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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1173/2011 and (EU) No 473/2013 as regards alignment with the EU economic governance framework and further simplification of that framework

Delegations will find attached document COM(2025) 591 final.

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2025/0311 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulations (EU) No 1173/2011 and (EU) No 473/2013 as regards alignment with the EU economic governance framework and further simplification of that framework

{SWD(2025) 286 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

A reform of the EU economic governance framework entered into force on 30 April 2024. It concerned three pieces of legislation: Regulation (EU) No 1466/97 ("preventive arm") was repealed and replaced by Regulation (EU) 2024/1263; Council Regulation (EU) No 1467/97 ("corrective arm") was amended; and Directive 2011/85 on national budgetary frameworks was amended. Given the urgency at that time for the co-legislators to agree on a reform of the EU economic governance framework, the Commission did not propose amendments to other pieces of legislation that form part of that framework.

The 2024 reform gave rise to a number of inconsistencies between the reformed EU economic governance framework and Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficits of the Member States in the euro area ("the DBP regulation") and Regulation (EU) No 1173/2011 on the effective enforcement of budgetary surveillance in the euro area ("the sanctions regulation"). The Commission now proposes amendments to these regulations to address these inconsistencies and further simplify the framework.

The objective of the proposal is thus to ensure consistency between the DBP and sanctions regulations, on the one hand, and the reformed EU governance framework, on the other. The proposed amendments will also introduce a number of simplifications to the DBP and sanctions regulations, thus simplifying the broader EU economic governance framework, reducing administrative burden for Member States, and contributing to the Commission's simplification agenda.

For the sanctions regulation, the proposed changes consist of: (i) updating or deleting a number of articles which have become obsolete following the 2024 reform; and (ii) ensuring consistency between the regulation and the amended corrective arm, where the 2024 reform followed the principle of reducing the amount of financial sanctions and making their implementation more gradual. The Commission thus proposes to align the regulation with the principle of graduated sanctions in the reformed Stability and Growth Pact, while maintaining the current approach for sanctions related to the manipulation of statistics. This will also result in simplifying the implementation of the excessive deficit procedure under the corrective arm of the Stability and Growth Pact.

In terms of the DBP regulation, there are three main inconsistencies: (i) outdated references to Stability Programmes and National Reform Programmes, which have been merged into the medium-term fiscal-structural plans following the reform; (ii) outdated references to concepts such as medium-term objective, significant observed deviation from it or adjustment path towards it, which should be replaced with the new concepts introduced by the 2024 reform; and (iii) outdated cross-references to articles of the preventive arm, corrective arm and directive which should be brought in line with the reformed framework.

For simplification purposes, the amendments to Regulation (EU) No 473/2013 include the deletion of economic partnership programmes, of certain data and reporting requirements that have not provided value-added to the surveillance process in the past, of additional reporting requirements for euro area Member States subject to an EDP, as well as of the additional

procedure for Member States at risk of non-compliance with the deadline for the correction of the excessive deficit.

- Consistency with existing policy provisions in the policy area

The proposal aims to ensure consistency between Regulation (EU) 473/2013, Regulation (EU) 1173/2011 and elements of the EU economic governance framework that were replaced or amended as part of the 2024 reform (Regulation (EU) 2024/1263, Regulation (EC) 1467/97 and Directive (EU) 2011/85). This is to be achieved by updating the two regulations to integrate concepts introduced by the 2024 reform and by ensuring that these regulations are complementary with the objectives of the reform.

- **Consistency with other Union policies**

The proposal to amend the two regulations will contribute to the Commission's simplification agenda aimed at boosting competitiveness and safeguarding economic, social and environmental goals by reducing regulatory burdens and simplifying EU laws thereby making their implementation easier.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The proposal is based on Articles 121(6) and 136 of the Treaty on the Functioning of the European Union (TFEU), which are the relevant legal bases for the specific provisions of the two regulations to be amended.

- **Subsidiarity (for non-exclusive competence)**

The proposed amendments of the regulations conform with the subsidiarity principle, as set out in Article 5 of the Treaty on the European Union. The objectives of the amendments, namely to ensure consistency with the reformed EU economic governance framework and streamline that framework, cannot be achieved at the level of the Member States as they require changes to EU legislation.

- **Proportionality**

The proposal respects the proportionality principle, as set out in Article 5 of the Treaty on the European Union. The proposed amendments to these regulations do not go beyond what is necessary to achieve consistency of the EU economic governance framework and the simplification of that framework.

- **Choice of the instrument**

The inclusion of all proposed amendments to the DBP and sanctions regulations in a single legislative proposal aims at ensuring a coherent negotiation process for these two elements of the EU economic governance framework.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Backward-looking assessments of the EU economic governance framework were published as Commission Communications on 2 February 2020 (COM(2020) 55 final) and 19 October

2021 (COM(2021 662 final). The Commission Communication of 2 February 2020 was accompanied by a Commission Staff Working Document (SWD(2020) 210 final).

Summary of findings on Regulation (EU) 1173/2011

The Commission Staff Working Document of 2 February 2020 highlighted that the Commission and the Council had been reluctant to impose financial sanctions against Member States. The analysis noted that the introduction of swifter sanctions and of reverse qualified majority voting for Council decisions on Commission proposals for the imposition of sanctions (as part of the Two-Pack reform) had increased the role of the Commission. However, the Commission had refrained from proposing financial sanctions. In its Communication on orientations for a reform of the EU economic governance framework of 9 November 2022 (COM(2022) 583 final), the Commission proposed to de-constrain the effective use of financial sanctions by lowering their amounts. This proposal was implemented in the revision of Regulation (EC) 1467/97. It is now proposed to align accordingly Regulation (EU) 1173/2011.

Summary of findings on Regulation (EU) 473/2013

The Commission Staff Working Document of 2 February 2020 (SWD(2020) 210 final) found that the process for draft budgetary plans (DBPs) proved useful for setting up a dialogue between the EU institutions and euro area Member States, as well as for fostering awareness among national parliaments and the public of Member States' obligations under the Stability and Growth Pact (SGP). At the same time, the focus of the assessment on annual changes in the (unobservable) structural balance or annual expenditure growth gave a certain narrowness to that dialogue. The corrective action by Member States to the 'follow-up letters' sent by the Commission to Member States in all the DBP rounds since 2014 had been limited. Nevertheless, despite a seemingly limited impact, the mere existence of the process encouraged Member States to take the SGP requirements into account when preparing their draft budgets.

The Commission Communication of November 2022 (COM(2022) 583 final) for a reform of the EU economic governance framework stressed that a stronger *ex-post* enforcement would be necessary as a counterpart to a risk-based approach that provides more leeway to Member States in setting their fiscal adjustment. The assessment of compliance with the SGP requirements would be carried out on a continuous basis, which in the case of euro area Member States would include the assessment of compliance of the draft budgetary plans with the agreed multiannual net expenditure path in the autumn.

