

Speech Voorzitter van het Europees Parlement Martin Schulz op 28 juni jl. tijdens de Europese Raad

Outcome of the UK referendum

Ladies and Gentlemen,

The UK referendum is now behind us. The **people** have spoken.

They were given a once in a lifetime choice and have now made that choice.

Personally, and I know most of my colleagues share this view, I very much **regret** this choice.

At this difficult time, I would like to **honour** on behalf of the European Parliament all those British women and men, great Europeans known and unknown who over the last four decades invested their strength and expertise to **shape decisively** the European Union we have today.

They understood what Edward Heath pointed out in 1973: that the world is shrinking fast and forming new configurations. That "no island is [really] an island" anymore.

And I also **pay tribute** to the many strands of British society which decided to make the case for remaining in the EU - from civil society, to teachers, to the police, from churches to sports people, to nurses to artists and to business leaders. They often faced relentless and vitriolic opposition - and I am incredibly saddened to say, in the case of MP Jo Cox, to whom the European Parliament paid tribute last week, despicable murder.

What struck me particularly in the result are the clear-cut **voting divides** - both geographical, regional and generational.

These divides must be taken very seriously, and when the UK negotiates its new relationship with the EU, the voice of those who chose to remain, those who saw their future, their jobs and their families at the heart of Europe, should not be disregarded.

Ladies and Gentlemen,

That being said, the European Parliament **takes note** of the democratic will of the majority of citizens of the United Kingdom to leave the European Union and points out that this will needs to be **fully** respected and implemented **as soon as possible**.

A spell of prolonged **uncertainty** would be in no-one's interest and would threaten the Union's integrity.

To put it quite bluntly, the instruction given to the UK government through the referendum is **now** to **negotiate withdrawal** from the EU.

The EU is a **voluntary** community. No one is forced to be a part of it. But when one member decides to leave, then leave that member must.

Out means out.

The people's will must be respected and the European Parliament is sure that the British Government will do so.

Waiting for several months, as has been announced by you, Prime Minister Cameron, and taking the destiny of our entire continent hostage purely for internal party political reasons would be totally unacceptable.

That would not mean stability - on the contrary it would mean prolonged uncertainty.

At its extraordinary session this morning, the view expressed by the European Parliament was clear: we **expect** the UK Prime Minister to notify the outcome of the referendum to this meeting of the European Council. And this notification will **launch** the withdrawal procedure.

The European Parliament invites the Council to appoint the **Commission** as **negotiator** on Article 50.

Any **new relationship** between the UK and the EU can only be agreed **after** the conclusion of the withdrawal agreement.

The European Parliament has a right of consent **in both cases** - for the withdrawal and for the future relationship - and must therefore be **fully** involved at all stages.

Ladies and Gentlemen,

Three urgent **organisational measures** are also necessary in the eyes of the European Parliament, and I want to outline them to you now.

Firstly, we will enact changes to our **internal parliamentary organisation** to reflect the will of the UK citizens to leave the Union.

Secondly, we take note of the resignation of the UK Commissioner and the relocation of his portfolio.

And lastly we call on the Council to change the order of its **rotating Presidencies** to prevent the process of withdrawal from jeopardizing the management of day-to-day business of the Union next year.

As for the Settlement agreed by you all last February, it was only ever meant to enter into force in case of a vote to remain.

A self-destruct button had been included in its design, and the British citizens pressed that button.

It goes without saying therefore that the Settlement is now null and void.

Ladies and Gentlemen,

And then what?

Is this all that the European Union can aspire to in the 21st century? To merely achieve, in the best of cases, amicable divorces? Is this the only legacy we want for our children?

The European Parliament is convinced that things cannot go on as they have in recent years.

If the Union is to remain a force that matters in the world, if it is to give centre stage to the expectations of our 443 million citizens from the remaining 27 Member States, then it must be given the means to achieve this.

We need to relaunch the European idea, to show a capacity for self-criticism, an awareness of where we should reform the EU to deliver more effectively and make it closer to citizens.

Some Member States may want to integrate less or more slowly, which is fine. But let's avoid yet another *à la carte* menu of opt-ins and opt-outs and devise a clear framework for this.

