

Next multiannual financial framework and recovery package: Council presidency reaches political agreement with the European Parliament



The German presidency of the Council today reached a political agreement with the European Parliament's negotiators in talks aimed at securing the Parliament's consent to the next multiannual financial framework, the EU's long-term budget.

The agreement has been reached following intensive consultations with the Parliament and the Commission that have been underway since the end of August. It complements the comprehensive financial package of €1 824.3 billion negotiated by EU leaders in July, which combines the next multiannual financial framework – €1 074.3 billion – and a €750 billion temporary recovery instrument, Next Generation EU (in 2018 prices).

The political package agreed with the Parliament includes:

- a targeted reinforcement of EU programmes, including Horizon Europe, EU4Health and Erasmus+, by €15 billion through additional means (€12.5 billion) and reallocations (€2.5 billion) in the course of the next financial period, while respecting the expenditure ceilings set out in the European Council conclusions of 17-21 July
- more flexibility to allow the EU to respond to unforeseen needs
- greater involvement of the budgetary authority in the oversight of revenue under Next Generation EU
- higher ambition on biodiversity and strengthened monitoring of biodiversity, climate and gender related spending
- an indicative roadmap towards the introduction of new own resources

The deal will now be submitted to member states for endorsement together with the other elements of the next multiannual financial framework and recovery package, including the general regime of conditionality for the protection of the Union budget, on which the Council presidency and the Parliament's negotiators reached a provisional agreement on 5 November.

Negotiations with the Parliament took time, but we have finally made it – we have reached a political agreement on the last details of the EU's next long-term budget. This is a well-balanced deal, which addresses the issues raised by the Parliament while respecting the guidance received from the European Council in July. We are now in a position to take the next crucial steps in the process – submitting the different parts of the package to the member states and the Parliament for endorsement. Europe has been

hit severely by the second wave of the coronavirus pandemic. We urgently need the recovery fund up and running in order to cushion the dire economic consequences of the pandemic. I hope that everyone understands the urgency of the situation and will now help to clear the way for the swift implementation of the EU budget and recovery package – no one needs new hurdles and further delays.

Michael Clauß, Permanent Representative of Germany to the EU