

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

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