- **Stakeholder consultations**

Discussions have taken place between the Commission and Member States in the Economic and Financial Committee (EFC) and the Eurogroup Working Group (EWG). These discussions focussed on whether Regulations (EU) 473/2013 and 1173/2011 should be amended following the reform of the EU economic governance framework or if it would be sufficient to proceed through changes in interpretation to the existing regulations. Member States agreed that amendments to the existing regulations are necessary to provide the necessary legal clarity. Discussions have also taken place with Member States on the main elements of those amendments, with agreement that inconsistencies with other elements of the EU economic governance framework would need to be addressed. Member States were open to examining the proposals for simplification that would be put forward by the Commission.

A discussion also took place with the ECON committee of the European Parliament which emphasised the objectives of the simplification package, namely to provide legal clarity and targeted simplification, and sketched out the main elements of the package, similar to the information provided to the Member States in the respective committees. There was broad support for the simplification of these regulations.

- **Collection and use of expertise**

N/A

- **Impact assessment**

This proposal does not create a new instrument but amends existing legislation to ensure consistency of the DBP and sanctions regulations with other elements of the reformed EU economic governance framework. The proposal also aims to simplify existing procedures and reduce the reporting requirements for Member States. The proposed amendments focus on targeted changes to the existing regulations. As stated above in the discussion on subsidiarity, there are no other options for eliminating these inconsistencies between the two regulations and other elements of the framework. For these reasons, no formal impact assessment was carried out.

- **Regulatory fitness and simplification**

N/A

- **Fundamental rights**

This proposal does not have consequences for the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal does not have implications for the EU budget.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposed amendments to the DBP and sanctions regulations do not require additional measures to facilitate their implementation and do not pose implementation challenges for Member States.

Article 16 of Regulation (EU) No 473/2013 requires that the Commission produce a report every five years reviewing the following elements: (i) the effectiveness of the regulation in achieving its objectives; (ii) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States; and (iii) the contribution of the Regulation to achieving sustainable and inclusive growth and social and economic resilience. The report of the Commission should be accompanied, where appropriate, by a proposal to amend the regulation.

Similarly, Article 13 of Regulation (EU) No 1173/2011 requires that the Commission produce a report every five years reviewing the effectiveness of the Regulation, including the possibility to enable the Council and the Commission to act in order to address situations which risk jeopardising the proper functioning of the monetary union. The report of the Commission should be accompanied, where appropriate, by a proposal to amend the regulation.

- **Explanatory documents (for directives)**

N/A

- **Detailed explanation of the specific provisions of the proposal**

The proposal makes well-framed and targeted changes that are technical in nature to Regulations (EU) No 473/2013 and No (EU) 1173/2011. They consist in eliminating inconsistencies with the pieces of legislation that resulted from the 2024 reform, as well as in simplifying some elements in line with the Commission's simplification agenda aimed at reducing regulatory burdens and simplifying EU laws to make their implementation easier.

Regulation (EU) 1173/2011

It is proposed to revise Regulation (EU) 1173/2011 to ensure technical alignment with the reformed EU economic governance framework and ensure the principle of the graduation of sanctions in the Stability and Growth Pact. As the significant deviation procedure that triggered the application of sanctions in the preventive arm no longer exists, Article 4 and related provisions of the sanctions regulation have become obsolete and will need to be deleted. Other sanctions are linked to provisions that are still in force in Council Regulation (EC) 1467/97 but contrast with some of the amendments introduced to that Regulation, in particular related to the magnitude and frequency of the sanctions to be applied. These provisions thus no longer respect the principle of a fair graduation of sanctions in the SGP, as set out in Recital 22 of Regulation (EU) 1173/2011. It is thus proposed to remove the sanctions applicable at the time of an Article 126(6) decision (deletion of Article 5) while modifying the sanctions that apply at the time of an Article 126(8) decision (revision of Article 6). While it is not proposed to modify the application of sanctions related to the manipulation of statistics (Article 8), the power to adopt delegated acts related to the imposition of those (Article 11) is no longer needed and it is proposed to be deleted.

Regulation (EU) 473/2013

Inconsistencies in Regulation (EU) No 473/2013 largely concern outdated references to other acts and some misalignments with new concepts introduced by the 2024 reform of the EU economic governance framework, requiring amendments to Articles 1, 2, 3, 4, 5, 6 and 7. More specifically: (i) references to Stability and National Reform Programmes are replaced with references to national medium-term fiscal-structural plans; (ii) outdated references to the medium-term objective, significant observed deviation from it or adjustment path to it are replaced with references to the new concepts introduced by the 2024 reform such as net expenditure path and corrective net expenditure path; and (iii) a number of cross-references to former Regulation (EU) No 1466/97, Regulation (EU) No 1467/97 and Council Directive 2011/85 became outdated and were updated to reflect the 2024 reform of the EU economic governance framework which consisted in repealing Regulation (EU) 1466/97 and replacing it with Regulation (EU) 2024/1263, and amending Regulation (EU) No 1467/97 and Council Directive 2011/85.

In addition, to eliminate inconsistencies with the amendments made to Council Directive 2011/85 as part of the 2024 reform of the EU economic governance framework and for simplification purposes to avoid repeating the provisions of that Directive, amendments are proposed to Articles 2, 3, 4 and 5.

The proposed amendments to Regulation (EU) No 473/2013 also aim to ensure consistency with the amendments to Regulations (EU) 1173/2011 by deleting the requirement for the Commission DBP opinion to be taken into account in the imposition of non-interest bearing deposits given the deletion of Article 5 of Regulation (EU) No 1173/2011 (Article 12).

In terms of simplification, the proposed amendments to Regulation (EU) 473/2013 delete references to the need for Member States in the excessive deficit procedure to establish economic partnership programmes (Article 9). The latter were introduced by the 2012 Treaty on Stability, Coordination and Governance in the Economic and Monetary Union and aimed at ensuring a sustainable and lasting correction of the excessive deficits of Member States by requiring Member States under EDP to detail specific structural reforms designed to reduce their deficit and debt. Following the 2024 reform of the EU economic governance framework, the function of the Economic Partnership Programmes is ensured through the adoption of a medium-term and risk-based approach, based on medium term fiscal structural plans, and the reinforcement of the excessive deficit procedure through the introduction of clear activation and abrogation criteria for debt-based EDPs. Consequently, Economic Partnership Programmes have become obsolete.

Also for simplification purposes and to reduce the reporting burden, amendments are proposed to Regulation (EU) No 473/2013 to delete certain data and reporting requirements that bring no value added to the surveillance process (Articles 6 and 7) as well as ex ante reporting requirements to the Eurogroup on Member States' public debt issuance plans (Article 8) as reporting on those plans to the Commission is considered sufficient. In addition, the requirement to take into account the Commission DBP opinion in Article 126(3) TFEU reports and Article 126(6) Decisions was deleted given the Article 126(3) TFEU requirement that all relevant factors be taken into account when preparing a report on the existence of an excessive deficit (Article 12).

