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2025/0312 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 472/2013 as regards the economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Regulation (EU) No 472/2013, adopted on 21 May 2013, establishes a comprehensive policy framework for addressing situations where Member States in the euro area (a) experience or are threatened with serious difficulties with respect to their financial stability, leading to potential spill-over effects on other Member States in the euro area, or (b) request or receive financial assistance. Specifically, Regulation (EU) No 472/2013 principally concerns three regimes. Firstly, that Regulation empowers the Commission to subject a euro area Member State to enhanced surveillance in case of threats to a Member State's financial stability which are likely to have adverse spill-over effects on other euro area Member States, or when a euro area Member State is in receipt of precautionary financial assistance. Under this surveillance, the concerned Member State's fiscal situation is monitored more closely, and it is required to adopt measures aimed at addressing the source of difficulties, taking into account recommendations stemming from the Union's economic governance framework. Finally, upon request from the Commission, the concerned Member State can also be required to provide additional information related to its financial sector. Secondly, Regulation (EU) No 472/2013 also sets out the legal framework for macroeconomic adjustment programmes associated with financial assistance from the European Stability Mechanism (ESM) or the European Financial Stability Facility (EFSF), ensuring that they are properly aligned and synchronised with the Union's economic governance framework. Regulation (EU) No 472/2013 exempts the concerned Member State from submitting a stability programme, which is instead integrated into the macroeconomic adjustment programme. In addition, the concerned Member State is exempted from submitting reports when it is subject to an excessive deficit procedure, and from the monitoring and assessment under the European Semester, to avoid overlaps and duplication of reporting. Thirdly, Regulation (EU) No 472/2013 establishes the rules governing post-programme surveillance, applicable once a macroeconomic adjustment programme ends and until 75% of the received assistance is repaid.

Since the adoption of Regulation (EU) No 472/2013 in 2013, the regulatory landscape has undergone significant changes. In particular, the Union's economic governance framework was reformed in 2024 with the adoption of Regulations (EU) 2024/1263, 2024/1264 and Directive (EU) 2024/1265. The reform introduced new concepts and made changes to the structure of the Union's economic governance framework. In particular, 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. 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 the Union's economic governance framework.

Other relevant changes to the application of Regulation (EU) No 472/2013 have also occurred since 2013. In particular, the creation of the Single Supervisory Mechanism (SSM) has led to a new division of responsibilities for the supervision of credit entities. Furthermore, the European Financial Stability Facility (EFSF), which was created as a temporary crisis resolution mechanism by euro area countries in June 2010, may no longer engage in new financing programmes as of 1 July 2013.

There is thus a need to ensure consistency between Regulation (EU) No 472/2013 and the reformed EU economic governance framework, as well as to reflect the institutional developments that have occurred since 2013.

In addition, since the adoption of Regulation (EU) No 472/2013 in 2013, the Commission has gained valuable insights and experience regarding the activation of both enhanced surveillance when a euro area Member State is in receipt of precautionary financial assistance and post-programme surveillance when a Member State exits a macroeconomic adjustment programme. In particular, experience has shown that the current design of enhanced surveillance may have a deterrent effect on Member States seeking precautionary financial assistance and may result in the application of additional surveillance when not warranted. Similarly, with regards to post-programme surveillance, the European Court of Auditors, in its Special Report No 18/2021[1], has identified certain shortcomings in the effectiveness of post-programme surveillance, including a lack of clear focus and objectives, as well as overlaps with other economic surveillance processes, such as the European Semester. The amendments to Regulation (EU) No 472/2013, required to reflect the reforms to the EU economic governance framework and recent institutional developments, also provide an opportunity to improve and fine-tune enhanced surveillance and post-programme surveillance, by incorporating the lessons learned and making targeted improvements to ensure their continued effectiveness. In doing so, the proposed amendments will introduce several simplifications to Regulation (EU) No 472/2013, thus simplifying the broader EU economic governance framework, reducing administrative burden for Member States, and contributing to the Commission's simplification agenda.

Considering the above, the objective of this proposal is first to ensure consistency between Regulation (EU) No 472/2013 and the reformed Union economic governance framework. Secondly, the proposal aims at reflecting the institutional developments that have occurred since 2013, including regarding the creation of the SSM and the fact that the EFSF can no longer enter into new financing programmes. Thirdly, in light of the experience accrued through the application of Regulation (EU) No 472/2013, the proposal also seeks to clarify the application of enhanced surveillance when a Member State whose currency is the euro is in receipt of precautionary financial assistance, explicitly linking its application to precautionary support that requires new policy measures. Similarly, the proposal seeks to clarify the objective and scope of post-programme surveillance, in order to increase its coherence with

[1] European Court of Auditors Special Report 18/2021: Commission's surveillance of Member State exiting a macroeconomic adjustment programme: an appropriate tool in need of streamlining.

the reformed Union economic governance framework, as well as to achieve targeted streamlining, in order to avoid a duplication of reporting requirements.

