

Commentary of European Council

No progress in MFF and recovery fund

Vít Havelka, 22 June 2020

On Friday (19 June), EU leaders met online to discuss the newest proposal by the European Commission on the future MFF and Next Generation EU recovery fund. As expected, the meeting was devoted to a mere assessment of Member States' starting negotiation positions, meaning no significant progress has been made. The leaders only agreed to finalize the negotiations as soon as possible, targeting at mid-July during the German presidency.

The introduction of Next Generation EU fund rewrote the dividing lines in the EU manifesting during the previous MFF negotiations. Some groupings, such as Frugal Four remain more or less intact, whereas the group of "Friends of Cohesion" disintegrated into several blocks, which makes the negotiations less lucid. Southern Europe supports the new Commission proposals; Czech Republic, Hungary and several Baltic State express reservations.

Nevertheless, the good news is that no country vetoed the Commissions proposal and there is a good chance to reach an agreement. Whether this will happen before the summer break remains to be seen. The member states positions are now far away from each other, and the leaders will have to manifest good negotiation skills in order to conclude the negotiations within one month.

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