The proposed amendments also delete the need for additional reporting requirements for euro area Member States subject to an EDP (Article 10). The objective of those additional requirements was to allow for a better exchange of information between the Member States concerned and the Commission and to identify risks in the compliance with the deadline for the correction of the excessive deficit early on. The 2024 reform of the EU economic governance framework introduced a single indicator for the assessment of compliance with the corrective net expenditure path under EDP and Member States regularly report on it in their Annual Progress Report submitted under Article 21 of Regulation (EU) 2024/1263. To reduce the reporting burden and focus on implementing the 2024 reform, Member States under an excessive deficit procedure should only provide the information requested under Regulations (EU) 2024/1263 and 1467/97 as that is sufficient to assess compliance with the corrective net expenditure path. The Commission retains the right to ask for any additional information it deems necessary for budgetary surveillance purposes.

As it is proposed for the additional reporting requirements to be deleted, the exercise of delegation to specify the content of the additional reporting is no longer required (Article 14).

To ensure an effective monitoring of action taken by the Member State in response to an Article 126(7) TFEU recommendation or an Article 126(9) TFEU notice, it is proposed that the Member State submit effective action reports to the Commission and the Council every six and three months respectively until the abrogation of the EDP. These effective action reports can be included in the Annual Progress Reports defined under Article 21 of Regulation (EU) 2024/1263 and in the Draft Budgetary Plans to further reduce the reporting burden on Member States, and they should be taken into account by the Commission when assessing if the Member State is taking effective action (Article 10).

Also for simplification purposes and to drop existing procedures that were never used in the past, the amendments aim at no longer requiring the Commission to propose to the Council a recommendation requiring the full implementation of measures under Article 126(7) or 126(9) TFEU and possibly of additional measures in case of a risk of non-compliance with the corrective path under EDP (Articles 11 and 12). Moreover, revising the corrective net expenditure path under EDP due to a risk of the deadline not being met would run counter to the medium-term approach adopted by the 2024 reform of the EU economic governance framework.

To increase transparency, accountability and ownership for the decisions taken in the context of this regulation, an economic dialogue may take place between the European Parliament, the Council and the Commission on the specification of the content of the DBPs, the results of the discussion of the Eurogroup on the Commission DBP opinions to the extent that they have been made public, and the overall assessment of the budgetary situation and prospects in the euro area as a whole (Article 15). For simplification purposes and to allow a more integrated fiscal surveillance, this economic dialogue could be integrated with the economic dialogue established under Regulation (EU) 2024/1263. The future reviews of the functioning of Regulation (EU) No 473/2013 were aligned to the reviews on the functioning of Regulation (EU) 2024/1263 (Article 16) and the transitional provisions in Article 17 were deleted as they became outdated.

2025/0311 (COD)

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REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulations (EU) No 1173/2011 and (EU) No 473/2013 as regards alignment with the EU economic governance framework and further simplification of that framework

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121(6) in combination with Article 136 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank[1],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Union's economic governance framework was reformed in 2024. The reform aimed to facilitate effective economic surveillance, anchored in a common framework that ensures equal treatment and multilateral policy coordination. The objectives of the reform were to further promote sound and sustainable public finances, sound and inclusive growth and resilience through reforms and investment, prevent the occurrence of excessive deficits, and strengthen national ownership. In order to achieve those objectives, the reform introduced new concepts and made changes to the structure of the Union's economic governance framework. The reform was implemented by the adoption of Regulation (EU) 2024/1263 of the European Parliament and of the Council[2], Council Regulation (EU) 2024/1264[3] and Council Directive (EU) 2024/1265[4].

(2) In its Communication of 11 February 2025 entitled 'A simpler and faster Europe: Communication on implementation and simplification'[5], the Commission set out a

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1 OJ C , , p. .

2 Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj).

3 Council Regulation (EU) 2024/1264 of 29 April 2024 amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L, 2024/1264, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1264/oj).

4 Council Directive (EU) 2024/1265 of 29 April 2024 amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States (OJ L, 2024/1265, 30.4.2024, ELI: http://data.europa.eu/eli/dir/2024/1265/oj).

5 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 February 2025, 'A simpler and faster Europe: Communication on implementation and simplification', COM(2025) 47 final.

vision for an implementation and simplification agenda that aims to boost competitiveness and safeguard economic, social and environmental goals by reducing regulatory burdens and simplifying Union law, thereby making its implementation easier.

(3) In the context of the 2024 reform of the Union's economic governance framework and with the view to simplifying, consolidating and codifying legislation, it is necessary to amend Regulations (EU) No 1173/2011[6] and (EU) No 473/2013 of the European Parliament and of the Council[7] in order to ensure consistency with other acts of the economic governance framework and contribute to its streamlining and simplification.

(4) Member States whose currency is the euro have a particular interest in and a responsibility to conduct economic policies that promote the proper functioning of the economic and monetary union and to avoid policies that jeopardise that functioning. Article 136 of the TFEU allows the adoption of specific measures in the euro area which go beyond the provisions applicable to all Member States, for the purpose of ensuring the proper functioning of the economic and monetary union, including the additional sanctions introduced by Regulation (EU) No 1173/2011 to enhance the credibility of the fiscal surveillance framework of the Union and to deter from the misrepresentation, whether intentional or due to serious negligence, of government deficit and debt data that is an essential input to economic policy coordination in the Union.

(5) One of the key goals of the 2024 reform of the Union's economic governance framework was to strengthen fiscal surveillance and enforcement procedures to deliver on the commitment of promoting sound and sustainable public finances and sustainable and inclusive growth. Enforcement mechanisms were thus reinforced, including by de-constraining the effective use of financial sanctions by lowering their amounts. In line with the 2024 reform, Regulation (EU) No 1173/2011 should be amended to ensure its consistency with other elements of the framework, namely the provisions of Regulation (EU) 2024/1263 and Regulation (EC) No 1467/97[8].

(6) The 2024 reform of the Union's economic governance framework eliminated the concept of a significant deviation and the related procedure from the requirements of Regulation (EU) 2024/1263, in line with the intention of the co-legislators to simplify the fiscal framework and to apply a risk-based approach. With the removal of the significant deviation procedure, the requirement for a Member State to lodge with the Commission an interest-bearing deposit, triggered by a failure to comply with a significant deviation procedure, should be deleted from Regulation (EU) No 1173/2011. Article 1, point (10), of Regulation (EU) 2024/1264 amended Regulation (EC) No 1467/97 by reducing the amount of financial sanctions allowed under the

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6 Regulation (EU) No 1173/2011 of the European Parliament and of the Council of 16 November 2011 on the effective enforcement of budgetary surveillance in the euro area (OJ L 306, 23.11.2011, p. 1, ELI: http://data.europa.eu/eli/reg/2011/1173/oj).