- **Consistency with existing policy provisions in the policy area**

The proposed amendments to Regulation (EU) No 472/2013 are consistent with the existing policy provisions in the policy area, considering the significant changes that have occurred in the regulatory landscape since its adoption in 2013. The EU economic governance framework, which entered into force on 30 April 2024, following the amendments to Council Regulation (EC) No 1467/97 and the adoption of Regulation (EU) 2024/1263, introduces important modifications to the implementation of the Stability and Growth Pact, and the proposed amendments to Regulation (EU) No 472/2013 ensure consistency with these changes. Specifically, the proposed amendments take into account the introduction of the medium-term fiscal-structural plan and the interaction with the enhanced surveillance procedure, as set out in Article 32 of Regulation (EU) 2024/1263. Furthermore, the proposed amendments are consistent with the creation of the SSM under Council Regulation (EU) No 1024/2013.

- **Consistency with other Union policies**

The proposal to amend the regulation 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 legal basis of the proposal is Article 136 in combination with Article 121(6) of the Treaty on the Functioning of the European Union (TFEU). Article 136 provides that in order to ensure the proper functioning of economic and monetary union, and in accordance with the relevant provisions of the Treaties, the Council shall, in accordance with the relevant procedure from among those referred to in Articles 121 and 126, adopt measures specific to those Member States whose currency is the euro: (a) to strengthen the coordination and surveillance of their budgetary discipline; (b) to set out economic policy guidelines for them, while ensuring that they are compatible with those adopted for the whole of the Union and are kept under surveillance. Article 121(6) provides that the European Parliament and the Council may, acting by means of regulations in accordance with the ordinary legislative procedure, adopt detailed rules for the multilateral surveillance of Member States.

Articles 136 and 121(6) TFEU have been used as the legal basis for Regulation (EU) No 472/2013, which would be amended by the current proposal.

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

The economic and financial stability of the euro area has a Union dimension, as the implications of macroeconomic imbalances and financial distress in one Member State can have consequences for the entire euro area. Given the interconnectedness of the European

economy, Member States acting alone would not be able to adequately address the complexities and spill-over effects of economic instability. Furthermore, 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. The proposal is therefore in conformity with the subsidiarity principle set out in Article 5 of the Treaty on European Union (TEU).

- **Proportionality**

The proposal respects the proportionality principle set out in Article 5 of the TEU, as it aims to update and refine the existing framework for enhanced surveillance, macroeconomic adjustment programmes, and post-programme surveillance, while ensuring that the proposed measures are limited to what is necessary to achieve these objectives. The policy choices outlined in the proposal, such as clarifying the objectives of post-programme surveillance and making enhanced surveillance more reactive to risks, are designed to address specific deficiencies and limitations identified in the current framework. These changes are necessary to achieve the objectives of preventing and correcting macroeconomic imbalances, ensuring the financial stability of the euro area, and promoting economic convergence. The proposal does not go beyond what is necessary to achieve the consistency of the EU economic governance framework and the simplification of that framework, as it builds upon existing structures and processes, and introduces targeted adjustments to address specific challenges, such as the lack of clear objectives for post-programme surveillance and the need for more differentiated surveillance regimes.

- **Choice of the instrument**

Article 121(6) TFEU provides for the adoption of regulations. Therefore, a regulation amending Regulation (EU) No 472/2013 is the appropriate legal instrument.

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, also comprising an assessment of Regulation (EU) 472/2013, were published in February 2020[2] and November 2022[3]. The Commission Communication of February 2020 was accompanied by a Commission Staff Working Document[4].

The Commission's February 2020 communication found that the framework for surveillance of Member States experiencing, or threatened with, serious difficulties with respect to their

[2] Communication COM(2020) 55 final of 5 February 2020 from the Commission 'Economic governance review, Report on the application of Regulations (EU) No 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 and 473/2013 and on the suitability of Council Directive 2011/85/EU'.

[3] Communication on orientations for a reform of the EU economic governance framework, COM(2022) 583 final.

