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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

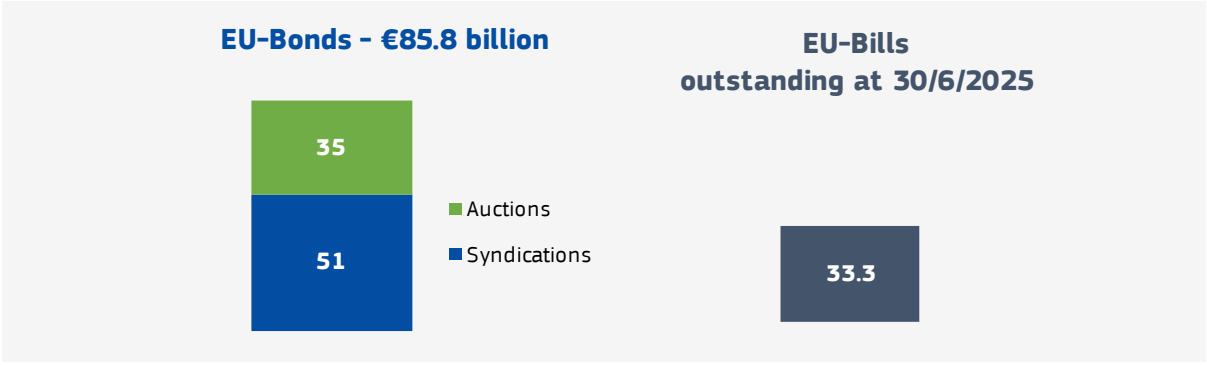
Half-yearly report on the implementation of borrowing, debt management and related lending operations pursuant to Article 13 of Commission Implementing Decision C(2023)8010

1 January 2025 to 30 June 2025

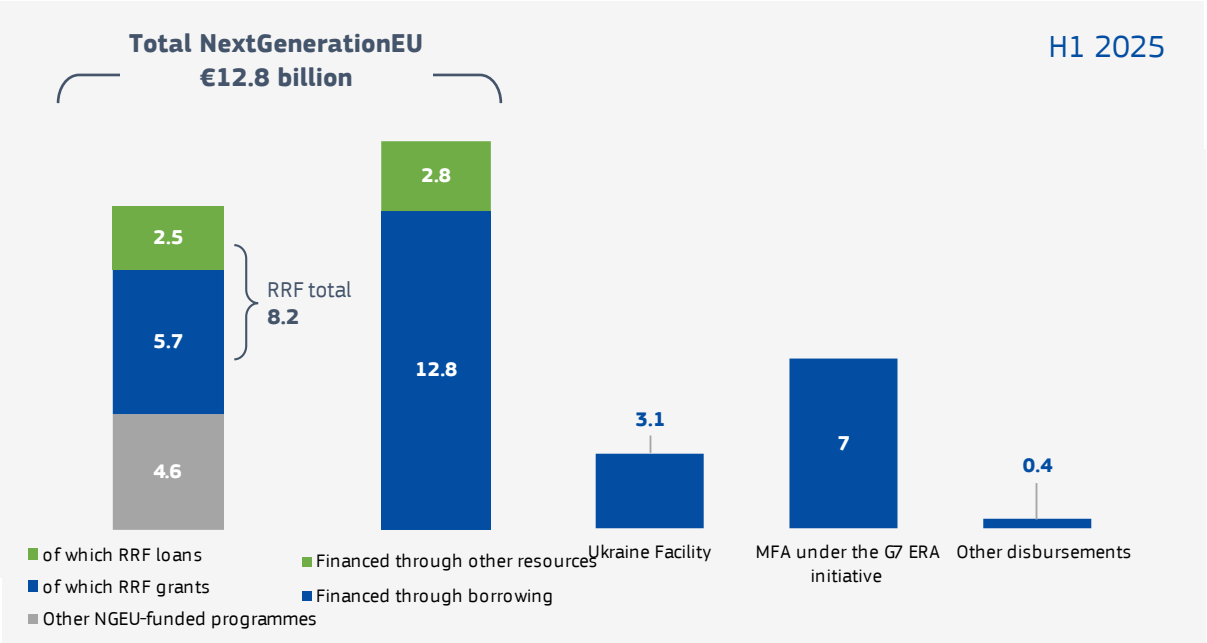
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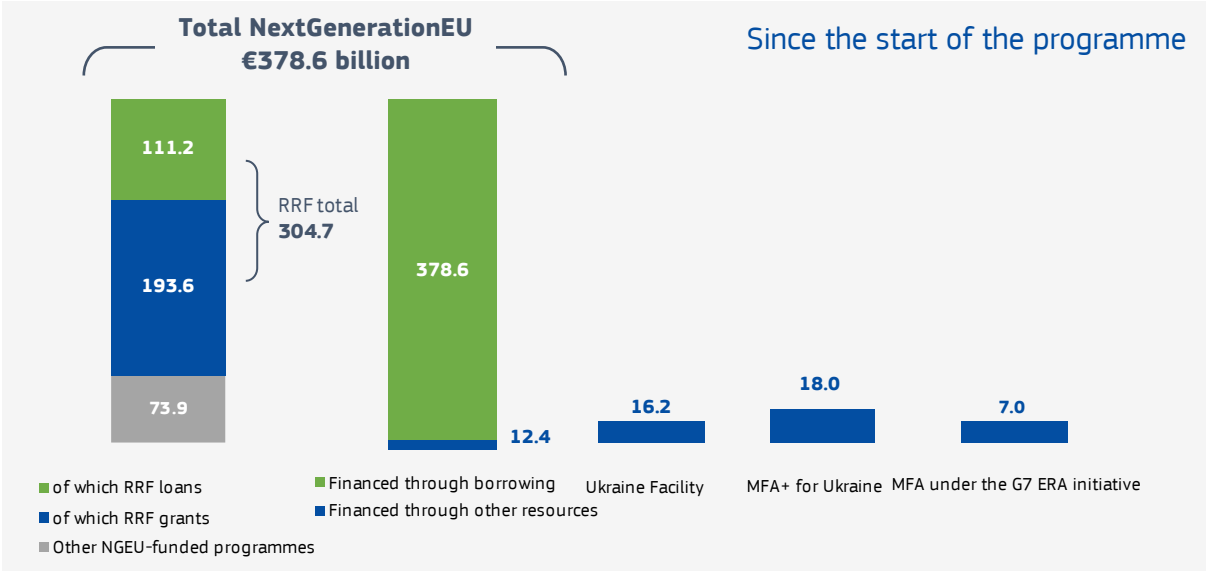
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FUNDING RAISED IN THE FIRST HALF OF 2025



