

# Press release – EU budget talks: Council rejects Parliament’s breakthrough proposal



At the 10th trilateral dialogue, Parliament and Council representatives reviewed all pending issues in the negotiation. On the question of the top-ups for the [15 flagship programmes](#), Council further hardened its stance while Parliament proposed a series of openings, said the members of the Parliament’s [negotiating team on the Multiannual Financial Framework \(MFF\) and Own Resources \(OR\)](#)

“Despite being largely left out of the decision to set up the EU Recovery instrument, Parliament has agreed that the costs of the new debt will be borne by the Union budget.

However, Parliament believes that such costs should be counted above the stringent ceilings of the Multiannual Financial Framework (MFF). Otherwise, they enter in competition with regular Union programmes. This is due to the top-down approach of the Council, which consistently sets overall MFF ceilings at a level closer and closer to 1% of the EU’s GNI. When repayments of the principal of recovery debt kick in after 2027 (more than 15 billion euros per year), this would be the end of the Union budget as we know it”, EP’s budget negotiators said.

“In 2021-2027, counting NGEU (‘Next Generation EU’ recovery instrument) costs above the ceilings would have released 12.9 billion euros within the ceilings for topping up flagship expenditure programmes, as requested by Parliament.

Tonight, we offered the Council to count the NGEU costs above the ceilings, but **without redistributing the 12.9 billion euros to the flagship programmes**. This would leave a significant unallocated margin that would be very welcome to finance unforeseen needs in the coming years, given the troubled times we

are going through. Council would retain full control over whether this margin is used or not for additional expenditure in the future”, the MEPs added.

“The Council has blindly refused to consider this possible breakthrough, arguing once again that this was touching a ‘red line’ set by the European Council summit of July 2020. Parliament has a negotiating mandate; Council has a series of red lines.

Let us be very clear: our offer is 100% compatible with the letter of the [European Council conclusions of 21 July 2020](#):

- It would not change any of the ceilings set by the Heads of State and Governments;
- It would not directly translate into additional expenditure if Council does not agree with it;
- It would not be in contradiction with the specific part of the conclusions dealing with interest payments (paragraph 74), which **says nowhere explicitly** that those should be counted within the ceilings.

Therefore, it is clear that our proposal does not, as Council says, ‘reopen the agreement of the Heads of States and Governments’. Instead, Council invents new ‘red lines’ for itself along the way. At this stage of the negotiations, and in the current context, this is irresponsible”, the negotiating team concluded.

**The EP’s negotiating team for the next long-term EU budget and Own Resources reform**

[Johan Van Overtveldt](#) (ECR, BE), Chair of the Committee on Budgets

[Jan Olbrycht](#) (EPP, PL), MFF co-rapporteur

[Margarida Marques](#) (S&D, PT), MFF co-rapporteur

[José Manuel Fernandes](#) (EPP, PT), Own Resources co-rapporteur

[Valérie Hayer](#) (RENEW, FR), Own Resources co-rapporteur

[Rasmus Andresen](#) (Greens/EFA, DE)

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**[Press release – 2021 EU budget must focus on supporting a sustainable](#)**

# recovery from the pandemic



Next year's budget – the first of the 2021-2027 financing period – should “promote fair, inclusive and sustainable growth, high-quality job-creation and its long-term goal of socioeconomic convergence”, MEPs state in their [draft resolution](#), which reflects and accompanies the outcome of the [vote on budgetary figures of 15 October](#).

They have set the overall level of the 2021 EU budget at just under € 182 billion in commitment appropriations, representing an increase of € 15 billion compared to the [Commission's proposal](#). Most of these increases will benefit the EU's [15 flagship programmes](#), boosting many programmes and projects that will support the young, researchers, health workers, entrepreneurs, and many other citizens.

Other major additions to next year's budget were voted on in areas such as climate change, energy, digital and transport interconnectivity, SMEs, tourism, security, migration, fundamental rights, and external action. MEPs also aim to achieve a biodiversity spending level of 10% and a climate mainstreaming spending level of 30% for 2021.

[Details about the different headings, programmes and projects can be found in the draft resolution.](#)

The resolution prepared by the General Rapporteur for the Commission's budget, Pierre Larrouturou (S&D, FR), and the rapporteur for the other institutions' administrative budget, Mr Olivier Chastel (RENEW, BE), was adopted with 35 votes to 2 and 4 abstentions.

## **Next steps**

The resolution and the budgetary amendments will be debated and voted on during the November I plenary sitting (11-12 November 2020).

This will kick off three weeks of “conciliation” talks with the Council, with the aim of reaching a deal between the two institutions in time for next year’s budget, to be voted on by Parliament and signed by its President in December.