[4] SWD(2020) 210 final.

financial stability had led to a number of improvements and generally worked well. Nonetheless, the importance of retaining adequate national ownership of programmes was highlighted, as well as that issues of transparency and accountability also persist. In particular, the Commission Staff Working Document found that Regulation (EU) No 472/2013 allowed to preserve the financial stability of the euro area, notably by establishing procedures related to macroeconomic adjustment programmes. It also found that Regulation (EU) No 472/2013 contributed to a closer coordination of economic policies and a sustained convergence of euro area Member States by ensuring consistency between the normal surveillance cycle of the European Semester and the strengthened surveillance under Regulation (EU) No 472/2013. In its communication of November 2022, the Commission suggested to make changes to the application of post-programme surveillance, by focusing the scope of surveillance on (i) assessing repayment capacity through considering the economic, fiscal and financial situation; (ii) monitoring the implementation of unfinished reforms that begun under the adjustment programme; and (iii) assessing whether corrective measures are needed in the context of concerns for repayment capacity or continued market access. It was also suggested to link the intensity of post-programme surveillance with the change in focus and with the assessment of risks.

The European Court of Auditors, in its Special Report No 18/2021, found that while post-programme surveillance was an appropriate tool, its efficiency was hampered by unclear objectives and insufficient streamlining and focus on implementation. This report also highlighted the need for a clearer focus and objectives for post-programme surveillance, as well as a reduction in administrative burden and overlaps with other economic surveillance processes, such as the European Semester.

- **Stakeholder consultations**

Since the adoption of Regulation (EU) No 472/2013, in 2021, the European Court of Auditors issued its Special Report 18/2021 on the Commission's surveillance of Member States exiting a macroeconomic adjustment programme. This report recommended streamlining and improvements to the scope and procedure of post-programme surveillance in order to avoid duplications of reporting and to limit administrative burden on Member State's authorities.

Discussions have taken place between the Commission and Member States in the Economic and Financial Committee (EFC) and the Eurogroup Working Group (EWG) on the main elements of amendments to Regulation (EU) No 472/2013, where Member States expressed an openness to examine the proposals for simplification that would be put forward by the Commission. Furthermore, a discussion 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 amendments to Regulation (EU) No 472/2013, similar to the information provided to the Member States in the respective committees.

- **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 economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability with other elements of the reformed EU economic governance framework. The proposal also aims to simplify existing procedures and to reduce the reporting requirements for Member States. The proposed amendments focus on targeted changes to the existing Regulation (EU) No 472/2013. As stated above in the section dedicated to compliance with the principle of subsidiarity, there are no other options for eliminating these inconsistencies between this regulation and other elements of the framework. For these reasons, no formal impact assessment was carried out.

- **Regulatory fitness and simplification**

N/A

- **Fundamental rights**

The proposal does not have consequences on 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 Regulation (EU) No 472/2013 do not require measures to facilitate their implementation and do not pose implementation challenges for Member States.

Article 19 of Regulation (EU) No 472/2013 requires that the Commission produce a report every five years on the application of the regulation, reviewing the following elements: (1) the effectiveness of the regulation in promoting its objectives; (2) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performance of the Member States; (3) 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.

- **Explanatory documents (for directives)**

N/A

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

The proposal makes targeted changes to Regulation (EU) No 472/2013. They consist in eliminating inconsistencies with the pieces of legislation that resulted from the 2024 reform of the EU economic governance framework, and institutional developments that have occurred since 2013, as well as in simplifying and clarifying elements in line with the Commission's simplification agenda aimed at reducing regulatory burdens and simplifying EU laws to make their implementation easier.

Inconsistencies in Regulation (EU) No 472/2013 largely concern outdated references to other acts and financial assistance frameworks that are no longer applicable, including as a result of the 2024 reform of the EU economic governance framework, requiring amendments to Articles 1, 2, 3, 5, 6, 7, 10 and 12. More specifically: (i) a number of cross-references to former Regulation (EU) No 1466/97 and Regulation (EU) No 1467/97 became outdated and are proposed to be 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 in amending Regulation (EU) No 1467/97; (ii) outdated references to Stability and National Reform Programmes of Member States have been removed, as they have been merged into national medium-term fiscal-structural plans following the 2024 reform; (iii) outdated references to the exemption of Member States subject to a macroeconomic adjustment programme under Article 7 of Regulation (EU) No 472/2013 from submitting a stability programme under Article 3 of Regulation (EU) No 1466/97 have been replaced by references to national-medium term fiscal structural plans, where the obligations outlined in the national medium-term fiscal-structural plan should be integrated into the design of the macroeconomic adjustment programme; and iv) Article 12 on the exemption of monitoring and assessment of the European Semester for economic policy coordination when a Member State is subject to a macroeconomic adjustment programme is removed as this exemption became obsolete following the reform to the EU economic governance framework. Additionally, references to the EFSF have been removed with respect to future financial assistance obtained by Member States from this Facility, as it is no longer active as a lending institution for new financial assistance programmes.