USE OF PROCEEDS





All amounts in billion EUR

OUTSTANDING EU-BONDS

at 30/06/2025

Total €661.6 billion



€145.4 bn back-to-back

€516.2 bn total bonds under the unified funding approach

of which €441.1 bn conventional EU-Bonds

of which €75.1 bn NextGenerationEU Green Bonds

KEY FACTS about H1 2025

- Six syndications and seven auctions raised EUR 85.8 billion, with an average maturity of around 12 years.
- Most of the funds were used for NextGenerationEU (EUR 12.8 billion) and to support Ukraine (EUR 10.1 billion), with additional disbursements under the Western Balkans Reform and Growth Facility (EUR 118 million) and the Reform and Growth Facility for Moldova (EUR 270 million).
- The cost of funding was 3.17% for NextGenerationEU (compared with 2.99% in the second half of 2024), 2.72% for the Ukraine Facility, 2.53% for the macro-financial assistance (MFA) loan under the G7 Extraordinary Revenue Acceleration (ERA) loans initiative, 2.77% for the Western Balkans Reform and Growth Facility, and 2.89% for the Reform and Growth Facility for Moldova.

1. Summary

In the first half of 2025, the EU raised EUR 85.8 billion in long-term funding through six syndications and seven auctions. EUR 6.9 billion of that amount was raised through NextGenerationEU Green Bonds. At the end of June 2025, the EU had EUR 661.6 billion in EU-Bonds outstanding (with an average remaining maturity of about 12 years), of which EUR 75.1 billion was in the form of NextGenerationEU Green Bonds. EU-Bills outstanding at the end of June 2025 stood at EUR 33.3 billion.

The EUR 85.8 billion raised in H1 2025 forms part of the Commission's total planned bond issuances for 2025 of around EUR 160 billion, with a EUR 70 billion issuance announced for the second half of 2025. This would represent the highest annual EU issuance to date, building on the steady increase in previous years (from EUR 120 billion in 2023 to EUR 140 billion in 2024).

The proceeds from these issuances meant that the Commission was able to continue to meet in a timely manner disbursement needs linked to the different programmes financed by borrowing. Of these programmes, NextGenerationEU is the largest, where EUR 378.6 billion of funds raised through EU borrowing have already been disbursed. However, significant support under the Recovery and Resilience Facility (RRF) still needs to be disbursed in 2025 and 2026.[1]

In the first half of 2025, EUR 12.8 billion of the issuance proceeds were disbursed to implement NextGenerationEU investments and reforms. Ukraine received a total of EUR 10.1 billion under the Ukraine Facility and the MFA programme in the context of the G7's Extraordinary Revenue Acceleration (ERA) loans initiative. A further EUR 270 million in proceeds were used to finance a loan under the Reform and Growth Facility for Moldova and EUR 118 million to provide loans to North Macedonia, Albania, Montenegro and Serbia under the Western Balkans Reform and Growth Facility.

There was an increase in liquidity holdings during the first half of 2025, as NextGenerationEU disbursements fell below the amounts forecast based on indications by Member States. Unlike in previous reporting periods when cash balances generated revenues, this six-month period has seen these cash balances give rise to indicative costs of around EUR 195 million due to their long-term funding profile. The Commission actively manages these temporary cash balances to minimise these holding costs. The accumulation of cash balances is temporary, resulting from issuance on a regular and predictable schedule to ensure the best market conditions, while disbursements follow the implementation specificities of each supported programme, and in particular the RRF. As we approach the 2026 end-date for NextGenerationEU disbursements, funding inflows and outflows will converge.

During the first half of 2025, EU issuance continued to benefit from strong investor demand, while yields on EU-Bonds tightened versus most European government bonds. The 10-year interest rate spread between EU-Bonds and a 50/50 basket of German/French sovereign bonds declined from 13 basis points at the start of 2025 to 5 basis points by the end of June 2025. Nevertheless,

[1] In its Communication of 4 June 2025 titled 'NextGenerationEU: The road to 2026' (COM(2025)310 final), the Commission describes the progress made with the implementation of the national recovery and resilience plans and calls on Member States to speed up implementation as almost EUR 335 billion still needed to be disbursed under the RRF at the time of the Communication. This amount will mainly be financed through borrowing, but also in part through other resources (i.e. the Emissions Trading System (ETS) and the Brexit adjustment reserve (BAR)). A further EUR 700 million in RRF disbursements took place in June after the Communication was adopted.

driven by market conditions affecting all issuers, the EU's cost of funding[2] increased during this period to 3.17% compared to 2.99% for the previous funding period.

As part of its sustained efforts to consolidate and improve its issuance programme for EU-Bonds and EU-Bills, in April 2025 the Commission introduced three-leg bond auctions (auctions for three different maturities), allowing it to increase the amounts raised at each auction. This step will be complemented by the introduction of non-competitive auction allocations in autumn 2025, which should bolster demand for bonds sold via auction. In January 2025, the Commission also introduced three-leg bill auctions, with the launch of new 12-month EU-Bill lines in addition to the 3-month and 6-month maturities. Independently of the Commission, market stakeholders continued their initiatives. Following the launch of an index-based future in December 2024, the launch of a physically-settled EU-Bond futures contract from September 2025 was announced in the first half of 2025.

At the end of May 2025, the Council adopted the new Security Action for Europe (SAFE) instrument. This allows the EU to raise up to EUR 150 billion through capital markets by the end of 2030 to finance loans to Member States that can be used to accelerate the procurement of defence capabilities. This new mandate, together with the sizeable refinancing needs of already outstanding bonds, implies a steady EU market presence beyond 2027. Since the launch of NextGenerationEU in June 2021, the Commission has received mandates to finance other policies for a combined total of EUR 240 billion, with time frames for new debt issuance extending to 2030. All funding needs are pooled and funded via the issuance of EU-Bonds and EU-Bills under a single funding programme, thereby supporting the market presence of the EU as an issuer.

2. Introduction

The Commission has been borrowing funds on behalf of the EU for over 40 years. The past five years have seen a marked increase in the EU's bond issuance as it relies on capital markets to finance large programmes such as SURE[3], NextGenerationEU, and financial assistance to Ukraine (MFA+, the Ukraine Facility, and the MFA loan as part of the G7 ERA initiative). On 30 June 2025, the EU's total outstanding debt was EUR 694.9 billion, of which EUR 33.3 billion was in the form of EU-Bills.