7 Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11, ELI: http://data.europa.eu/eli/reg/2013/473/oj).

8 Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6, ELI: http://data.europa.eu/eli/reg/1997/1467/oj).

corrective arm, while making the imposition of those sanctions more gradual. Regulation (EU) No 1173/2011 should be amended to reflect those principles for the imposition of financial sanctions with respect to the imposition of fines.

(7) Regulation (EU) No 1173/2011 allows for an economic dialogue between the institutions of the Union, upon the invitation of the competent committee of the European Parliament, to discuss decisions taken in relation to the imposition of financial sanctions due to non-compliance with the Union's fiscal rules. That dialogue could be part of the economic dialogue set out in Article 28 of Regulation (EU) 2024/1263.

(8) The power to adopt delegated acts related to the imposition of sanctions concerning the manipulation of statistics, conferred on the Commission under Regulation (EU) No 1173/2011, is no longer needed and should be deleted.

(9) Regulation (EU) No 1173/2011 should be amended to clarify the deadline and the content of the Commission's report on the application of that Regulation.

(10) The national medium-term fiscal-structural plans, introduced by Regulation (EU) 2024/1263, are the cornerstone of the 2024 reform. They replaced the Stability and Convergence Programmes and the National Reform Programmes, thereby bringing together the fiscal, reform and investment commitments of each Member State within a common framework. Regulation (EU) No 473/2013 should be amended to take into account the introduction of the national medium-term fiscal-structural plans in the common framework.

(11) Regulation (EU) 2024/1263 established provisions to ensure consistency with Regulation (EU) No 1176/2011 of the European Parliament and of the Council[9], in particular by integrating in the procedure set out by Regulation (EU) 2024/1263 measures and reforms to be taken in the context of the procedure for prevention and correction of excessive macroeconomic imbalances. Specifically, in accordance with Article 31(1), point (a), of Regulation (EU) 2024/1263, an unsatisfactory implementation of reforms and investments included in a Member State's national medium-term fiscal-structural plan that are relevant for macroeconomic imbalances is to be taken into account by the Commission when undertaking in-depth reviews and when considering whether to establish the existence of an excessive imbalance under Regulation (EU) No 1176/2011. Moreover, in accordance with Article 17(2) of Regulation (EU) 2024/1263, when an excessive imbalance procedure is launched, the Member State is to submit a revised medium-term fiscal-structural plan, which is also to serve as its corrective action plan under Regulation (EU) No 1176/2011.

(12) In order to simplify the Union's fiscal framework and increase transparency, the 2024 reform introduced a single operational indicator anchored in debt sustainability which serves as a basis for setting the fiscal path and for carrying out annual fiscal surveillance for each Member State. That single operational indicator, based on the net expenditure path, replaces the medium-term objective, the structural balance, the net expenditure benchmark and the debt reduction benchmark of the previous fiscal framework. Member States under an excessive deficit procedure (EDP) receive a corrective net expenditure path based on Council Regulation (EC) No 1467/97.

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[9] Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25, ELI: http://data.europa.eu/eli/reg/2011/1176/oj).

(13) In order to simplify the legal framework, the definition of an independent body in Regulation (EU) No 473/2013 should be amended to refer to Article 8a of Council Directive 2011/85/EU[10] which established provisions to ensure that the requirements for independence safeguards, resources and tasks apply to those independent bodies in all Member States. Moreover, Article 4(5) of Directive 2011/85/EU already provides for a technical dialogue between Member States and the Commission on the assumptions underpinning the macroeconomic and budgetary forecasts. It is therefore not necessary to include that provision in Regulation (EU) No 473/2013.

(14) Directive 2011/85/EU establishes the procedures for national medium-term budgetary frameworks providing for the adoption of multiannual fiscal planning. Moreover, Article 9(2), point (c), of that Directive sets the parameters for the national medium-term budgetary frameworks encompassing a description of envisaged medium-term policies, including reforms and investments, with an impact on general government finances and sustainable and inclusive growth. In order to simplify the legal framework, Regulation (EU) No 473/2013 should be amended to avoid a repetition of the provisions set out in Directive 2011/85/EU.

(15) Regulation (EU) 2024/1263 provides that independent fiscal institutions may be asked to issue opinions on the macroeconomic forecast and on the macroeconomic assumptions underpinning the net expenditure path of the national medium-term fiscal-structural plan or of the revised national medium-term fiscal-structural plan. From 2032 onwards, the opinion of those institutions becomes mandatory, provided that they have built sufficient capacity. Moreover, independent fiscal institutions may be asked to provide an assessment of the budgetary outturns reported in the annual progress report with the net expenditure path as set by the Council. The relevant independent fiscal institutions may also be requested to analyse the factors behind a deviation from the set net expenditure path. In order to ensure consistency with the 2024 reform of the Union's economic governance framework, Regulation (EU) No 473/2013 should be amended to reflect the changes to the role of independent fiscal institutions introduced by Regulation (EU) 2024/1263.

(16) Regulation (EU) No 473/2013 should be amended to ensure that national budgetary procedures are consistent with the recommendations issued in the context of Regulation (EU) 2024/1263, with recommendations and decisions issued in the context of Regulation (EC) No 1467/1997, with decisions under Regulation (EU) No 1173/2011 where appropriate and with the rules and procedures laid down in Directive 2011/85/EU.

(17) Regulation (EU) No 473/2013 should be amended to prescribe that the draft budgetary plans ('DBPs') should be consistent and comply with the requirements resulting from the 2024 reform of the Union's governance framework. The DBPs should reflect the implementation of the Council Recommendations regarding the medium-term fiscal-structural plans. In that respect, they should set out how the fiscal policy strategy will be delivered in the next year, and present the concrete expenditure and revenue measures that ensure compliance with the net expenditure path set by the Council under Regulation (EU) 2024/1263 or explain any deviations from that net expenditure path. If the Member State is under an EDP, the DBPs

[10] Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306 23.11.2011, p. 41, ELI: http://data.europa.eu/eli/dir/2011/85/oj).

should present concrete expenditure and revenue measures that ensure compliance with the corrective path set under Regulation (EC) No 1467/97.

(18) At the same time, for simplification purposes and to reduce administrative burden, Regulation (EU) No 473/2013 should be amended to reduce the reporting obligation of Member States regarding data that in the past proved not to provide a clear value added. In addition, to reduce the reporting burden and considering that reporting to the Commission is sufficient to allow for the coordination of the national debt issuance of Member States on the Union's Sovereign Debt Markets, Regulation (EU) No 473/2013 should be amended to eliminate ex ante reporting by Member States on their public debt issuance plans to the Eurogroup.

