To finance NextGenerationEU - the EU’s recovery instrument of up to €750 billion in 2018 prices or some €800 billion in current prices - the European Commission, on behalf of the EU, will borrow on the capital markets between mid-2021 and 2026.

Open and transparent communication with market participants is at the heart of the diversified funding strategy that the Commission will use to obtain the necessary funding under the best financial terms.

In line with this approach, the Commission announced on 1 June its first NextGenerationEU funding plan for the period until end of 2021.

The European Commission intends to issue around €80 billion of long-term bonds in 2021 and short-term EU-Bills to fund Europe’s recovery under the NextGenerationEU.

EU-Bonds under NextGenerationEU

- The European Commission intends to issue around €80 billion of long-term bonds in 2021.
- The Commission also intends to start auctioning EU-Bonds as of September 2021.
- The Commission intends to start borrowing under NextGenerationEU in June 2021 with a syndicated transaction.
- Once the auctioning system is in place, the Commission will be issuing in general one syndication and one auction per month.
- Two more syndicated transactions are planned to take place by the end of July.
- The auctioning system will be used together with syndications to increase the volumes raised through bonds already issued (referred to as “taps”).
EU-Bills under NextGenerationEU

- The Commission will launch a strategic and liquid EU-Bill programme in September with a regular issuance pattern.
- The Commission will be issuing EU-Bills exclusively via auctions, once the NextGenerationEU auction platform (TELSAT managed by the Banque de France as announced earlier in May) is operational.
- Further details regarding the structure of the EU-Bill programme and the auction dates will be communicated prior to the start of auctioning.

Borrowing to finance other programmes

- While starting the issuances under NextGenerationEU, the Commission will continue to operate its other financial assistance programmes.
- The Commission intends to issue €5 billion more under the European Financial Stabilisation Mechanism (EFSM) in July.
- Under the Macro-Financial Assistance programme, the Commission intends to issue additional €1.8 billion by the end of 2021.

The Commission will update the funding plan in September 2021, when it has a more precise overview of the funding needs of the EU Member States for the last months of the year.

The next funding plan, to cover the period from January-June 2022, will be published in time to serve as the basis for the timely and open communication with market participants ahead of the start of the borrowing operations in the first half of 2022.