This half-yearly report[4] reviews the implementation of borrowing operations between 1 January 2025 and 30 June 2025. The report also provides an outlook for EU-Bond issuance in the second half of 2025. It does not evaluate how the proceeds from EU-Bond issuances are used, including for green expenditure, as this is covered in separate reports under the regulations for each instrument[5].

Further to the recommendation of the European Court of Auditors in June 2023[6], the annex to this report presents indicators that can be used to monitor the implementation of the overarching debt management strategy guiding[7] the Commission's unified funding approach[8].

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[2] In accordance with the cost allocation methodology set out in Commission Implementing Decision (EU) 2024/1974.

[3] The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE).

[4] Prepared in accordance with Article 13 of Commission Implementing Decision C(2023)8010, which lays down the arrangements for implementing the unified funding approach for borrowing and debt management operations.

[5] See, for example, the annual reports for the Recovery and Resilience Facility and Macro-Financial Assistance and the NextGenerationEU Green Bonds Allocation and Impact report.

[6] Special report 16/2023: NGEU debt management at the Commission and Replies of the Commission

3. Implementation of borrowing operations in the first half of 2025

In the first half of 2025, the Commission continued to raise funds in the markets using its unified funding approach. In addition to meeting all disbursement commitments on time, the amounts and maturities of the bonds issued remained within the pre-set parameters, and the financing terms were in line with those of an issuer of the EU's size and rating. The sections below present some of the key components of the Commission's borrowing and lending operations in the first half of 2025. Further indicators used to monitor the implementation of the Commission's funding strategy are discussed in the annex to this report.

EXECUTION OF FUNDING OPERATIONS IN THE FIRST HALF OF 2025

The Commission raised a total of EUR 85.8 billion in EU-Bonds[9], with an average maturity of around 12 years (which is similar to the average maturity for the funding raised in the second half of 2024). During the first half of 2025, NextGenerationEU Green Bond issuance was EUR 6.9 billion.

The Commission used a mix of six syndications (59% of the amount raised) and seven auctions (41% of the amount raised), in keeping with the announced target. In March 2025, the Commission introduced the use of three-leg bond auctions (two-leg bond auctions had been used previously) in order to allow a slight increase in volumes per auction. EU-Bonds were issued at regular intervals over the six-month period, taking market liquidity conditions into account while ensuring a regular presence in the market.

The transactions in the first half of 2025 brought the total amount of outstanding EU-Bonds on 30 June 2025 to EUR 661.6 billion, of which EUR 516.2 billion was issued through the EU's unified funding approach. The total value of outstanding NextGenerationEU Green Bonds was EUR 75.1 billion.

In January 2025, the Commission also introduced three-leg bill auctions, with the launch of new 12-month EU-Bill lines in addition to the 3-month and 6-month maturities. At the end of June 2025, the EU had EUR 33.3 billion in credit outstanding through EU-Bills.

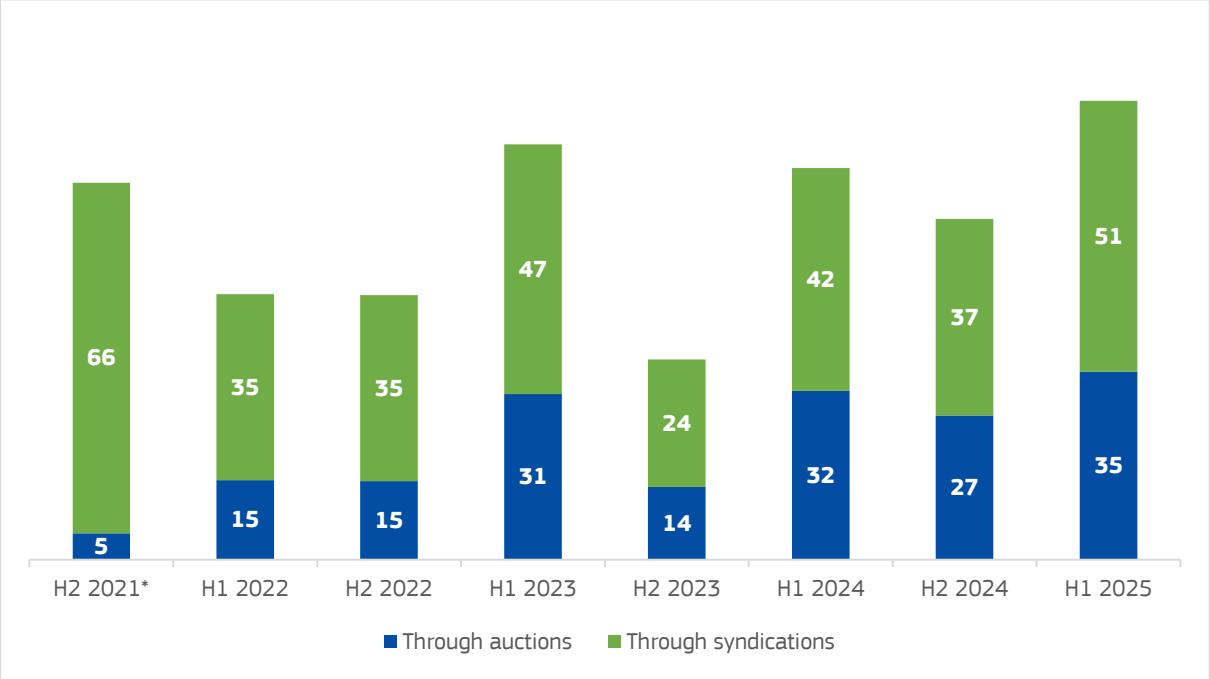
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[7] The half-yearly report on the execution of the EU borrowing and lending operations from 1 January 2023 to 30 June 2023 contains a description of the overarching debt management strategy, see the fourth Half-yearly report on the execution of the EU borrowing and lending operations.

[8] For all of the pre-NextGenerationEU programmes the Commission used a back-to-back funding approach, issuing bonds and transferring the proceeds directly to beneficiary countries on the same terms (i.e. interest rate and maturity) that it received. When the Commission set up NextGenerationEU in 2021, it established a diversified funding strategy of the type implemented by the largest euro-area sovereign issuers, using different funding instruments (EU-Bonds and EU-Bills) and funding techniques (syndications and auctions) to cover long-term and short-term funding needs. In December 2022, the Parliament and Council amended Article 220a of the Financial Regulation to allow the Commission to broaden the diversified funding strategy to other EU borrowing programmes, creating a unified funding approach for all EU borrowing and lending programmes under which the EU issues single-branded 'EU-Bonds', rather than separately denominated bonds for individual programmes such as NextGenerationEU, SURE, and MFA.