(19) In order to simplify EU fiscal surveillance and to reduce administrative burden, the Commission should no longer report in its overall assessment of the budgetary situation and prospects in the euro area as a whole on elements that have not proven to provide added value in the surveillance process (such as a sensitivity analyses of the risks to public finance sustainability in the event of adverse economic, financial or budgetary developments or the methodology, models and assumptions of the most recent economic forecasts of the Commission services for each Member State.)

(20) In case a government is not in a position to prepare a draft budget law for adoption by the national parliament, the submission of a DBP at unchanged policies is also not needed and should be replaced by a technical exchange whereby Member States provide the Commission with information regarding the macroeconomic and budgetary positions which the Commission will include in its forecasts.

(21) The 2012 Treaty on Stability, Coordination and Governance in the Economic and Monetary Union[11] has established the economic partnership programmes, which became part of the Union's economic governance framework in 2013 by virtue of Regulation (EU) No 473/2013. Their aim was to ensure a sustainable and lasting correction of the excessive deficits of Member States by requiring that Member States under EDP detail specific structural reforms designed to reduce their deficit and debt. The function of economic partnership programmes is ensured in the 2024 reform of the Union's governance framework through two main channels. The first is through the adoption of a medium-term and risk-based approach in the medium-term fiscal-structural plans, which include the impact of reforms and investments on fiscal sustainability. The second is through the reinforcement of the EDP through the introduction of clear activation and abrogation criteria for debt-based EDPs. Therefore, Regulation (EU) No 473/2013 should be amended to take into account that economic partnership programmes have become obsolete.

(22) Regulation (EU) No 473/2013 introduced additional reporting requirements for Member States whose currency is the euro and which were subject to an EDP under Regulation (EC) No 1467/97. The objective of those additional requirements was to allow for a better exchange of information between the Member States concerned and the Commission and to identify risks in the compliance with the deadline for the correction of the excessive deficit early on. The 2024 reform of the Union's economic governance framework introduced a single indicator for the assessment of compliance with the corrective net expenditure path under the EDP. Member States are to regularly report on it in their annual progress reports submitted under Regulation (EU) 2024/1263. Therefore, Regulation (EU) No 473/2013 should be

[11] ELI: http://data.europa.eu/eli/agree_eums/2012/302

amended to reduce the reporting burden and focus on implementing the 2024 reform. Member States subject to an EDP should only provide the information requested under Regulation (EU) 2024/1263, Regulation (EC) No 1467/97 and the subsequent effective action reports pertaining to Council recommendations under Article 126(7) TFEU or Council notices under Article 126(9) TFEU as foreseen in Regulation (EU) 473/2013, given that that information is sufficient to assess compliance with the corrective net expenditure path. The Commission should retain the right to request any additional information it deems necessary for budgetary surveillance purposes.

(23) As this additional reporting is no longer required, Regulation (EU) 473/2013 should be amended to remove the empowerment to adopt delegated acts to specify the content of the additional reporting.

(24) In accordance with Council recommendations under Article 126(7) TFEU or notices under Article 126(9) TFEU, Member States are to report on action taken. In order to ensure an effective monitoring of action taken to correct the excessive deficit, Regulation (EU) 473/2013 should be amended to clarify the reporting obligations stemming from those Council recommendations and to oblige Member States to submit follow-up reports to the Commission and the Council on effective action every six months when they are subject to a Council Recommendation under Article 126(7) TFEU until the Council abrogates the decision on the existence of an excessive deficit. Moreover, the Member State should submit follow-up reports on effective action to the Council and the Commission on a quarterly basis when it is the subject of a Council notice under Article 126(9) TFEU until the Council abrogates the decision on the existence of an excessive deficit. In order to reduce the reporting burden on Member States, it should be possible to include such effective action reports in the annual progress reports as defined under Regulation (EU) 2024/1263 and in the DBP, where possible. Since the EDP monitoring is to be replaced by the reporting specified under Regulation (EC) No 1467/97, the Commission should take into account all effective action reports transmitted by the Member State when making its assessment of effective action.

(25) Regulation (EU) No 473/2013 should be amended to simplify existing procedures and eliminate those that have not proven useful and are not in line with the overall approach of the revised framework. In particular, the provisions requiring the Commission to address to the Member State a recommendation in case of a risk of non-compliance with the deadline to correct the excessive deficit should be deleted, as the 2024 reform of the economic governance framework introduced a medium-term approach that is no longer focused on a specific year for the correction of the excessive deficit, but rather aims to ensure that the government deficit is brought and maintained below 3% of GDP over the medium term.

(26) Article 2(3) of Regulation (EC) No 1467/97 requires that all relevant factors as indicated in Article 126(3) TFEU be taken into account when preparing a report under Article 126(3) TFEU on the existence of an excessive deficit. An explicit requirement for the Commission opinion under Article 7(1) of Regulation (EU) No 473/2013 to be taken into account when drafting a report under Article 126(3) TFEU or when taking a decision on the existence of an excessive deficit under Article 126(6) TFEU is therefore not necessary. Moreover, taking into account the Commission opinion under Article 7(1) of Regulation (EU) No 473/2013 when recommending the imposition of a non-interest bearing deposit under Article 5 of Regulation (EU) No 1173/2011 is outdated given the deletion of that Article.

(27) In order to increase transparency, accountability and ownership for the decisions taken in the context of Regulation (EU) No 473/2013, an economic dialogue may take place between the European Parliament, the Council and the Commission on the specification of the content of the DBPs, the results of the discussion of the Eurogroup on the Commission DBP opinions to the extent that they have been made public, and the overall assessment of the budgetary situation and prospects in the euro area as a whole. In order to simplify dialogue between the institutions of the Union and to allow a more integrated fiscal surveillance, this economic dialogue could be integrated with the economic dialogue established under Regulation (EU) 2024/1263.

(28) The Union's strategy for growth and jobs is implemented through the Commission priorities for 2024-2029 which focus on the improvement of social and economic resilience and sustainable and inclusive growth by boosting competitiveness, productivity, growth potential, social cohesion and economic convergence, thereby helping to address the medium- and long-term challenges facing the Union.

(29) Regulation (EU) No 473/2013 should be amended to clarify the deadline and the content of the Commission reports on the application of that Regulation.