Conversely, we should **reinforce the core** of the EU to allow for closer integration to address current challenges. We must develop and democratise the **Economic and Monetary Union** to provide sustainable growth and jobs and to overcome persistent economic and social uncertainty.

We must develop and democratise the **Area of Freedom, Security and Justice** and our **Common Foreign and Security Policy** to promote our common values, to protect our citizens, and to address the challenge of migration.

To achieve such an ambitious and yet coherent reinvigoration, the European Parliament calls for a **roadmap** for a better Union based on exploiting the Lisbon Treaty, to be completed by a revision of the Treaties.

Jobs, growth and investment

Ladies and Gentlemen,

Dealing efficiently and swiftly with the withdrawal of the UK from the European Union will allow us to put an end to this period of uncertainty.

It will also allow the Union to concentrate on the different priorities where citizens expect concrete results to be delivered.

Although the economic environment has shown signs of improvement, the EU **must do better**.

We should be ambitious and aim at strong growth and full employment.

We owe this to our citizens, and in particular to the **younger** generation.

The European Parliament once again calls on all Member States to fully implement the **Country-specific Recommendations**.

The track-record in this regard remains **poor**. If we want to boost growth but also maintain **trust** within and between Member States, we all have to deliver on what we agreed to do.

The necessary policy mix should include not only reforms and fiscal soundness but also closing the **investment gap**.

One year after I signed into law, together with the Latvian Council Presidency, the European Fund for Strategic Investments, we see the **first results**.

Practically all Member States are now implementing projects under the Fund.

The European Parliament welcomes this encouraging start and calls on all parties to continue **promoting** the Fund throughout the Union.

I would like to remind you that we conceived the Fund to support projects with a **high potential** but which struggle to achieve financing from other sources because of the **high risk** involved. Let's try to use it more in that way.

It's also time to start thinking about **extending** the Fund beyond the agreed three years, and making the necessary **improvements** to it. Indeed, what are three years in the lifecycle of an investment project? Parliament therefore awaits the Commission's proposal on this, planned for the autumn.

Ladies and Gentlemen,

What will really ensure the success of the Investment Fund is further **private investment** - encouraged by a **deepened Single Market** and a more business-friendly environment.

Let me tell you what would be **irresponsible**: having the biggest single market in the world and failing to unleash its true potential!

President Juncker, you pointed out last year that the **Digital Single Market** can generate €250 billion in additional growth and hundreds of thousands of new, skilled jobs by 2020.

Despite this enormous potential, Member State legislation on regulating the internet and the sharing economy continues to be **fragmented**.

Coming from a border region myself, I simply don't understand why it's so much more expensive, for example, to send a small package from Aachen **just across the border** to Maastricht than it is to send it six hundred and fifty kilometres on to Munich. This is economic and ecological nonsense and contradicts the principles of the Single Market.

The European Parliament is a **strong supporter** of the Single Market, of removing barriers between Member States and facilitating market access for European businesses, in particular SMEs and start-ups.

And to help these SMEs access funding, and to complement the role of banks by promoting the growth of innovative financing models such as crowd-funding and peer-to-peer lending, we need a fully-fledged **Capital Markets Union**.

Last but not least, we must deepen the **Economic and Monetary Union**, for which the Five Presidents drew up a roadmap last summer. We all know that this roadmap is divided into several stages - but this should not prevent work from starting in parallel on **all stages**, including the swift implementation of Stage Two "Completing the EMU Architecture".

Ladies and Gentlemen,

On the **Banking Union**, we have already come a long way by setting up a Single Supervisory Mechanism and a Single Resolution Mechanism.

Let's not stop now - **so close** to our common goal. The current situation on the financial markets shows the need for a strong and stable Eurozone.

We **promised** our citizens a system that resists future crises, that protects depositors and taxpayers alike, that severs the link between banks and sovereigns. Let's now deliver on these promises.

Some Member States want to focus on **reducing** risk, which is understandable, but this must go **in parallel** with work on **sharing** risk.

The same goes for the introduction of a proper **backstop** for the Single Resolution Fund. Member States **committed** to such a backstop. It is now time to **finish the job** and ensure the soundness of our banking and financial system.