[9] In line with previous semesters, the difference compared to the funding plan target (EUR 90 billion in H1 2025) reflects the Commission's under-allocation in the final amounts raised through bond auctions in order to secure the most attractive financing conditions in these transactions given prevailing bidding.

Chart 1: Funding raised under the unified funding approach



* The first two NextGenerationEU transactions took place in June 2021. These have been included in the figure for H2 2021 as they were part of the same funding plan as the transactions that took place in H2 2021.

All amounts in billion EUR

DISBURSEMENTS

On the back of these transactions, the Commission continued to fund Member States' national recovery and resilience plans by disbursing the proceeds quickly (within nine working days on average).

Overall, in the first half of 2025, the Commission disbursed a total of EUR 23.3 billion for all policies combined. EUR 12.8 billion was disbursed to finance NextGenerationEU. Of that amount, EUR 8.2 billion was used to finance Member States' national recovery and resilience plans under the RRF. This can be broken down into EUR 5.7 billion in the form of grants to 11 Member States and EUR 2.5 billion in the form of loans to 3 Member States. The remaining EUR 4.6 billion was used to finance EU-managed programmes supported by NextGenerationEU[10].

Overall, since the summer of 2021, the Commission has disbursed EUR 391 billion to support NextGenerationEU. This comprises, EUR 205.9 billion in grants and EUR 111.2 billion in loans to Member States under the RRF, and EUR 73.9 billion for EU-managed NextGenerationEU programmes. Of the total EUR 391 billion in support for NextGenerationEU, EUR 378.6 billion has been financed by issuing debt[11].

In addition to NextGenerationEU disbursements, the Commission disbursed EUR 10.1 billion to Ukraine during the first half of 2025, of which EUR 3.1 billion under the Ukraine Facility and EUR 7 billion under the MFA programme for Ukraine as part of the G7 ERA initiative.

[10] These include the Strategic Technologies for Europe Platform (STEP), Horizon Europe, the InvestEU Fund, ReactEU, the EU Civil Protection Mechanism (RescEU), the European Agricultural Fund for Rural Development (EAFRD), and the Just Transition Fund.

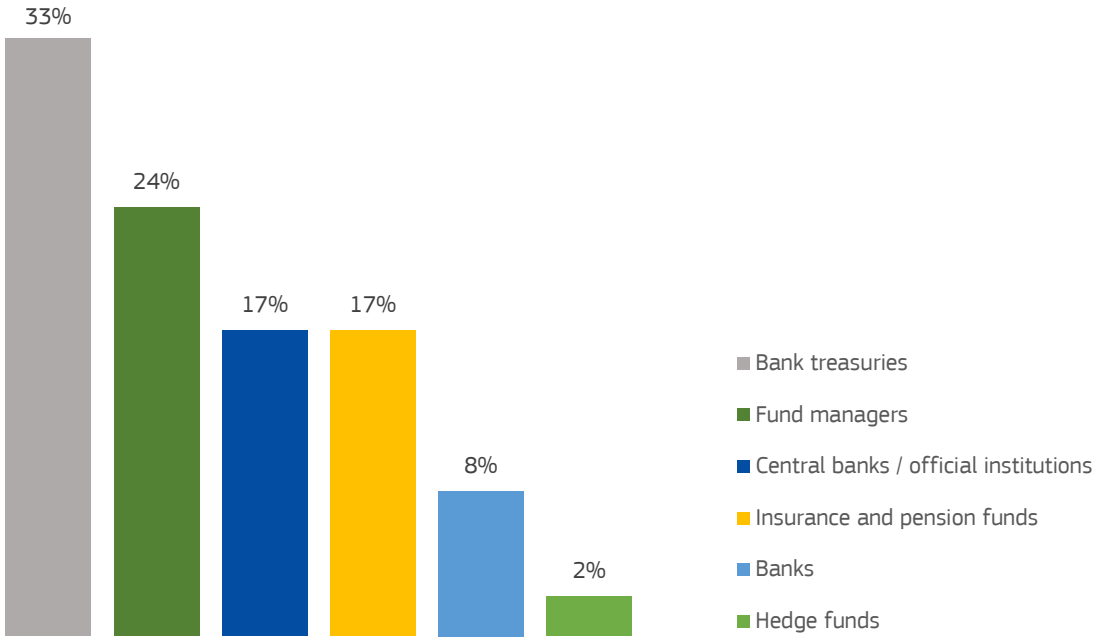
[11] An additional EUR 12.4 billion in NextGenerationEU expenditures was financed by other sources (i.e. ETS and BAR).

During the first half of 2025, EU-Bond issuance also financed EUR 118 million in loans to North Macedonia, Albania, Montenegro and Serbia under the Western Balkans Reform and Growth Facility and EUR 270 million in loans under the Reform and Growth Facility for Moldova.

INVESTOR DEMAND AND SECONDARY MARKET LIQUIDITY

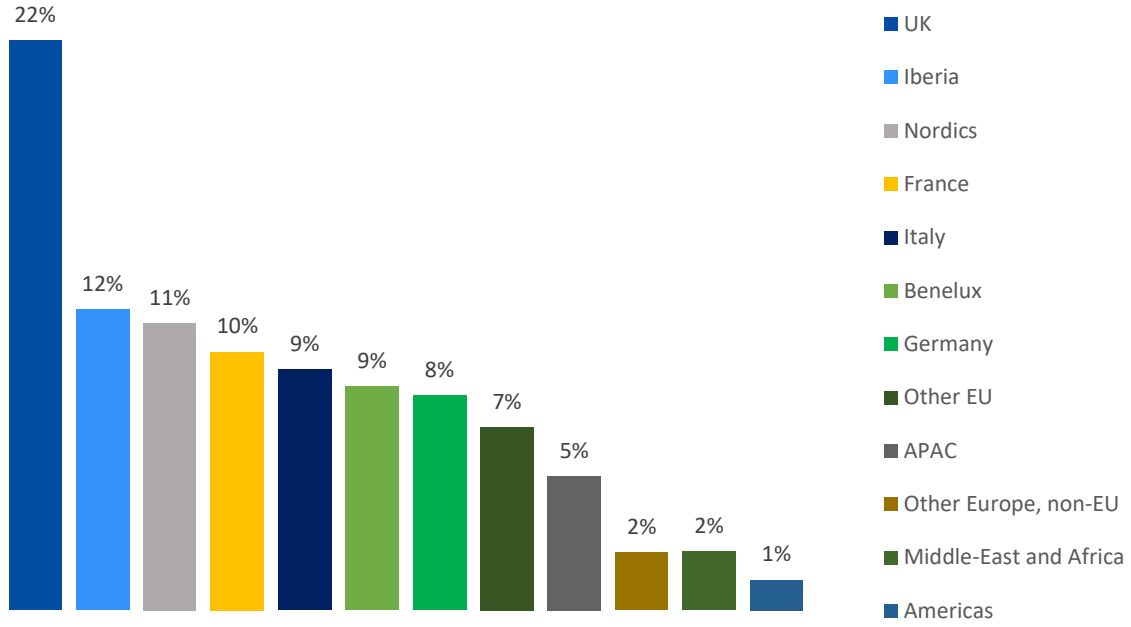
EU-Bond issuances continued to enjoy demand from a balanced and diversified global investor base.

