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Answer given by Mr Dombrovskis
on behalf of the European Commission
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1.The Stability and Growth Pact (SGP) concerns national budgets, which include Member States' contributions to and transfers from the EU budget. Loans provided to Member States are considered Member State debt towards the EU and accounted in Member States statistics.

2.The SGP concerns Member States own fiscal positions and does not concern the EU budget, including joint contingent liabilities. The Commission manages the financial implications of joint EU borrowing efficiently. Loans to Member States are provided under attractive conditions providing relief to Member State budgets. For the borrowing for grants under NextGenerationEU which is to be repaid by the EU budget, the Commission has proposed for the next multiannual financial framework a fixed annual amount of EUR 24 billion per year in current prices.1 This approach ensures full predictability as regards the impact on Member States' national budgets, which will help to respect the net expenditure path recommended by the Council.

3. For Member States for which the national escape clause for higher defence expenditure is activated, the national expenditure funded by loans provided by the SAFE instrument (Security Action For Europe) will automatically benefit from that flexibility.2 While access to SAFE loans is not conditioned on Member States' compliance with the SGP, the Commission will continue to work with Member States to ensure coherence of the use of SAFE loans with the SGP.

[1] https://ec.europa.eu/commission/presscorner/detail/en/qanda_25_1848.
[2] Communication from the Commission: *Accommodating increased defence expenditure within the Stability and Growth Pact*, of 19.03.2025.