The proposed amendments to Regulation (EU) No 472/2013 align its provisions with the new division of tasks introduced by Council Regulation (EU) 1024/2013, which conferred specific prudential supervision responsibilities to the ECB. To ensure consistency with this new framework, the proposed amendments to Article 3 make a reference to this new division of tasks, particularly when a Member State under enhanced surveillance is required to carry out stress test exercises or sensitivity analyses to assess the resilience of the financial sector or submit regular assessments of its supervisory capacities over the financial sector.

Furthermore, the proposed amendments to Regulation (EU) No 472/2013 aim at addressing the concern that the current design of enhanced surveillance may deter Member States from seeking precautionary financial assistance when needed. To strike a balance between effective surveillance and the need to avoid disincentivising Member States to seek precautionary assistance, when necessary, the amendments aim to clarify the circumstances under which enhanced surveillance applies to Member States receiving precautionary financial assistance. Specifically, Articles 2 and 3 propose that enhanced surveillance should only be automatically triggered when a Member State receives financial assistance that requires the adoption of new policy measures, regardless of whether the assistance is provided by other Member States, third countries, the EFSM, ESM, or international financial institutions like the IMF. This means that Member States receiving financial assistance with conditions, such as an ESM Enhanced Conditions Credit Line (ECCL), as established in Article 14 of the Treaty establishing the European Stability Mechanism, should be subject to enhanced surveillance, even if the assistance has not yet been drawn. For new ESM precautionary financial assistance instruments, the Commission should assess on a case-by-case basis whether the receipt of

such assistance warrants enhanced surveillance, ensuring a more nuanced and targeted approach to surveillance. The additional ability for the Commission to voluntarily subject Member States to enhance surveillance, if warranted, remains.

The proposed changes to Article 14 clarify the scope and objective of post-programme surveillance, where post-programme surveillance would focus on monitoring and assessing the repayment capacity of Member States that have received financial assistance, as well as the implementation of relevant reforms not already covered by the national medium-term fiscal-structural plan. The surveillance will also identify the need for corrective measures to mitigate any risks to repayment. By clarifying the objectives and focus of post-programme surveillance, the amended regulation provides a simplified and proportionate framework for the surveillance of Member States exiting a macroeconomic adjustment programme.

Furthermore, the amendments introduce a tiered system of post-programme surveillance that differentiates the level of scrutiny according to repayment risk and the need for corrective measures. This enables a more reactive and targeted approach to post-programme surveillance. A key feature of this system is a specific assessment of the Member State's capacity to repay the financial assistance received, which will be carried out by the Commission five years after the application of post-programme surveillance. This assessment will consider factors such as debt sustainability, debt-to-GDP ratio, excessive deficit procedures, borrowing conditions and financial stability conditions. If the Commission concludes that there are no material risks to repayment and after the Economic and Financial Committee has delivered an opinion, it would be possible to suspend regular assessments for a period of five years, subject to certain conditions. This facilitates a more effective use of resources in supporting the Member State's efforts to exit a macroeconomic adjustment programme and promote a more efficient and targeted application of post-programme surveillance, in line with the Commission’s overall simplification efforts.

A new Article 18a provides for the establishment of administrative arrangements between the Commission and relevant providers of financial assistance to euro area Member States, including the ESM. The purpose of these arrangements is to facilitate close cooperation and information-sharing between the Commission and these providers, thereby ensuring a coordinated and cohesive approach to economic surveillance and financial assistance.

The application of Regulation (EU) No 472/2013 to Member States that were in receipt of financial assistance on 30 May 2013 (Article 16) and the transitional provisions (Article 17) are proposed to be deleted as they are outdated.

Finaly, the future reviews of the functioning of Regulation (EU) No 472/2013 were aligned to the reviews on the functioning of Regulation (EU) 2024/1263 (Article 19).

2025/0312 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 472/2013 as regards the economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability

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 136 in combination with Article 121(6) 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[5],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Regulation (EU) No 472/2013 of the European Parliament and of the Council[6] lays down provisions for strengthening the economic and budgetary surveillance of Member States whose currency is the euro, where those Member States (a) experience or are threatened with serious difficulties with respect to their financial stability or to the sustainability of their public finances, leading to potential adverse spill-over effects on other Member States in the euro area; or (b) request or receive financial assistance.