Chart 2: Investors in syndicated transactions executed in H1 2025 by investor type



During H1 2025, over 40% of the EU-Bonds issued through syndication were purchased by investors with typically longer investment horizons (i.e. fund managers, insurance companies and pension funds). Central banks/official institutions that usually prefer to invest in bonds with maturities of up to 10 years accounted for about 17% of syndicated EU-Bond issuances, while bank treasuries were the single largest source of demand, making up 33% of syndication order-books.

Chart 3: Investors in syndicated transactions executed in H1 2025 by country / region



EU-Bonds issued via syndications have attracted more than 1,900 different investors from over 70 different countries since the start of NextGenerationEU in 2021. In the first half of 2025, over 66% of investment in EU-Bond syndications has come from investors located in the EU, and over 22% has come from international investors operating from the UK. The remainder has come from international investors in Asia or other non-EU European countries like Norway and Switzerland.

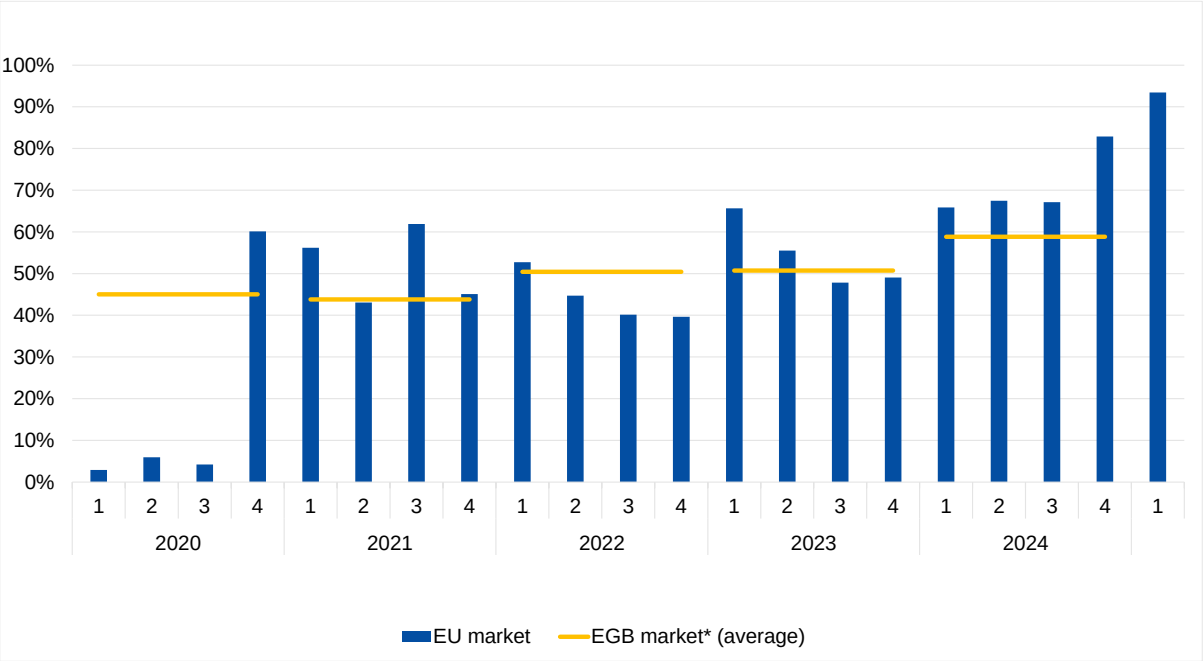
Despite the turbulent market environment caused by uncertainty in global trade policy, the new issue premium (NIPs)[12], demanded by investors as a concession when the EU issues bonds through syndication, remained subdued in the first half of 2025 with an average of around 1.6 basis points. This was in line with the average new issue premium of 1.65 basis points in 2024 and with those of other issuers on comparable transactions (measured by size and maturity).

At the same time, the secondary market liquidity of EU-Bonds remained strong, supported by the quoting arrangements in place since November 2023. Under those arrangements, EU primary dealers are encouraged to post reliable EU-Bond prices on the leading electronic bond trading platforms. Since those quoting arrangements were introduced, the daily trading volumes of EU-Bonds on the main electronic trading platform have averaged about EUR 767 million with daily peaks in excess of EUR 2 billion. In H1 2025, this average was slightly lower with a daily average turnover of EUR 643 million reflecting the more volatile investment backdrop.

The Commission also supported the liquidity of the EU-Bond curve by tapping existing lines, while also creating new ones to meet programme needs and investor demand. As a result, the average amount outstanding per EU-Bond stood at around EUR 16 billion at the end of H1 2025, up from EUR 14.8 billion at the end of 2024. New 3, 10 and 7-year lines were also launched in the first half of 2025.

[12] The NIP is a premium that the issuer pays in order to persuade investors to buy its bonds in the primary market rather than in the secondary market.

Chart 4: Quarterly secondary market turnover of EU-Bonds and European government bonds (% of outstanding volume)



Source: European Commission, based on data from the Economic and Financial Committee's Subcommittee on EU Sovereign Debt Markets (ESDM).
Note: In this chart the European government bond (EGB) market comprises bonds issued by euro-area sovereigns, the European Financial Stability Fund and the European Stability Mechanism. Data are not yet available for Q1 2025 and Q2 2025.

4. Cost of funding and liquidity management costs

COST OF FUNDING

The cost allocation methodology under the diversified funding strategy allows the Commission to link the costs of funding charged to beneficiaries (the EU budget or loan beneficiaries) to the conditions obtained in the market when the disbursements were financed[13]. In addition, this methodology allows borrowing costs to be allocated on a programme-related basis. This reflects the increased number of policy programmes funded by the diversified funding strategy under the unified funding approach.