The first conciliation meeting between the Council and the Parliament is scheduled for 19 November.

## **Background**

The preparations and negotiations of the European Union’s 2021 budget are taking place under unusual circumstances as there is still no political agreement on the MFF, which serves as the basis for the annual budgets.

[The calendar for this year’s annual budgetary procedure is here.](#)

In case the new MFF is not in place in time for 2021, MEPs have asked the Commission to propose an [MFF contingency plan](#) in order to protect beneficiaries of EU programmes and ensure continuity of funding.

About 93% of the EU budget funds real activities in EU countries and beyond. It goes to citizens, regions, cities, farmers, researchers, students, NGOs, and businesses.

The EU budget is unique. Unlike national budgets, which are largely used to provide public services and fund social security systems, the EU budget is primarily an investment budget and, unlike national budgets, the EU budget cannot run a deficit.

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## **[Video conference of economics and finance ministers of 4 November 2020](#)**



### **Press briefing**

**30 October 2020 at 14:00**

by Ambassador Michael Clauß, German presidency

This briefing is “off the record”.

Please note that this press briefing will take place remotely.

In order to participate and ask questions, EU accredited journalists should register using [this link](#). Those who already registered for the previous video conferences of economics and finance ministers or Eurogroup meetings do not need to do it again.

**Deadline for registration: 30 October 2020 at 13:00**

Further instructions will be sent to all registered participants after the deadline.

For more details, see the [meeting page](#).

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## **Trade: EU reaches political agreement on updated enforcement regulation**

The Council presidency has reached an agreement with the European Parliament on a revised enforcement regulation. The aim of this regulation is to better protect the EU's trade interests and rights in the context of the current blockage of the World Trade Organization's (WTO) dispute settlement system. The regulation also ensures that the EU can enforce its trade rights if one of its partners blocks the normal dispute settlement mechanism under bilateral treaties. Member states still have to approve the agreement by qualified majority.

The revised EU enforcement regulation amends the existing one, which has been in place since 2014 and provides a common legislative framework for the enforcement of the EU's rights under international trade agreements. Thanks to these rules, the Commission is able to impose countermeasures at the end of dispute settlement procedures, once it receives authorisation from the WTO.

Given the current paralysis of the WTO Appellate Body, the existing rules needed to be updated to allow the Commission to take action in situations where dispute settlement procedures are blocked. The main focus of the proposed amendment was to cater for situations where the EU succeeds in obtaining a favourable ruling from a WTO dispute settlement panel but the process is then blocked because the other party appeals a WTO panel report 'into the void' and does not agree to interim appeal arbitration under Article 25 of the WTO Dispute Settlement Understanding.



"It is important that the EU be able to protect interests and rights in the area of trade during the crisis at the World Trade Organization. The amendment of the enforcement regulation improves that ability in particular in cases where the WTO is unable to deliver binding dispute settlement decisions on appeals.

*Peter Altmaier, Federal Minister for Economic Affairs and Energy of Germany and President of the Trade Council*

The Commission will also have the right to take countermeasures when a trade partner under a bilateral or regional trade agreement imposes illegal trade measures and subsequently blocks the dispute settlement process under that agreement.

Furthermore, the agreement between the European Parliament and the Council extends the scope of possible countermeasures – currently provided for in the areas of customs duties, quantitative restrictions on imports or exports of goods, and measures in the area of public procurement – to services and harmonised areas of intellectual property rights. This extension is accompanied by the necessary safeguards to ensure that the most efficient and proportionate countermeasures are used and that national authorities and stakeholders are involved in the consultation process.

## **Next steps**

The German presidency has negotiated this political agreement with the European Parliament on behalf of the Council. Now the member states will have to confirm their support by qualified majority.

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## **[Media advisory – EU-Canada Leaders' meeting via video conference, 29 October 2020](#)**



### **Indicative programme**

14.00 – EU-Canada leaders' meeting via video conference

**At the end of the meeting: press conference by President Michel, President von der Leyen and Prime Minister of Canada Justin Trudeau in [live streaming](#)**

### **Arrangements for the press conference**

Please note that there will be no physical press conference. It can be followed via [live streaming](#). English, French and German interpretation available.

In order to ask questions remotely, **EU accredited journalists** and journalists who had a **EUCO accreditation from June 2019** EUCO meeting or later, can register using [this link](#).

Journalists who already registered for high-level press conferences (European Councils, international summits) in 2020 **don't need to register again**.

**Deadline for registration: Thursday, 29 October 2020, 14.00**

Further instructions will be sent to all registered participants approximately half an hour after the deadline.

[Visit the meeting page](#)