(2) 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. 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 with the adoption of Regulation (EU) 2024/1263 of the European Parliament and of the Council[7], Council Regulation (EU) 2024/1264[8] and Council Directive (EU) 2024/1265[9].

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5 OJ C , , p. .

6 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).

7 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

(3) In its Communication of 11 February 2025 entitled 'A simpler and faster Europe: Communication on implementation and simplification'[10], the Commission set out a 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.

(4) In the context of the 2024 reform of the Union's economic governance framework and with the view to simplifying, consolidating and codifying legislation, amendments to Regulation (EU) No 472/2013 are necessary to ensure consistency with other acts of the economic governance framework and contribute to its streamlining and simplification.

(5) 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 472/2013 should be amended to take into account the introduction of the national medium-term fiscal-structural plans in the common framework. In particular, the obligations arising from a national medium-term fiscal-structural plan should be duly taken into account in the design of a macroeconomic adjustment programme, with a view to ensuring a coherent and effective approach to addressing the Member State's fiscal and macroeconomic challenges. Furthermore, in accordance with Article 32 of Regulation (EU) 2024/1263, where a Member State is subject to a macroeconomic adjustment programme, it should not be required to submit a national medium-term fiscal-structural plan or an annual progress report.

(6) The European Financial Stability Facility ('EFSF') was created as a temporary crisis resolution mechanism by euro area countries in June 2010. As of 1 July 2013, the EFSF may no longer engage in new financing programmes. Regulation (EU) No 472/2013 should be amended to take that into account.

(7) Experience has shown that the current design of enhanced surveillance may have a deterrent effect on Member States seeking precautionary financial assistance and may result in the application of additional surveillance when not warranted. In order to strike a balance between the need for effective surveillance and the need to avoid disincentivising Member States to seek precautionary assistance when necessary, Regulation (EU) No 472/2013 should be amended to clarify the circumstances under which enhanced surveillance applies when a Member States is in receipt of precautionary financial assistance.

Council Regulation (EC) No 1466/97 (OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj).

8 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).

9 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).

10 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.

(8) A Member State that receives financial assistance on a precautionary basis from one or several other Member States or third countries, the European Financial Stabilisation Mechanism ('EFSM'), the European Stability Mechanism ('ESM') or another relevant international financial institution, such as the International Monetary Fund ('IMF'), which requires the adoption of new policy measures, should be subject to enhanced surveillance under Regulation (EU) No 472/2013, including if that financial assistance is not yet drawn. An ESM Enhanced Conditions Credit Line ('ECCL') requires such new policy measures and, as such, a Member State receiving such financial assistance on a precautionary basis should be subject to enhanced surveillance. With regard to new ESM precautionary financial assistance instruments, the Commission should assess on a case-by-case basis whether there are such new policy measures and, as such, whether the receipt of such financial assistance by a Member State warrants the application of enhanced surveillance under Regulation (EU) No 472/2013.

(9) Council Regulation (EU) 1024/2013[11] conferred specific tasks on the European Central Bank ('ECB') concerning policies relating to the prudential supervision of credit institutions. In order to respect the division of responsibilities between the ECB and national competent authorities of participating Member States as established by that Regulation, the provisions in Regulation (EU) No 472/2013 concerning information on or supervisory measures regarding the financial sector should be clarified to respect that division of responsibilities.

(10) Regulation (EU) No 472/2013 provides that a Member State exiting a macroeconomic adjustment programme is subject to post-programme surveillance until 75% of the received financial assistance is repaid. The European Court of Auditors, in its Special Report No 18/2021[12], has identified certain shortcomings in the effectiveness of post-programme surveillance, including a lack of clear focus and objectives, as well as overlaps with other economic surveillance processes, such as the European Semester.

(11) In light of those findings, it is necessary to amend Regulation (EU) No 472/2013 to clarify the objective and scope of post-programme surveillance, in order to increase its coherence with the European economic governance framework and avoid a duplication of reporting requirements. Specifically, post-programme surveillance should focus on monitoring and assessing the repayment capacity of the concerned Member State regarding the financial assistance received, taking into account the economic, budgetary and financial condition of that Member State. That surveillance should also cover the implementation of certain reforms, to the extent that those are not already subject to monitoring under the national medium-term fiscal-structural plan. Finally, post-programme surveillance should identify the need for corrective measures to mitigate risks to the repayment of the financial assistance received.

