

Establishment of a diversified funding strategy as a general borrowing method

2022/0370(COD) - 24/11/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 500 votes to 41, with 27 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method.

Parliament adopted its position at first reading under the ordinary legislative procedure by taking over the Commission proposal.

Financing individual programmes of financial assistance through separate funding methods creates cost and complexity as different programmes of financial assistance compete for a limited number of funding opportunities.

The proposal inserts a new Article 220a in the Financial Regulation to establish the diversified funding strategy as a single funding method. The implementation of the diversified financing strategy will require the application of a single set of rules for all borrowing and lending programmes under it.

The need for a single financing approach is of particular importance in the context of financial support to Ukraine due to its urgent financing needs. Recent experience with the funding needs for Ukraine has highlighted the disadvantages of a fragmented approach to the organisation of the Union's debt. In order to strengthen the Union's position as an issuer of euro-denominated debt, it is of paramount importance that all new issuance be organised through a single funding method.

The diversified funding strategy should be implemented through all necessary transactions aiming at a regular capital market presence. It should be based on pooling of funding instruments and shall make use of a common liquidity pool.