(30) Regulations (EU) 473/2013 and (EU) No 1173/2011 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) No 1173/2011

Regulation (EU) No 1173/2011 is amended as follows:

(1) in Article 1, paragraph 1 is replaced by the following:

'1. This Regulation sets out a system of sanctions for enhancing the enforcement of the Stability and Growth Pact in the euro area.';

(2) Article 2 is amended as follows:

(a) point 1 is deleted;

(b) point 2 is replaced by the following:

'(2) 'corrective part of the Stability and Growth Pact' means the procedure for the avoidance and correction of Member States' excessive deficit as regulated by Article 126 TFEU and Regulation (EC) No 1467/97.';

(c) point 3 is deleted;

(3) in Article 3, the first paragraph is replaced by the following:

'In order to enhance the dialogue between the institutions of the Union, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup to appear before the committee to discuss decisions taken pursuant to Article 6 of this Regulation.';

(4) Articles 4 and 5 are deleted;

(5) Article 6 is replaced by the following:

'*Article 6*

Fines

1. If the Council, acting under Article 126(8) TFEU, decides that a Member State has not taken effective action to correct its excessive deficit, the Commission shall, within 20 days of that decision, recommend that the Council, by a further decision, impose a fine, amounting to up to 0,02 % of the latest estimate of the previous year's GDP of that Member State. The fine shall be paid every six months until the Council assesses that the Member State concerned has taken effective action in response to the decision issued under Article 126(7) TFEU.

2. The decision imposing a fine shall be deemed to be adopted by the Council unless it decides by a qualified majority to reject the Commission's recommendation within 10 days of the Commission's adoption thereof.

3. The Council, acting by a qualified majority, may amend the Commission's recommendation and adopt the text so amended as a Council decision.';

(6) Article 7 is deleted;

(7) in Article 8, paragraph 4 is deleted;

(8) Articles 9 is replaced by the following:

'*Article 9*

Administrative nature of the sanctions

The sanctions imposed pursuant to Articles 6 and 8 shall be of an administrative nature.';

(9) Articles 10 and 11 are deleted;

(10) in Article 12, paragraph 1 is replaced by the following:

'1. For the measures referred to in Articles 6 and 8, only members of the Council representing Member States whose currency is the euro shall vote, and the Council shall act without taking into account the vote of the member of the Council representing the Member State concerned.';

(11) Article 13 is replaced by the following:

'*Article 13*

Review

1. By XXX, and every 5 years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the application of this Regulation accompanied, where appropriate, by a proposal to amend this Regulation. The Commission shall make that report public.

The report referred to in the first subparagraph shall review:

(a) the effectiveness of this Regulation in achieving its objectives as set out in Article 1;

(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States in accordance with the TFEU;

(c) the contribution of this Regulation to achieving sustainable and inclusive growth and social and economic resilience.

2. The report shall be transmitted to the European Parliament and the Council.’.

Article 2

Amendments to Regulation (EU) No 473/2013

Regulation (EU) No 473/2013 is amended as follows:

(12) Article 1(1) is amended as follows:

(a) points (a), (b) and (c) are replaced by the following:

‘(a) complementing the European Semester, as established in Regulation (EU) 2024/1263 of the European Parliament and of the Council*, with a common budgetary timeline;

(b) complementing the procedure for the prevention and correction of macroeconomic imbalances, as established by Regulation (EU) No 1176/2011;

(c) complementing the multilateral surveillance system of budgetary policies, as established by Regulation (EU) 2024/1263, with additional monitoring requirements in order to ensure that Union policy recommendations in the budgetary area are appropriately integrated in the national budgetary preparations;

_____

* Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj).’;

(b) point (e) is deleted;

(13) Article 2 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) the first subparagraph is amended as follows:

– point (a) is replaced by the following:

‘(a) ‘independent body’ means an independent fiscal institution established in accordance with Article 8a of Directive 2011/85/EU;’;

– point (d) is replaced by the following:

‘(d) ‘national medium-term fiscal-structural plan’ means the national medium-term fiscal-structural plan as defined in Article 2, point (6), of Regulation (EU) 2024/1263;’;

– the following points (e) and (f) are added:

‘(e) ‘net expenditure path’ means the net expenditure path as defined in Article 2, point (5), of Regulation (EU) 2024/1263;

(f) ‘corrective net expenditure path’ means the corrective net expenditure path referred to in Article 3(4) of Regulation (EC) No 1467/97.’;

(ii) the second subparagraph is deleted;

(b) paragraph 2 is replaced by the following:

‘2. The definitions of ‘general government sector’ and of ‘subsectors of the general government sector’ set out in Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council* shall also apply to this Regulation.

_____

* Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/549/oj).’;

(14) Article 3 is replaced by the following:

‘*Article 3*

Consistency with the framework for economic policy coordination

The Member States’ budgetary procedure shall be consistent with all of the following:

(1) the recommendations issued in the context of Regulation (EU) 2024/1263;

(2) where appropriate, the Council recommendations and decisions issued in the context of Regulation (EC) No 1467/97;

(3) where appropriate, decisions under Regulation (EU) No 1173/2011;

(4) the rules and procedures laid down in Directive 2011/85/EU.’;

(15) Article 4 is amended as follows:

(a) paragraph 1 is deleted;

(b) paragraph 4 is replaced by the following:

‘4. National multi-annual fiscal planning under Directive 2011/85/EU and draft budgets referred to in paragraph 2 of this Article shall be based on independent macroeconomic forecasts, and shall indicate whether the budgetary forecasts have been produced or endorsed by an independent body. Those forecasts shall be made public together with the relevant national multi-annual fiscal planning documents under Directive 2011/85/EU and the draft budgets that they underpin.’;

(16) Article 5 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Irrespective of the other tasks set out in Article 8a of Directive 2011/85/EU, Member States shall have in place independent bodies for:

(a) providing the opinion referred to in Article 11(2) and the assessment referred to in Article 23 of Regulation (EU) 2024/1263;

(b) monitoring compliance with the national numerical fiscal rules referred to in Articles 5 and 8a of Directive 2011/85/EU’;

(b) paragraph 2 is deleted;

(17) Article 6 is replaced by the following:

‘*Article 6*

Monitoring requirements

1. Member States shall submit annually to the Commission and to the Eurogroup a draft budgetary plan for the forthcoming year by 15 October.

That draft budgetary plan shall be consistent with the framework set out in Article 3.

2. As soon as the draft budgetary plans referred to in paragraph 1 have been submitted to the Commission, they shall be made public.