(12) It is also necessary to amend Regulation (EU) No 472/2013 to make post-programme surveillance more proportionate to risks, by introducing a tiered system of surveillance that differentiates the level of scrutiny according to repayment risk of the financial assistance received and the need for corrective measures. In particular, five years after the application of post-programme surveillance, the Commission should be allowed to carry out a specific assessment of the Member State's capacity to repay the financial

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[11] Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).

[12] European Court of Auditors Special Report 18/2021: Commission's surveillance of Member States exiting a macroeconomic adjustment programme: an appropriate tool in need of streamlining.

assistance received. If the Commission concludes that there are no material risks to the Member State's capacity to repay the financial assistance over the medium-term, it should be possible to suspend the regular assessments for a period of five years, subject to no material change of the circumstances. Before concluding its assessment, the Commission should ask the Economic and Financial Committee for its opinion.

(13) To ensure close cooperation with the ESM and other relevant international financial institutions when implementing Regulation (EU) No 472/2013, the Commission should continue to seek to establish the necessary administrative arrangements. Such arrangements help to ensure that the activities of the different institutions and bodies involved in the provision of financial assistance are coordinated and mutually reinforcing.

(14) Regulation (EU) No 472/2013 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 472/2013 is amended as follows:

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

‘(b) request or receive financial assistance from one or several other Member States or third countries, the European Financial Stabilisation Mechanism (EFSM), the European Stability Mechanism (ESM), or another relevant international financial institution such as the International Monetary Fund (IMF).’;

(2) Article 2 is amended as follows:

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

‘Where a Member State is in receipt of financial assistance on a precautionary basis from one or several other Member States or third countries, the EFSM, the ESM, or another relevant international financial institution such as the IMF that requires the adoption of new policy measures, the Commission shall subject that Member State to enhanced surveillance.’;

(b) paragraphs 4 and 5 are deleted;

(3) Article 3 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

‘A Member State subject to enhanced surveillance shall, after consulting, and in cooperation with, the Commission, acting in liaison with the ECB, the ESAs, the ESRB and, where appropriate, the IMF, adopt measures aimed at addressing the sources or potential sources of difficulties. In so doing, the Member State shall take into account any recommendations addressed to it under Regulation (EU) 2024/1263 of the European Parliament and of the Council*, Council Regulation (EC) No 1467/97 of 7 July 1997**, or Regulation (EU) No 1176/2011.

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* 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).

** 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).';

(b) paragraph 2 is deleted;

(c) paragraph 3 is replaced by the following:

'3. On a request from the Commission, a Member State subject to enhanced surveillance shall:

(a) communicate to the Commission, the ECB, and, where appropriate, to the relevant ESAs, in accordance with Article 35 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, at the requested frequency, disaggregated information on its financial system, including the results of any stress test exercises or sensitivity analyses carried out under point (b) of this paragraph;

(b) carry out, under the supervision of the ECB in its supervisory capacity, or, where appropriate, under the supervision of the relevant ESAs, stress test exercises or sensitivity analyses, as necessary, to assess the resilience of the financial sector to various macroeconomic and financial shocks, as specified by the Commission and the ECB, in liaison with the relevant ESAs and with the ESRB;

(c) be required to submit to regular assessments of its supervisory capacities over the financial sector in the framework of a specific peer review carried out by the ECB, in its supervisory capacity, or, where appropriate, by the relevant ESAs;

(d) communicate to the Commission any information needed for the monitoring of macroeconomic imbalances in accordance with Regulation (EU) No 1176/2011;

(e) communicate to the Commission any information needed for budgetary surveillance purposes.

The application of the first subparagraph, points (b) and (c), of this paragraph shall respect the division of responsibilities established by Article 6 of Council Regulation (EU) No 1024/2013*.

Where relevant, the ECB, in its supervisory capacity in accordance with Regulation (EU) No 1024/2013, and the relevant ESAs shall prepare, in liaison with the ESRB, an assessment of the potential vulnerabilities of the financial system and shall submit that assessment to the Commission, at the frequency indicated by the latter, and to the ECB.

The Commission, the ECB and the relevant ESAs shall treat any disaggregated information communicated to them as confidential.

