



## EU budget: Commission publishes guidance on the conditionality mechanism

Brussels, 2 March 2022

Today the European Commission adopted [its guidelines on the general regime of conditionality](#), which aims to protect the EU budget against breaches of the principles of the rule of law. The guidelines explain in detail how the Commission will apply the regulation, including how the rights of the final recipients and beneficiaries of EU funding will be protected.

European Commission President **von der Leyen** said: *"The rule of law is the glue that binds our Union together, it is the foundation of our unity. We will never tire of defending it. Today's guidelines will provide additional clarity as the Commission continues to address every breach of the principles of the rule of law linked to the EU budget. Because we need to ensure that every euro and every cent is spent according to its proper purpose and in line with rule of law principles."*

Commissioner Johannes **Hahn** responsible for Budget and Administration said: *"We cannot make concessions when it comes to protecting the Union's financial interests and its founding values. With the conditionality regulation, we have another tool in our box, at a time when we are managing the largest EU budget in history. Where the conditions of the regulation are fulfilled, we will act with determination."*

The guidelines explain in detail how the regulation will be applied, and in particular:

- **the conditions to adopt measures**, including what the relevant breaches of the principles of the rule of law could be and how it will be assessed whether these breaches affect or risk affecting the EU financial interests in a sufficiently direct way;
- **the complementarity between the conditionality regulation and other EU budget protection tools**, including the EU financial rules and the sector-specific rules. These include the rules for funds under shared management (e.g. cohesion policy, Common Agricultural Policy) and for the Recovery and Resilience Facility at the heart of NextGenerationEU;
- **the need for the proposed measures to be proportionate**, suitable and necessary to address the issues at hand;
- **the steps to be followed before measures have been proposed**, including sources of information the Commission will be consulting, the role of [complaints](#), contacts with the Member States: the procedures to adopt and to lift measures;
- **the need to protect the rights of the final recipients or beneficiaries of EU funding**, as EU countries should continue to make payments under EU programmes or funds under all circumstances.

The guidelines have been prepared through a comprehensive process, including consultations with the European Parliament and EU Member States. They also take into account the judgements of the European Court of Justice in cases [C-156/21](#) and [C-157/21](#) released on 16 February 2022, which concerned the legality of the Regulation.

### Background

The [Regulation on a general regime of conditionality for the protection of the Union budget](#) ensures protection of the EU budget in cases when breaches of the rule of law principles affect or seriously risk affecting its sound financial management or the protection of the EU financial interests in a sufficiently direct way. It applies since January 2021. Ever since, the Commission has been monitoring the situation across the EU countries and collecting relevant information.

The Commission will propose appropriate and proportionate measures to the Council when the Regulation's conditions are met and when no other procedure set out in Union legislation would allow it to protect the Union budget more effectively. The Council will then take a final decision.

In any case, the final recipients and beneficiaries of Union funding remain entitled to receive their payments. To that end, the Member States concerned should continue to make these payments.

## For More Information

[MEMO](#)

[Guidelines](#)

[Rule of law conditionality regulation – legal text](#)

[Rule of law conditionality regulation on the web](#)

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