3. The draft budgetary plan shall contain the following information for the year covered by the draft budget and the previous one:

(a) the growth rate of net expenditure, as defined in Article 2, point (2) of Regulation (EU) 2024/1263, and the breakdown of its components implied by the draft budget;

(b) a description and quantification of the revenue and expenditure measures included in the draft budget;

(c) a quantification of the expenditure on programmes of the Union fully matched by revenue from Union funds, as well as national expenditure on co-financing of programmes funded by the Union included in the draft budget;

(d) the projections at unchanged policies for expenditure and revenue as a percentage of GDP for the general government and their main components, including gross fixed capital formation;

(e) the macroeconomic projections underpinning the draft budget, including the main assumptions and important economic developments relevant for the draft budget;

(f) revenue and expenditure projections for the general government and their main components, based on the most recent available outcome data and consistent with the growth rate of net expenditure, the revenue and expenditure measures, the expenditure on programmes of the Union fully matched by revenue from Union funds and the macroeconomic projections, as referred to in points (a) to (e);

(g) the budget balance for the general government, implied by the revenue and expenditure projections, broken down by subsector of general government, as well as the general government debt;

(h) relevant information on the general government expenditure by purpose, including on education, healthcare, employment and defence, including investment in defence;

(i) the underlying assumptions and methodologies used to estimate the budgetary impact of expenditure and revenue measures;

(j) indications on how commitments for reforms and investments set out in the draft budgetary plan, including in particular public investment, address the current recommendations to the Member State concerned in accordance with Articles 121 and 148 TFEU and are instrumental to the achievement of sustainable and inclusive growth and social and economic resilience.;

The description of revenue and expenditure measures referred to in the first subparagraph, point (b), may be less detailed for measures with a budgetary impact estimated to be lower than 0.1% of GDP. Particular and explicit attention shall be paid to major fiscal policy reform plans, including those with potential spill-over effects for other Member States whose currency is the euro.

4. The draft budgetary plan shall explain how the draft budget for the forthcoming year ensures compliance with the net expenditure path set by the Council under Regulation (EU) 2024/1263, or, where applicable, possible deviations from that net expenditure path. For Member States in an

excessive deficit procedure under Regulation (EC) No 1467/97, the draft budgetary plan shall explain how the draft budget for the forthcoming year ensures compliance with the corrective net expenditure path.

5. The specification of the content of the draft budgetary plan shall be set out in a harmonised framework established by the Commission in cooperation with the Member States.';

(18) Article 7 is amended as follows:

(a) paragraph 2 is replaced by the following:

'2. Notwithstanding paragraph 1, where, in exceptional cases, after consulting the Member State concerned within one week of submission of the draft budgetary plan, the Commission identifies particularly serious non-compliance of the draft budgetary plan with the net expenditure path set by the Council under Regulation (EU) 2024/1263 or with the corrective net expenditure path under the excessive deficit procedure established under Regulation (EC) No 1467/97, the Commission shall adopt its opinion within two weeks of submission of the draft budgetary plan. In its opinion, the Commission shall request that a revised draft budgetary plan be submitted as soon as possible and in any event within three weeks of the date of its opinion. The Commission's request shall be reasoned and shall be made public.

Article 6(2), (3) and (4) shall apply to revised draft budgetary plans submitted pursuant to the first subparagraph of this paragraph.

The Commission shall adopt a new opinion on the revised draft budgetary plan as soon as possible and in any event within three weeks of submission of the revised draft budgetary plan.';

(b) paragraph 4 is replaced by the following:

'4. The Commission shall make an overall assessment of the budgetary situation and prospects in the euro area as a whole, on the basis of the national budgetary prospects and their interaction across the area, relying on the most recent economic forecasts of the Commission services.

It shall, as appropriate, outline measures to reinforce the coordination of budgetary and macroeconomic policy at the euro area level.

The overall assessment shall be made public and shall be taken into account in the annual general guidance to Member States issued by the Commission.';

(19) in Article 8, paragraph 1 is replaced by the following:

'1. Member States shall report to the Commission, *ex ante* and in a timely manner, on their national debt issuance plans.';

(20) Article 9 is deleted;

(21) Article 10 is replaced by the following:

'*Article 10*

Reporting requirements for Member States in excessive deficit procedure

(1) Where the Council makes recommendations to the Member State concerned in accordance with Article 126(7) TFEU, following the submission of the first report on action taken referred to in Article 3(5) of

Regulation (EC) No 1467/97, the Member State shall submit follow-up reports on effective action to the Council and the Commission on a six-monthly basis until the Council abrogates the decision on the existence of an excessive deficit. The content of those follow-up reports on effective action shall be as specified in Article 3(5) of Regulation (EC) No 1467/97.

(2) Where the Council gives notice to the Member State concerned in accordance with Article 126(9) TFEU, following the submission of the first report on action taken referred to in Article 5(1a) of Regulation (EC) No 1467/97, the Member State shall submit follow-up reports on effective action on a quarterly basis until the Council abrogates the decision on the existence of an excessive deficit. The content of those follow-up reports on effective action shall be as specified in Article 5(1a) of Regulation (EC) No 1467/97.

(3) The reports on effective action referred to in paragraphs 1 and 2 may be included in the annual progress report as defined under Regulation (EU) 2024/1263, and in the draft budgetary plan, where possible.

(4) When assessing whether the Member State is taking effective action under the excessive deficit procedure, as established by a Council recommendation under Article 126(7) TFEU or a Council decision to give notice under Article 126(9) TFEU, the Commission shall base its assessment, inter alia, on the reports submitted by the Member States in accordance with paragraphs 1 and 2 of this Article.

(5) The Commission may request additional information from Member States if it deems it necessary for budgetary surveillance purposes.

(6) The monitoring established under this Article shall be an integral part of the regular monitoring as provided for in Article 10(1) of Regulation (EC) No 1467/97, of the implementation of action taken by the Member State concerned in response to Council recommendations under Article 126(7) TFEU or Council decisions to give notice under Article 126(9) TFEU to correct the excessive deficit.';

(22) Articles 11 and 12 are deleted;

(23) Article 13 is replaced by the following:

'*Article 13*

Consistency with Regulation (EU) No 472/2013 of the European Parliament and of the Council*

Member States subject to a macroeconomic adjustment programme shall not be subject to Articles 6, 7, 8 and 10 of this Regulation.

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* Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/472/oj).';

(24) Article 14 is deleted;

(25) Article 15 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) point (b) is replaced by the following:

‘(b) the results of the discussion of the Eurogroup on the Commission opinions adopted in accordance with Article 7(1) and (2), to the extent that they have been made public;’;

(ii) point (d) is deleted;

(b) point 2 is deleted;

(26) Article 16 is replaced by the following:

‘*Article 16*

Review and reports on the application of this Regulation

(1) By XXX, and every five years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the application of this Regulation, accompanied, where appropriate, by a proposal to amend this Regulation. The Commission shall make that report public.

The report referred to in the first subparagraph shall review:

(a) the effectiveness of this Regulation in achieving its objectives as set out in Article 1;

(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States in accordance with the TFEU;

(c) the contribution of this Regulation to achieving sustainable and inclusive growth and social and economic resilience.

(2) The report shall be transmitted to the European Parliament and the Council.’;

(27) Article 17 is deleted.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council on amending Regulations (EU) No 473/2013 and No 1173/2011.

1.2. Policy area(s) concerned

Implementation of the Stability and Growth Pact.