In line with this methodology, the cost of funding for NextGenerationEU payments in the January to June 2025 time compartment ('TC8' in the table below) is estimated at 3.17%, compared with

[13] For NextGenerationEU, the interest costs incurred are allocated to the EU budget and to the Member States receiving loans in accordance with the methodology set out in Commission Implementing Decision (EU) 2021/1095 and its successors Commission Implementing Decision (EU) 2022/9701 and Commission Implementing Decision (EU) 2024/1974. This methodology distinguishes between three different cost categories: (i) the cost of funding to finance non-reimbursable support and loan disbursements calculated for six-monthly time compartments, (ii) the cost of holding and managing liquidity, and (iii) administrative costs. Compartmentalisation per programme has been possible since Commission Implementing Decision (EU, Euratom) 2024/1974 entered into force in the second half of 2024. To avoid any retroactive effect, programmes that were funded and disbursed before this methodology was implemented (such as MFA+ loans to Ukraine and exceptional bridge-financing under the Ukraine Facility) remain pooled with NextGenerationEU borrowing and lending operations under the unified funding approach.

2.99% for the previous six-monthly time compartment. The cost of funding for disbursements under the Ukraine Facility, the MFA Egypt programme and the Western Balkans Reform and Growth Facility was between 2.70% and 2.80% at the end of June 2025. The cost of funding for the MFA loan to Ukraine as part of the G7 ERA initiative stood at 2.53%.

Differences in the funding costs between programme compartments reflect the programme characteristics, such as differences in the average maturities of borrowing instruments[14].

Chart 5: Cost of funding

NextGenerationEU	TC1	TC2	TC3	TC4	TC5	TC6	TC7	TC8
	0.15%	1.38%	2.61%	3.22%	3.53%	3.19%	2.99%	3.17%

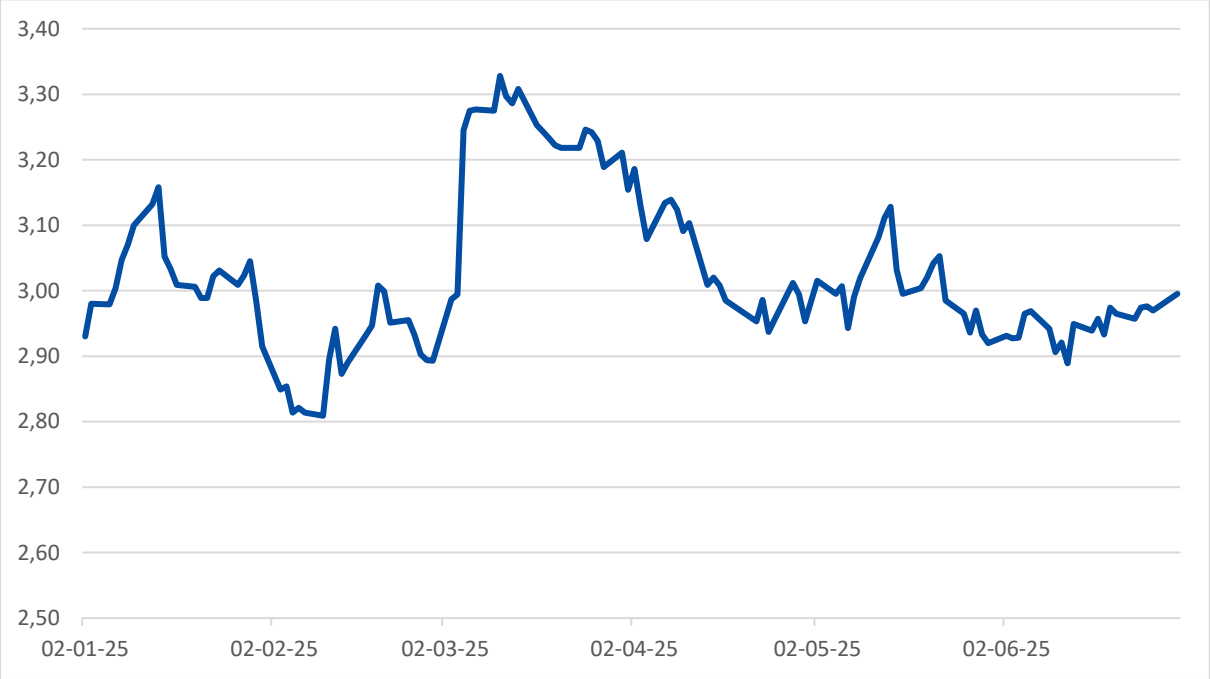
Ukraine Facility	MFA+	MFA Ukraine (G7 ERA)
2.72%	3.16%	2.53%

MFA Egypt	Western Balkans (CP1)	Reform and Growth Facility for Moldova
2.70%	2.77%	2.89%

Changes in the cost of funding also reflect the prevailing market conditions, which impact the cost of borrowing for EU issuances. Over the course of the first six months of 2025, interest rates exhibited significant volatility as a result of economic and financial uncertainties affecting all issuers. As a result, the interest rate on 10-year EU-Bonds varied between 2.8% and 3.3% during the semester, before ending the semester at 2.95%, compared to 2.93% at the start of January 2025. At the same time, yield spreads between the EU and most EGB issuers tightened slightly, with the 10-year interest rate spread between EU-Bonds and a 50/50 basket of German/French sovereign bonds falling from around 13 basis points at the start of the year to 5 basis points in June 2025.

[14] For instance, NextGenerationEU currently has a longer average maturity of funding compared to other programmes, due to the structure of the dedicated temporary 'own resources' ceiling that covers NextGenerationEU's repayment profile. In order to allow budgetary assets that will be used to repay NextGenerationEU grants to be spread smoothly over time, the bonds issued to finance NextGenerationEU grants typically have a longer maturity.

Chart 6: Yields on 10-year EU-Bonds



LIQUIDITY MANAGEMENT COSTS

Over the first half of 2025, the average level of liquidity holdings stood at EUR 71.1 billion, compared to EUR 50.7 billion in the second half of 2024. This was primarily due to delays in NextGenerationEU disbursements compared to forecasts. In particular, disbursement outflows of close to EUR 45 billion forecast for the end of the first half of 2025 were delayed to later in the summer. Other programmes also saw some slight delays compared to forecasts.

The substantial increase in liquidity holdings is explained by the need to maintain high overall borrowing given the large amount of funds still to be disbursed under the NextGenerationEU programme between now and the end of 2026[15]. Given the sizeable amounts of funding needed over the final year of NextGenerationEU implementation, it is essential that the Commission continues its borrowing operations on a regular and predictable schedule to ensure the best market conditions and safeguard predictability for investors.