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* Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the

prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 6, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).';

(d) paragraph 4 is deleted;

(e) in paragraph 5, the second subparagraph is replaced by the following:

(a) 'As a rule, every quarter, the Commission shall communicate its assessment to the competent committee of the European Parliament and to the EFC. In that assessment, it shall examine, in particular, whether further measures are needed.';

(4) in Article 5, the first subparagraph is replaced by the following:

'A Member State intending to request financial assistance from one or several other Member States or third countries, the ESM, or another relevant international financial institution, such as the IMF, shall immediately inform the President of the Eurogroup Working Group, the member of the Commission responsible for Economic and Monetary Affairs and the President of the ECB of its intention.';

(5) in Article 6, the first and second subparagraphs are replaced by the following:

'Where a Member State requests financial assistance from the EFSM or the ESM, the Commission shall assess, in liaison with the ECB and, where possible, with the IMF, the sustainability of that Member State's government debt and its actual or potential financing needs. The Commission shall submit that assessment to the Eurogroup Working Group where the financial assistance is to be granted under the ESM, and to the EFC where the financial assistance is to be granted under the EFSM.

The assessment of the sustainability of the government debt shall be based on the most likely macroeconomic scenario or a more prudent scenario and budgetary forecasts using the most up-to-date information and taking proper account of the outcome of the reporting referred to in Article 3(3). The Commission shall also assess the impact of macroeconomic and financial shocks and adverse developments on the sustainability of government debt.'

(6) Article 7 is amended as follows:

(a) paragraph 1 is amended as follows:

(i)the first subparagraph is replaced by the following:

'Where a Member State requests financial assistance from one or several other Member States or third countries, the EFSM, the ESM or the IMF, it shall prepare, in agreement with the Commission, acting in liaison with the ECB and, where appropriate, with the IMF, a draft macroeconomic adjustment programme, which shall include annual budgetary targets. In accordance with Article 32(2) of Regulation (EU) 2024/1263, where a Member State has an active national medium-term fiscal-structural plan, and that Member State becomes subject to a macroeconomic adjustment programme, that national medium-term fiscal-structural plan shall be taken into account in the design of the macroeconomic adjustment programme.';

(ii) the fourth subparagraph is replaced by the following:

'The draft macroeconomic adjustment programme shall take into account the practice and institutions for wage formation.';

(b) in paragraph 2, the second subparagraph is replaced by the following:

‘The Commission shall ensure that the memorandum of understanding signed by the Commission on behalf of the ESM is fully consistent with the macroeconomic adjustment programme approved by the Council.’;

(c) in paragraph 4, the second subparagraph is replaced by the following:

‘Every three months, the Commission shall inform the EFC of such progress. The Member State concerned shall fully cooperate with the Commission and with the ECB. It shall, in particular, provide the Commission and the ECB with all the information that they consider to be necessary for the monitoring of the implementation of the macroeconomic adjustment programme in accordance with Article 3(3).’;

(d) in paragraph 12, the third and fourth subparagraphs are replaced by the following:

‘Concerning those instruments, the Council, acting on a recommendation from the Commission, shall, by a decision addressed to the Member State concerned, approve the main policy requirements which the ESM plans to include in the conditionality for its financial support, to the extent that the content of those measures falls within the competence of the Union as laid down by the Treaties.

The Commission shall ensure that the memorandum of understanding signed by the Commission on behalf of the ESM is fully consistent with such a Council decision.’;

(7) Article 10 is amended as follows:

(a) paragraph 1 is deleted;

(b) paragraph 2 is amended as follows:

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

‘(a) it shall be exempt from submitting, as appropriate, the reports under Article 3(5) and Article 5(1a) of Regulation (EC) No 1467/97;’;

(ii) point (c) is replaced by the following:

‘(c) with regard to the monitoring provided for by Article 7(4) of this Regulation, it shall be exempt from monitoring under Article 10(1) and Article 10a of Regulation (EC) No 1467/97 and monitoring underlying any decision under Article 4(1) and Article 6(2) of that Regulation.’;

(8) Article 12 is deleted;

(9) Article 14 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. A Member State shall be under post-programme surveillance as long as a minimum of 75 % of the financial assistance received from one or several other Member States, the EFSM, the ESM or the EFSF has not been repaid. The Council, on a proposal from the Commission, may extend the duration of the post-programme surveillance in the event of a persistent risk to the capacity of the Member State concerned to repay the financial assistance received. The proposal from the Commission shall be deemed to be adopted by the Council unless the Council decides, by a qualified majority, to reject it within 10 days of the Commission's adoption thereof.’;

(b) the following paragraphs 1a and 1b are inserted:

‘1a. Whilst a Member State is under post-programme surveillance referred to in paragraph 1, the Commission shall monitor and assess all of the following:

(a) the capacity of the Member State concerned to repay the financial assistance received, taking into account its economic, budgetary, and financial situation;

(b) without prejudice to Article 22 of Regulation (EU) 2024/1263, the implementation of any reforms included in the macroeconomic adjustment programme or the Council decision referred to in Article 7(12) of this Regulation;

(c) the need for corrective measures to mitigate risks of the Member State concerned to repay the financial assistance received.