1.3. Objective(s)

1.3.1. General objective(s)

On 30 April 2024, a reform of the EU economic governance framework entered into force and consisted in repealing Regulation (EU) No 1466/97 and replacing it with Regulation (EU) 2024/1263, and amending Regulation (EU) No 1467/97 and Council Directive 2011/85.

A first objective of the proposal is to amend Regulations (EU) No 473/2013 and No 1173/2011 in order to ensure consistency with those regulations and with other elements of the reformed EU economic governance framework and provide full legal clarity.

In line with the Commission's simplification agenda, a second objective is to contribute to the streamlining and simplification of the EU economic governance framework.

Both objectives will contribute to a better and strengthened coordination of the economic and fiscal policies of the Member States.

1.3.2. Specific objective(s)

To ensure consistency with the reformed EU economic governance framework and further simplify that framework, the proposed amendments to Regulations (EU) No 473/2013 and No 1173/2011 will: (i) update references to documents and concepts introduced by the 2024 reform, as well as cross-references to the pieces of legislation that were amended as part of that reform; (ii) remove obsolete procedures and the requirement for Member States to produce documents and additional reporting obligations that are no longer necessary following the 2024 reform or were never used in the past; (iii) create synergies with the processes introduced by the 2024 reform.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The proposals should lead to a strengthening of the coordination of the economic policies of Member States and to a reduction in their administrative burden, resulting in a better implementation of the EU economic governance framework.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

The Commission will produce a report every five years reviewing: (i) the effectiveness of the regulations in achieving their objectives; (ii) the progress in ensuring closer coordination of economic policies and sustained convergence of

economic performances of the Member States in accordance with the TFEU; and (iii) the contribution of the regulations to achieving sustainable and inclusive growth and social and economic resilience. [Where appropriate, the report would be accompanied by a proposal to amend the regulations.] The timing of the reports will be aligned to that of the three legislative texts adopted in April 2024.

1.4. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project / preparatory action[12]

☐ the extension of an existing action

☐☒ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

N/A

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

Reasons for action at EU level (ex ante): The action at EU level is necessary given the role conferred by the EU Treaties to ensure the coordination and surveillance of the economic and budgetary policies of Member States and in particular of euro area Member States, which are subject to stronger economic spillover effects. Actions by Member States alone cannot achieve these goals.

Expected generated EU added value (ex post) The adoption of the amended regulations will lead to a better implementation of the EU economic governance framework by Member States, while simultaneously reducing Member States' reporting requirements.

1.5.3. Lessons learned from similar experiences in the past

N/A

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

N/A

1.5.5. Assessment of the different available financing options, including scope for redeployment

N/A

[12] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

– ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☐☒ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Method(s) of budget implementation planned[13]

☐ **Direct management** by the Commission

– ☐ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☐ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

[13] Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx.

The proposal does not have an impact on the EU budget.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

N/A

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

N/A

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/A

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

N/A

2.3. Measures to prevent fraud and irregularities

N/A

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

N/A

The proposal does not have an impact on the EU budget.

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[14]	from EFTA countries [15]	from candidate countries and potential candidates [16]	From other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non	YES/NO	YES/NO	YES/NO	YES/NO

14 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
15 EFTA: European Free Trade Association.
16 Candidate countries and, where applicable, potential candidates from the Western Balkans.

		-diff.				

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☒☐ The proposal/initiative does not require the use of operational appropriations

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

DG: <…….>			Year	Year	Year	Year	**TOTAL MFF 2021-2027**
			2024	**2025**	**2026**	**2027**	
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[17]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year	Year	Year	Year	**TOTAL MFF 2021-2027**
			2024	**2025**	**2026**	**2027**	
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**

[17] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[18]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	Number	

DG: <…….>	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**

[18] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[19]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b +3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[20]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b +3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**

[19] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

[20] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations Under Heading 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	'Administrative expenditure'[21]				
DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**

[21] The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL appropriations under HEADINGS 1 to 7	Commitments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	Payments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.1.2. Appropriations from external assigned revenues

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

DG: <…….>	Year	Year	Year	Year	**TOTAL MFF 2021-2027**
	2024	**2025**	**2026**	**2027**	

Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[22]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[23]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**

[22] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

[23] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….>	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Heading of multiannual financial framework	Number						

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[24]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**

[24] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes[25]							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	**0.000**

[25] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL appropriations under Headings 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	'Administrative expenditure'[26]

EUR million (to three decimal places)

DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

	Year	Year	Year	Year	**TOTAL MFF**

[26] The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

		2024	2025	2026	2027	2021-2027
TOTAL appropriations under HEADINGS 1 to 7	Commitments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	Payments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2024**		Year **2025**		Year **2026**		Year **2027**		Enter as many years as necessary to show the duration of the impact (see Section1.6)						**TOTAL**	
			OUTPUTS															
	Type[27]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[28]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		

27 Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

28 As described in Section 1.3.2. 'Specific objective(s)'

TOTALS																

3.2.3. Summary of estimated impact on administrative appropriations

– ☐☒ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.3.2. Appropriations from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.3.3. Total appropriations

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**

Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.4. Estimated requirements of human resources

– ☐☒ The proposal/initiative does not require the use of human resources

– ☐ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)[29]

VOTED APPROPRIATIONS		Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (inFTEs)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
TOTAL		**0**	**0**	**0**	**0**

3.2.4.2. Financed from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)				
20 01 02 01 (Headquarters and Commission's Representation Offices)	0	0	0	0

[29] Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (in full time equivalent units)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
TOTAL		**0**	**0**	**0**	**0**

3.2.4.3. Total requirements of human resources

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES		Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (in full time equivalent units)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
TOTAL		**0**	**0**	**0**	**0**

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	**Exceptional additional staff***		
		To be financed under Heading 7	**To be financed from BA line**	**To be financed from fees**

		or Research		
Establishment plan posts			N/A	
External staff (CA, SNEs, INT)				

Description of tasks to be carried out by:

Officials and temporary staff	
External staff	

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as "Policy IT expenditure on operational programmes". This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 "Digital dimensions".

TOTAL Digital and IT appropriations	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021 - 2027**
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

– ☒☐ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

– ☐ requires a revision of the MFF

3.2.7. Third-party contributions

The proposal/initiative:

– ☒☐ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

3.3. Estimated impact on revenue

– ☒☐ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

– ☐ on own resources

– ☐ on other revenue

– ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[30]			
		Year **2024**	Year **2025**	Year **2026**	Year **2027**
Article …….					

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

The proposed amendments do not establish any new requirements of digital relevance. The proposed changes do not introduce any additional obligations or provisions related to the collection, processing, generation, exchange, or sharing of data, the automation or digitalisation of stakeholders' processes, the use of new or existing digital solutions, or digital public services. Therefore, no additional requirements of digital relevance are

[30] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

identified in this proposal.

4.2. Data

N/A

4.3. Digital solutions

N/A

4.4. Interoperability assessment

N/A

4.5. Measures to support digital implementation

N/A