Whereas in previous years these cash balances generated a profit, the change in the interest rate environment has meant that these cash balances have started to generate a net cost. Indeed, the rapid changes in monetary policy rates and the steepening of the yield curves across the market have increased the costs of these liquidity holdings.

In order to maximise the return from investing these cash balances in the short-term, the Commission undertook extensive liquidity management operations, using term deposits and reverse repurchase (repo) transactions to invest around 50-60% of the cash balances on average over the first six months of 2025. These short-term investments helped reduce the negative carry associated with the cash balance invested by up to 20 to 25 basis points. Overall, the net indicative liquidity management cost for first half of 2025 is estimated at around EUR 195 million[16] compared to an income of EUR 140 million on liquidity holdings in 2024.

[15] See COM(2025) 310 final.

[16] Parts of the short-term investment operations are maturing in H2 2025. In accordance with standards, the around EUR 195 million is presented without taking into consideration remuneration that would have been

5. Steps to further develop the EU-Bond market

The implementation of quoting arrangements at the end of 2023 and the launch of a repo facility in October 2024 improved the resilience, depth and liquidity of the EU Bond market. In H1 2025, the Commission continued to invest in the deepening of the EU bond market. Following the reinforcement of the EU-Bill programme with a 12-month line added in January 2025 (in addition to the existing 3- and 6-month maturities) and the new format of three-leg EU-Bond auctions introduced in March 2025, work has turned to the introduction of non-competitive auction allocations.

The introduction of non-competitive auction allocations will allow the Commission to offer its primary dealers, additional amounts of auctioned bonds (20% of the initially allocated auction volume) on the day after the bond auction. This new feature is used by many sovereign auction programmes to give their primary dealers an incentive to participate in auctions and attract more investor interest. Preparatory work with relevant stakeholders is currently underway with the aim of launching the non-competitive offers as of autumn 2025.

At the same time, independent initiatives from market stakeholders continued. Following the launch of the ICE index-based futures contract in December 2024, EUREX announced the launch of physically delivered EU-Bond futures contracts in September 2025. A well-functioning futures market can help market participants to price EU-Bonds and hedge open positions. It is therefore a further potentially valuable support to the functioning of the EU-Bond market and to the role of EU-Bonds as liquid safe assets. While the Commission has no direct role in or responsibility for the operation of futures contracts, it welcomes these independent initiatives as recognition of the importance to investors of the rapidly maturing market for EU-Bonds.

6. Other milestones in the first half of 2025

SECURITY ACTION FOR EUROPE (SAFE): A NEW EU FINANCIAL INSTRUMENT TO BE FINANCED BY EU BORROWING

On 27 May 2025, the Council adopted a Regulation[17] establishing a new financial instrument to help Member States accelerate the procurement of defence capabilities - the Security Action for Europe (SAFE). Under this instrument the Commission is mandated to issue up to EUR 150 billion of additional funding until the end of 2030. The proceeds will be transferred to Member States as loans to finance the procurement of important defence capabilities.

Member States have until the end of November 2025 to submit their loan requests. The size of the loans and any pre-financing (which can be up to 15% of the loan) will be set out in implementing decisions, on the basis of which disbursements under the new instrument will be made.

The extended time frame of SAFE (to the end of 2030) and the demand-driven nature of disbursements mean that the Commission will be able to mobilise the funds smoothly and as needed with short-term and long-term funding across the yield curve. As the funding will be integrated under the EU's unified funding approach, disbursements will be financed by competitively priced long-maturity EU-Bonds and will be repaid by the beneficiary Member States.

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earned on these holdings. On an accrual basis, the net liquidity management cost for H1 2025 would be reduced to approximately EUR 160 million.

[17] Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument.

Funding of the SAFE loans is expected to start in 2026, once Member States' plans and loan agreements have been approved. All issuances for the financing of SAFE loans will take place under the single branded 'EU-Bonds'.

7. Issuance outlook for the second half of 2025

The Commission continued to implement a regular, predictable and large-volume funding plan throughout the first half of 2025 against a backdrop of volatile markets. Having raised EUR 85.8 billion of long-term funding in the form of EU-Bonds since January 2025, the Commission has completed its funding plan for H1 2025 in line with its published timetable and market expectations. The proceeds have been used to finance a diverse range of EU policies, including NextGenerationEU, financial assistance to Ukraine, and programmes for enlargement candidates and non-EU countries.

EU issuance continued to meet with strong investor demand as reflected in the order books for syndications and steady, consistent support for EU-Bill and EU-Bond auctions. This is testament to the security and liquidity that EU-Bonds offer to European and global investors seeking good investment opportunities in highly-rated euro denominated securities.

On 23 June 2025, the Commission announced its intention to issue up to EUR 70 billion in EU-Bonds in the second half of 2025. The funding plan builds on the funding plan of EUR 90 billion for the first half of 2025 and is in line with the previously communicated expected annual issuance volumes of around EUR 160 billion for 2025.

This target would constitute an annual issuance record for the EU-Bond programme, building on previous years (from EUR 120 billion in 2023 to EUR 140 billion in 2024) and reflecting the funding needs over the next two years, including almost EUR 335 billion of RRF funds over the remaining lifetime of that programme. In its Communication of 4 June 2025[18], the Commission describes the progress made with the implementation of national recovery and resilience plans and calls on Member States to speed up their implementation. In addition, the proceeds will be used to provide financial assistance to Ukraine, enlargement candidates and non-EU countries, and to roll over maturing bonds.

Amounts raised by EU-Bonds will be supplemented by short-term funding through EU-Bills. NextGenerationEU Green Bond issuances (currently standing at EUR 75.1 billion) will remain closely calibrated to reported green expenditure from Member States, financing the green component of the RRF. Further NextGenerationEU Green Bond issuance will be conditional on the notification and validation of additional climate-relevant expenditure by Member States under their national recovery and resilience plans.

