



Brussels, 18 May 2021
(OR. en)

8703/21

FIN 355
ECOFIN 430
UEM 87
RESPR 23
CADREFIN 238

'I' ITEM NOTE

From: Budget Committee

To: Permanent Representatives Committee

No. Cion doc.: 7841/21 COM(2021) 250 final

Subject: Letter to the ECB on the use of the ECB accounts for the implementation of NGEU
- Approval of a letter

1. On 14 April 2021, the Commission published a comprehensive Communication on all the aspects of Next Generation EU (NGEU) financing¹.
2. One success factor for the NGEU issuance programme is strong liquidity management. The Commission has outlined that in order to ensure that the critical cash holdings are not subject to any counterparty risk, these prudential cash holdings will be held with the European Central Bank (ECB). The underlying account structure has been configured, centered on the NGEU account at the European Central Bank with whom the Commission is at an advanced state of discussion.

¹ Doc. 7841/21, Communication from the Commission to the European Parliament and the Council on a new funding strategy to finance Next Generation EU (COM(2021) 250 final).

3. In this context, the Presidency has deemed it appropriate to send a letter to the President of the ECB, welcoming the cooperation between the ECB and the Commission on the use of ECB accounts.
 4. The Budget Committee examined the draft letter at its meeting on 18 May 2021 and was able to accept it.
 5. In view of the above, the Permanent Representatives Committee is invited to approve the letter set out in the Annex to be sent on behalf of the Council to the President of the ECB, in accordance with point (k) of Article 19(7) of the Council's Rules of Procedure.
-

DRAFT LETTER

from : Chair of the Permanent Representatives Committee

to : President of the European Central Bank

Dear President (Chère Christine),

A good implementation of the Next Generation EU (NGEU), receiving funds via the European Union Recovery Instrument (Council Regulation (EU) 2020/2094), will be key for the recovery of the European economy and to build resilience.

In this context, the Council welcomes the cooperation between the ECB and the Commission on the use of ECB accounts. Holding dedicated NGEU accounts with the ECB for prudential cash buffers, which will be kept to the lowest level needed to meet upcoming NGEU payments over a short-term period, provides important assurances for the security and sound management of NGEU cash flows, as noted by the European Commission on 14 April 2021 in points 2.3 and 3.1 of Communication (COM(2021) 250 final) and article 13 of the Implementing Decision (C(2021) 2502 final).

(Complimentary close).
