

COMMUNIQUÉ DE PRESSE

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## Budget conditionality: Council presidency and Parliament's negotiators reach provisional agreement

The German presidency of the Council and the European Parliament's negotiators today reached a provisional agreement on a new general regime of conditionality to protect the Union budget.

The conditionality regime forms part of the package of measures linked to the next multiannual financial framework and the recovery plan. It allows to protect the EU budget where it is established that breaches of the principles of the rule of law in a member state affect or seriously risk affecting the sound financial management of the EU budget or the protection of the financial interests of the EU in a sufficiently direct way. All EU funds, including resources allocated through the Next Generation EU recovery instrument, are covered.

The provisional agreement with the Parliament builds on the political guidance provided by the EU leaders at their meeting on 17-21 July 2020. It will now be submitted for endorsement by both institutions.

This is an important milestone in our efforts to finalise the next long-term EU budget and the recovery package. The new conditionality mechanism will strengthen the protection of the EU budget when breaches of the rule of law principles lead to a misuse of EU funds. I am very pleased that the good cooperation with the Parliament's negotiating team allowed us to achieve a rapid agreement. It is time now to find agreement on the rest of the package as well. We have a historic €1.8 trillion financial package on the table. With the second wave of the pandemic hitting member states hard, there is no time to lose.

*Michael Clauß, Permanent Representative of Germany to the EU*

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