A central aspect of our strategy not only for growth, but also to rebuild **trust** in the EU, is the fight against **tax fraud, tax evasion and money laundering**. Our Single Market cannot function properly if Member States are competing against each other in a race to the bottom, or if SMEs end up paying higher tax rates than multinationals.

Every year, Member States lose between €100 and 240 billion in taxes because of aggressive corporate "tax planning". Fighting for a **fairer** taxation system is not only a way to significantly increase public revenue, it is also a matter of **social justice**.

This month, the European Parliament adopted the mandate of an inquiry committee to follow up the **Panama Papers** scandal. Next week, we will vote on the report of our special committee on tax rulings.

In parallel, work must continue on legislative files, and I name only two important cases.

Firstly, on the Directive against tax avoidance, the European Parliament has highlighted once again that **taxes must be paid where profits are made**.

Secondly, **increasing transparency** is decisive. Public **country-by-country reporting**, a common European **blacklist of tax havens**, and revised rules to fight **money laundering** are all things which the European Parliament has been pushing for years and which should be put in place quickly.

The European Parliament has been very active in delivering constructive proposals, but **unanimity** in this area means that the buck stops with the Member States. And for the moment your **actions** have **not** kept up with your **promises** nor with **citizens' expectations**.

Agriculture

Ladies and Gentlemen,

Agriculture is part of our common European **heritage**, it has an environmental and a social function, and we should rightly be proud of it and fight for it where necessary.

But we are facing a persisting **crisis** in the agricultural sector. Our milk farmers, in particular, are struggling to survive.

The European Parliament is following the situation very carefully and counts on the Commission and Member States to implement fully the measures as agreed in September 2015 and March 2016.

It is unacceptable that the financial support of 500m € agreed in 2015 did not **fully** reach the farmers yet.

We expect the Commission, depending on the situation on the ground, to come with **further proposals** still this month if necessary. A truly European solution should also be completed with a strong framework for fighting unfair trading practices in the food supply chain.

Migration

Ladies and Gentlemen,

Migration is a global challenge for which there is a **global** responsibility. We need a **global partnership** to manage it properly. The European Union and its Member States, like every other country, region and international organisation in the world, must play their part.

It's clear that many of our citizens are losing trust that their elected governments are able to manage the crisis. This feeling of powerlessness breeds **fear**, and fear leads them to the doorstep of the populists. We must **break this cycle**.

We will break it by demonstrating that the Union and its Member States are able not only to **make** sensible proposals on border management, migration, asylum and security, but also to **deliver** them.

We will break it by distinguishing ever more clearly between **asylum** and **economic migration**.

We will break it by **returning** those who have no right to stay. When third countries refuse to cooperate on returns, we should be clear that this has **consequences** in other fields of cooperation. It also means clear rules for refugees who don't respect the duties or geographical limitations attached to their status.

To manage migration fairly and in solidarity, the European Parliament considers a **double focus** is necessary:

Firstly, doing our homework **inside** the Union. This means unifying further the EU's asylum system, legal migration possibilities, and integrating the management of the external borders.

The agreement reached only last week on the **European Border and Coastguard** is welcome and I would like to pay tribute to the intensive work of the negotiators. It's high time for all Member States to **be ready** for implementation, and by this I mean preparing the necessary equipment and nominating the 1500 border and coastguards of the rapid reaction pool.

Secondly, the Union must focus on its **external** policy, recognising that the trail of hopelessness that leads people to our shores often starts many thousands of kilometres away, and therefore engaging more effectively with third countries of origin and transit.

Any fresh thinking, any approach oriented to **results** which **brings together** all the different actors and tools we have, is worthy of serious consideration.

The EU's cooperation with **Turkey** on migration has demonstrated that it is not impossible in the Aegean Sea to **break the business model** of the smugglers and traffickers, and with it reduce drastically the loss of life at sea.

It has demonstrated that it is possible to start replacing irregular travel with **legal routes** with the necessary security checks.

That it is possible to **support refugees** in countries of transit, although disbursements should be increased ten-fold to reach €1bn by the end of this summer.

The European Parliament calls on all actors concerned to **step up their political commitment** to making this partnership with Turkey work on the ground and on the islands, in full respect of European and international law.

