **Provide humanitarian and financial assistance to Ukraine** and contribute to a peaceful resolution to the conflict;
- Ensure stronger protection and support for conflict-affected residents and **grant asylum to all refugees** arriving in Europe, irrespective of their nationality or ethnic background;
- **Proceed with urgency towards** establishing a common migration and asylum policy, starting from the **reform of the Dublin Regulation** stuck in Council since 2017.

The war at our doorstep is another stark reminder of the **need for a strategically autonomous EU**. Whilst the COVID-19 pandemic highlighted structural deficiencies on access to critical medical components, the open conflict in Ukraine is showcasing the need to decouple our energy needs from regimes that violate the EU's fundamental values. It is also a clear reminder of the need to pursue the implementation of the Green Deal towards climate neutrality, including a dedicated approach to ensuring fairness and a "just transition" for enterprises, workers and citizens.

The swift and unprecedented actions undertaken by the European Commission and Member States since 24th February have demonstrated an inspiring level of leadership, unity and resolve. However, the costs to be paid in the context of the post-pandemic recovery should not be overlooked, particularly their potential impact in derailing the EU's objectives of the triple transition for a green, digital and social Europe. The **aftershocks of the war will indeed be immense**, with ramping inflation, potential shortages of energy supplies, further supply chain disruptions, instability of the financial and banking system and job losses.

Against this backdrop, SGI Europe calls on EU leaders gathering at the Summit in Versailles **to respond to this historical moment by kick-starting an in-depth assessment on the need for a new European growth and investment model**, aimed at preventing falling into an era of permacrisis, and by setting the path towards 2030.

To meet the three key policy objectives of a more sustainable, innovative and fair Europe, we believe that **a consensus around a set of forward-looking reforms is essential to sustain the post-pandemic recovery and build the necessary resilience, seizing the moment to establish the EU as a geopolitical player**. Therefore, we are joining to this letter the proposals we would have presented to you today in person should the original format of the Summit be maintained.

Building upon the first discussions scheduled in Versailles, you can count on SGI Europe's support in shaping this new era. The upcoming Tripartite Social Summit will be the next opportunity to further exchange and present our views on those topics.

Yours sincerely,



Pascal Bolo
President



Valeria Ronzitti
General Secretary

Annexes:

- SGI Europe contribution to the informal European Council (10-11 March 2022)
- War in Ukraine: European Movement International's proposals

10 March 2022

SGI Europe contribution to the informal European Council, 10-11 March 2022

*For a new pact guiding Europe into a new era: investing in the future of Europeans,
enhancing our common security and reinforcing social cohesion*

The ongoing war in Ukraine represents a watershed moment for Europe. The continuity and preservation of the most cherished pillars of our liberal democracies, peace, the rule of law, freedom and territorial integrity are under threat by the unjustified Russian invasion of Ukraine.

After a successful response to the COVID-19 pandemic, with a mix of solidarity, ambition and vigorous policy initiatives, **the informal European Council on the European Growth and Investment Model for 2030 in Versailles on 10-11 March comes amidst the most challenging crisis** the EU has ever faced.

The swift and unprecedented actions undertaken by the European Commission and Member States demonstrate an inspiring level of leadership, unity and resolve. Doing whatever it takes to support the Ukrainian people in resisting the aggression from Russia is not only essential at this stage, but it is also **our duty as a community founded on freedom, peace and the respect and protection of human rights.**

However, the **costs to be paid in the context of the post-pandemic recovery should not be overlooked**, particularly their potential impact in derailing the EU's objectives of the triple transition for a **green, digital and social Europe**. The aftershocks of the war will indeed be immense, with ramping inflation, potential shortages of energy supplies, further supply chain disruptions, instability of the financial and banking system and job losses.

Against this backdrop, **SGI Europe calls on EU leaders** gathering at the Summit in Versailles **to respond to this historical moment by preventing Europe to fall into a permacrisis and by setting the path towards a new Growth and Investment Model for 2030.**

To meet its three key policy objectives of a more sustainable, innovative and fair Europe, we believe that a **consensus around a set of forward-looking reforms is essential** to sustain the post-pandemic recovery and build the necessary resilience, seizing the moment to establish the EU as a geopolitical player.

