

Press release – Rule of law conditionality: MEPs strike a deal with Council



“Today’s agreement is a milestone for protecting EU values. For the first time, we have established a mechanism that enables the EU to stop funding governments that disrespect our values such as the rule of law”, said co-rapporteur Petri Sarvamaa (EPP, Finland) after conclusion of the negotiations.

“For us it was crucial that final beneficiaries won’t be punished for wrongdoings of their governments and that they continue receiving funds that have been promised to them and that they rely on, even after the conditionality mechanism has been triggered. We can proudly say that we achieved a strong system that will guarantee their protection”, said co-rapporteur Eider Gardiazabal Rubial (S&D, Spain)

“We did not compromise on the values: we made sure that the rule of law is seen in the context of all the EU values enshrined in the treaties, such as independence of judiciary. Every breach of the rule of law will be covered by the mechanism: from individual breaches to systemic or recurrent breaches for which no mechanism existed so far”, said Mr Sarvamaa.

“European citizens expect us to condition the disbursement of EU funds to the respect of rule of law. The mechanism agreed today does exactly that”, concluded Ms Gardiazabal Rubial.

A **press conference** by the two co-rapporteurs takes place at 12.00, 5. November. Find all info [here](#).

A broader concept of breaches of the rule of law

MEPs succeeded in ensuring that the new law does not only apply when EU funds are misused directly, such as cases of corruption or fraud. It will also apply to systemic aspects linked to [EU fundamental values that all member states must respect](#), such as freedom, democracy, equality, and respect for human rights including the rights of minorities.

Parliament's negotiators also insisted that tax fraud and tax evasion are considered possible breaches, by including both individual cases and widespread and recurrent issues. .

Moreover, they succeeded in securing a specific Article that clarifies the possible scope of the breaches by listing examples of cases, such as threatening the independence of the judiciary, failing to correct arbitrary/unlawful decisions, and limiting legal remedies .

Prevention

Crucially, MEPs succeeded in keeping a strong preventive aspect for the mechanism: not only can it be triggered when a breach is shown to directly affect the budget, but also when there is a serious risk that it may do so, thus ensuring that the mechanism prevents possible situations where EU funds could finance actions that are in conflict with EU values.

Protecting final beneficiaries

To ensure that the final beneficiaries who depend on the EU support – such as students, farmers, or NGOs – are not punished for the actions of their governments, MEPs insisted that they can file a complaint to the Commission via a web platform, which will assist them in ensuring they receive the due amounts. The Commission will also have the possibility to make a financial correction by reducing the next instalment of EU support to the respective country in question .

Functioning of the mechanism

MEPs succeeded in shortening the time that the EU institutions will have for the adoption of measures against a member state, if risks of breaches of the rule of law are identified, to a maximum of 7-9 months (down from 12-13 months as initially requested by Council). .

The Commission, after establishing the existence of a breach, will propose to trigger the conditionality mechanism against an EU government. The Council then will have one month to adopt the proposed measures (or three months in exceptional cases), by a qualified majority. The Commission will use its rights to convene the Council to make sure the deadline is respected .

Next steps

The agreed compromise now needs to be adopted formally by the Parliament and

EU ministers.