We stand ready to start consideration of the proposal on visa liberalisation **as soon as** we receive from the Commission the necessary signal that Turkey has fulfilled **all** remaining benchmarks, as was agreed here on 18 March.

Now the Commission, building on the very useful ideas put on the table by Prime Minister Renzi, proposes a mix of positive and negative **incentives to reward** those third countries willing to cooperate effectively with us, and to ensure that there are consequences for those who do not.

No one is trying to impose a **one-size-fits-all** approach. On the contrary, agreements must suit each country's specific circumstances. A quick look at the diversity of the seven countries proposed as priority countries - Jordan, Lebanon, Niger, Nigeria, Senegal, Mali and Ethiopia - confirms this.

Let me insist however on behalf of the European Parliament that these agreements certainly cannot be limited to solving security concerns or they are doomed to fail.

They must be **real partnerships** - also economic, social and cultural ones.

The eight billion euro over five years which Vice-President Timmermans mentioned in our hemicycle earlier this month are of course significant and require proper **democratic scrutiny**, whatever the name of the instrument used.

The European Parliament welcomes giving a greater role to private investors and improving opportunities in countries of origin so people are not compelled to leave. The **European Investment Bank's initiative** for the Southern Neighbourhood and the Western Balkans is therefore worthy of support. And so is the agreement reached two weeks ago to exclude **conflict minerals** from the European market to break the link between minerals extraction, trade and the financing of armed conflicts. We also look forward to the future **External Investment Plan** aiming to replicate the

European success of EFSI outside our borders. With levels of growth our countries could only envy, Africa is certainly fertile ground for such projects.

We must be honest – the development of the African continent is both a matter of **solidarity** and in the EU's **own interest**. Africa is our unavoidable and essential partner.

That's why the European Parliament welcomes the increase of the EU's contribution to the **Africa Trust Fund** by €500 million and urges the Member States to **match** this contribution.

The promises made in Valetta should not be forgotten.

External relations

Ladies and Gentlemen,

The High Representative will present to you a new Global Strategy, as was requested a year ago.

At that time, in June 2015, I spoke about how the world around us had become **more complex and conflict-ridden**. It has become even truer today.

The EU must safeguard the security of its citizens and of its territory by reinforcing a global system based on democracy, good governance, the rule of law and human rights.

And by achieving **coherence** between development aid, migration management and military operations.

The European Parliament expects the Global Strategy to be **revised** every five years, when the new Parliament and the new Commission are constituted. We also expect all EU actions to be subject to democratic **oversight**, for instance through annual implementation reports.

On 8 and 9 July, NATO will hold its **summit** in Warsaw. The location of the summit reminds us that we still have security challenges and an ongoing conflict on the **Eastern borders** of the EU, in Ukraine.

Our **sanctions** send a signal to Russia that it should respect the rules of the international community, and NATO's **military presence** can reassure our Eastern Member States about their sovereignty and territorial integrity.

The EU has to **take its share of responsibility** for its own collective security and territorial defence.

This does **not** mean, however, falling back into a kind of **East-West thinking** reminiscent of the Cold War.

The effective **coordination** of EU and NATO, bringing together their strengths and expertise for concrete and well-defined objectives should be key to Europe's security.

EU and NATO working **side-by-side** against pirates off the Somali coast, or against traffickers and smugglers and saving lives in the Aegean Sea.

The European Parliament is convinced that this is how to achieve a successful European security policy.

Ladies and Gentlemen, and I conclude here,

This is a historical moment in our common project and your responsibility to take decisive action is all the more pressing.

Despite the sad and dramatic days we are living in the European Union, I trust that our respective national football teams will demonstrate the best of their ability in the coming days and I take this occasion, President Hollande, to **salute** on behalf of the European Parliament the considerable organisational efforts deployed by France in hosting the tournament.

And to **condemn** in the strongest of terms the **shameful violence** we have seen inside and outside of the stadiums. This criminal behaviour has no place in sport, and tarnishes the image of our continent.

Our security forces should instead be able to focus entirely on countering the **terrorist threat** to our countries, and the barbaric and cowardly attacks that took place in Orlando and Magnanville show that this threat is more than ever present in our midst.

Thank you for your attention.