[18] See NextGenerationEU - The road to 2026

Annex: Implementation indicators on the use of the means for delivering against the Commission's overarching debt-management strategy's efficiency and effectiveness objectives

Means		Indicator	Value in H1 2025 (unless indicated otherwise)	Commentary on execution in H2 2024
Implementation of the EU-Bond programme	a) Regular issuances across the curve Regular EU-Bond (and NextGenerationEU Green Bond) issuances in all maturities across the curve (up to 30 years) to provide different types of investors with investment opportunities as a way of maintaining strong investor demand and with it the flexibility to determine issuance volumes and maturities for individual transactions based on market conditions.	*i. Maturity split of issuance programme*	1-4 years: 21% 4-8 years: 21% 8-12 years: 19% 12-17 years: 10% 17-23 years: 12% 23-31 years: 17%	In H1 2025, the Commission pursued its objective through regular bond issuances across different tenors to provide the EU curve with liquidity on all segments. Funding transactions were spread over the six-month period to ensure a regular presence in the market. There were more transactions than in H2 2024, as the H1 2025 funding target of up to EUR 90 billion was higher than the H2 2024 funding target of EUR 65 billion. Green bond issuance was slightly lower than in the second half of 2024, reflecting the cumulative reported green expenditures by Member States, and the appropriate calibration of green bond issuances to these expenditures.
		ii. Timely distribution of issuances	Six syndications and seven bond auctions, resulting in at least two issuances per month.	
		iii. Green issuances[19]	EUR 6.9 billion, by tapping EU 2033 and EU 2050 bonds.	
	b) Achieving a proper balance of auctions and syndications Use of different funding techniques with a proper balance, depending on total issuance volumes and market conditions, in order to manage execution risks, improve secondary market liquidity and improve borrowing costs.	*i. Auction / syndication split as %*	41% of bond issuances via auction.	In H1 2025, the Commission issued 41% of the EU-Bonds via auction, slightly below the proportion in H2 2024 (42%).
	c) Establishment of large and liquid benchmark bonds Tapping of EU-Bonds to bring the outstanding volume of different lines to levels commensurate with large and liquid benchmark lines.	*i. Issuances via new bonds vs volume issued via taps*	• EUR 22 billion via new bonds • EUR 64 billion via taps	In order to support the liquidity of EU securities, the Commission used its transactions to tap existing funding lines, with approximately 75% of the funding volume mobilised via taps. New funding lines were launched to provide the market with new benchmark lines where needed on the curve and based on the recommendations of EU primary dealers. New 3-
		ii. Speed of tapping of new bonds[20]	Approximately three months	
		iii. Average size of outstanding bonds[21]	Around EUR 16 billion	

[19] Additional information on NextGenerationEU Green Bonds: NextGenerationEU Green Bond Dashboard

[20] Based on the average number of months between new issuance and first tap when considering the new lines tapped during H1 2025.

Means		Indicator	Value in H1 2025 (unless indicated otherwise)	Commentary on execution in H2 2024
		iv. Turnover relative to issuance volume	Approximately 174% in H1 2025 vs 155% in H2 2024	year, 10-year, and 20-year bonds were launched in the first half of 2025. As a result, the average outstanding amount per bond increased to around EUR 16 billion by the end of June 2025, ensuring consistent liquidity of the bonds.
		v. Absolute turnover	EUR 1154 billion in H1 2025 vs EUR 894 billion in H2 2024	
	d) Management of the maturity profile of EU-Bond issuances with due regard to: • the temporary additional headroom (for NextGenerationEU-related borrowing) and permanent headroom (for MFA+) under the EU budget • the future redemption of disbursements in any given year • stable future roll-over needs • the need to protect the EU's rating to ensure low borrowing costs in the long run and strong demand from its core investor base.	*i. Average maturity of issuance*	Around 12 years	In H1 2025, EU-Bond issuances had an average maturity of 12 years. This reflects the need to spread the redemption profile over time while, at the same time, attracting investors to EU primary market transactions. The average maturity remained below the maximum average maturity of 17 years set out in the annual borrowing decision for 2025. The weighted average time to maturity of outstanding debt declined slightly (to around 11 years after moving below the 11.5 years mark) driven by the issuance profile and roll down of existing debt. Refinancing also remained stable, reflecting the past issuances and the redemption profile.
		ii. Average time to maturity of outstanding debt	Around 11 years	
		iii. Refinancing in the short term, i.e. percentage of outstanding stock of bonds and bills maturing in the next 12 months	Less than 10%	
		iv. Refinancing in the medium term, i.e. percentage of outstanding stock of bonds and bills maturing in the next five years	Less than 37%.	
Implementation of the EU-Bill-programme	Regular issuance of EU-Bills with maturities of up to 1 year via auction to attract additional investors (or additional portfolios of existing investors) and support liquidity management.	*i. Outstanding volume of EU-Bills*	Around EUR 30 billion	Outstanding debt under the EU-Bill programme increased from around EUR 25 billion to around EUR 30 billion over the period as part of the development of the programme to provide additional liquidity when needed. This also included the introduction of a new 12-month EU-Bill line.
		ii. Number of EU-Bill auctions	12	
Liquidity management	Management of a liquidity pool based on payment obligations, disbursement needs and the costs of cash holding, with due regard to prevailing market conditions.	*i. Number of payment failures due to lack of liquidity*	None	The Commission met all disbursement needs and there were no settlement failures during the second half of 2024.
Primary dealer	Attracting a wide range of financial	*i. Number of institutions*	19 (compared with 18 in	EU primary dealers continued to support the Commission

[21] Outstanding bonds over number of bonds as at the end of H2 2024, based on bonds issued under the diversified funding strategy.

Means		Indicator	Value in H1 2025 (unless indicated otherwise)	Commentary on execution in H2 2024
network	institutions with a strong commitment to supporting EU issuances.	*that signed underwriting commitments for transactions over the past six months*	H2 2024)	and rotation at the syndications helped the Commission to make the best use of all the banks eligible to be part of a syndicate.
Communication with diverse market stakeholders and peer issuers	Maintaining and building the trust of the investor base, market participants and peer issuers to support demand for EU debt and improve the EU's understanding of market dynamics and investor needs.	*i. Deviations from the pre-announced timings for the publication of funding plans*	None	The Commission maintained regular and predictable communication with the markets, in line with previous announcements. During the first half of 2025 a reduced allocation of around EUR 4 billion occurred due to the securing of attractive financing conditions in the bond auctions. The Commission regularly published investor statistics, and its diversified investor base continued to increase.
		ii. Deviation from the volumes announced in the funding plan	Around EUR 4 billion or less than 5% (compared with less than 2% in H2 2024).	
		iii. Investor distribution statistics	Per type: central banks/official institutions 17%, fund managers 24%, bank treasuries 33%, insurance and pension funds 17%, banks 8%, hedge funds 2% Per country / region: UK 22%, Nordics 11%, France 10%, Benelux 9%, Italy 9%, Asia-Pacific 5%, Germany 8%, Iberia 12%, other EU 7%, other Europe, non-EU 2%, Americas 1%, Middle East and Africa 2%	