Intended to build a wide and broad consensus ahead of the Summit, we submit to the Heads of States and Governments the following recommendations:

Reform the existing fiscal rules and adapt the EU economic policy toolkit to the post-pandemic and new geopolitical reality

- **Postponing the deactivation of the General Escape Clause after 2023** should be considered in anticipation of a prolonged deterioration of the economic context because of the war in Ukraine.
- **Preventing a tightening of fiscal support at a too early stage** remains essential.
- The main focus of the new fiscal architecture should be that of **reconciling growth-oriented policies with a sustainable path of debt reduction and fiscal consolidation**.
- The new pact should **allow investment-oriented flexibility for green and digital** by establishing a distinction between growth-enhancing productive investments and unproductive ones.
- A better composition of public finances would also **allow long-term growth prospects** for Europe while setting a sustainable path towards debt consolidation.

Ensuring a successful implementation of the Next Generation EU (NGEU) package and the National Recovery and resilience Plans (NRRPs)

- The implementation of the plans should be oriented toward **growth-enhancing actions in line with the strategic objectives of the European Commission**.
- Ensure that the NRRPs are used effectively by Member States to **leverage reforms geared towards productivity gains and long-term investments**.
- **Ensure a strong involvement of social partners in the implementation of the plans** at national level to achieve a balance between conditionality and ownership.
- Accessible and transparent **tools to monitor the NRRPs'** implementation and impacts should be set up.

Prepare the groundwork for bridging the NGEU with the new Growth and Investment Model for 2030

- With the NGEU as a one-off instrument expiring in 2026, and the current Multiannual Financial Framework closing its cycle in 2027, EU leaders should start **preparing the ground for bridging the current transitional framework to a new permanent reality for Europe**.
- The aftershocks of the pandemic and the war in Ukraine will require the Union to **adapt to a new reality, both internally and at the geopolitical level**.
- A **collective rethinking on the necessity of a common and permanent fiscal capacity** will be of paramount importance, drawing inspiration from the good practices of the architecture of the NGEU and the Recovery and Resilient Facility (RRF).
- When confronted with such a set of multiple challenges, **limiting our action to better and more efficient coordination risks falling short in addressing the magnitude of common liabilities**, including climate change and external threats.

In conclusion, we call for **making the best of the current window of opportunity for establishing a new ambitious pact to concretely invest in the future of Europeans, enhance our common security and reinforce social cohesion**. With adequate resources and a functioning economic governance framework, this new pact should prevent a great divergence process within the Union and lay the groundwork for solid and long-lasting foundations upon which the EU can enter this new era and withstand its many future challenges.

European Movement International's proposals for Europe's Defence and Security

The European Movement International condemns and deplores Putin's aggression against Ukraine. This indiscriminate, unprovoked use of force by the regime in the Kremlin against an independent country is illegal and repudiates the values of peace, freedom and democracy that underpin the European ideals.

We call on Putin's regime to cease all military actions, withdraw its forces and use diplomatic and non-violent means to pursue its objectives. We strongly support the right of all people to live in peace and harmony. People in Ukraine and every other state must be able to freely choose their political and economic system, and relations in the region and internationally. We stand with the Ukrainian government and express solidarity with the people of Ukraine.

As events continue to unfold, we call upon the European Union to:

- **Provide humanitarian and financial assistance to Ukraine** and pursue the **immediate cessation of hostilities** and a **peaceful resolution to the conflict**;
- Ensure **stronger protection and support for conflict-affected residents in Ukraine** and **grant asylum to all refugees** arriving in Europe from Ukraine, **irrespective of their nationality or ethnic background**;
- Step up its **military support to Ukraine** and the provision of defensive weapons, while **significantly increasing defence spending and investment** in its defence capabilities through already existing initiatives such as the European Peace Facility (EPF) and the European Defence Fund (EDF);
- Invoke the **mutual defence clause** as enshrined in Article 42.7 of the Treaty on the European Union in the event of a Russian aggression into the territory of one of its neighbouring EU Member States;
- Seize this moment of unity and common solidarity to develop a fully-fledged **European Defence Union (EDU) through the harmonisation of European armed forces** under full control of national and EU parliaments to ensure peace on the European continent and in Ukraine;

- Proceed with urgency towards the establishment of a **common migration and asylum policy**, starting from the reform of the Dublin Regulation stuck in Council since 2017;
- Shift from unanimity to **qualified majority voting (QMV)** in the Council for policy areas of foreign and security policy to allow the EU to **shoulder international responsibilities more effectively**;
- Strengthen the **EU's strategic autonomy by decoupling its energy needs from regimes that violate the EU's fundamental values** and by pursuing **the implementation of the Green Deal** towards climate neutrality;
- Include **fossil fuels in sanctions** against Russia and in its exclusion from SWIFT;
- **Start accession talks with Ukraine**, in compliance with the Copenhagen membership criteria.