1b. As a rule, the Commission, in liaison with the ECB, shall communicate every six months, its assessment referred to in paragraph 1a to the competent committee of the European Parliament, to the EFC and to the parliament of the Member State concerned.’;

(c) paragraph 2 is replaced by the following:

‘2. On a request from the Commission, a Member State under post-programme surveillance shall comply with the requirements under Article 3(3).’;

(d) the following paragraphs 2a and 2b are inserted:

‘2a. Five years after the application of post-programme surveillance, the Commission may prepare a specific assessment on the capacity of the Member State concerned to repay the financial assistance received. In preparing that assessment, in addition to its analysis of the economic, budgetary and financial situation, including of the implementation of the national medium–term fiscal-structural plan, the Commission shall take into account all of the following circumstances:

(a) whether the general government debt-to-GDP ratio is above 90 %;

(b) whether the Council has decided on the basis of Article 126(6) of the TFEU that an excessive deficit exists;

(c) the Commission’s debt sustainability analysis of that Member State;

(d) the borrowing conditions of that Member State;

(e) the financial stability conditions in that Member State.

The Commission shall communicate its specific assessment to the EFC. Following an opinion from the EFC, the Commission may suspend the assessments referred to in paragraph 1a for five years if it concludes that over the medium-term there are no material risks to the capacity of the Member State concerned to repay the financial assistance received.

The Commission shall communicate its conclusions on the suspension of the assessments referred to in paragraph 1a to the competent committee of the European Parliament, to the EFC and to the parliament of the Member State concerned.

2b. After completing the procedure set out in paragraph 2a, the Commission shall provide a new assessment under that paragraph in any of the following cases:

(a) upon expiration of the suspension;

(b) if any of the circumstances referred to in paragraph 2a, point (a) or (b) change;

(c) if any of the circumstances referred in paragraph 2a, point (c), (d) or (e) materially worsen.';

(e) paragraph 3 is replaced by the following:

'3. The Commission shall conduct, in liaison with the ECB, review missions in the Member State under post-programme surveillance as warranted for the purposes of paragraphs 1a, 2a and 2b.';

(f) the following paragraph 3a is inserted:

'3a. The competent committee of the European Parliament may offer the opportunity to the Member State concerned to participate in an exchange of views on the progress made under post-programme surveillance.';

(10) Articles 16 and 17 are deleted;

(11) the following Article 18a is inserted:

'*Article 18a*

Administrative arrangements with the ESM and other relevant financial institutions

The Commission shall seek to establish the necessary administrative arrangements with the ESM and other relevant international financial institutions to ensure close cooperation when performing the activities provided for in this Regulation.';

(12) in Article 19, second paragraph, point (c) is replaced by the following:

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

Article 2

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	*For the Council*
The President	*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 Regulation (EU) No 472/2013.

1.2. Policy area(s) concerned

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.

1.3. Objective(s)

1.3.1. General objective(s)

A first objective of the proposal is to align the legal framework established by Regulation (EU) No 472/2013 with the reformed EU economic governance framework which entered into force on 30 April 2024, repealing Regulation (EU) No 1466/97 (and replacing it with Regulation (EU) 2024/1263) and amending Regulation (EU) No 1467/97, as well as to reflect the institutional developments that have occurred since 2013.

A second objective is to take into account the valuable experience and insights accrued through the application of Regulation (EU) No 472/2013, by clarifying the scope and application of both enhanced surveillance and post-programme surveillance. In doing so, the proposal will also contribute to the streamlining and simplification of the EU economic governance framework.

1.3.2. Specific objective(s)

To ensure consistency with the reformed EU economic governance framework, the proposed amendments to Regulation (EU) No 472/2013 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.

In addition, taking into account the accrued experiences with the application of enhanced surveillance, the amendments will seek to clarify the application of enhanced surveillance when a euro area Member State is in receipt of precautionary financial assistance. Finally, taking into account relevant findings from the European Court of Auditors, the proposed amendments to Regulation (EU) No 472/2013 will clarify the scope and objective of post-programme surveillance, as well as its application, with a potential to streamline surveillance when warranted.

1.3.3. Expected result(s) and impact

The proposal should prevent duplication of reporting and lead to a reduction of administrative burden for euro area Member States threatened with financial stability issues. Furthermore, the proposal should avoid disincentivising euro area Member States from requesting precautionary financial assistance when required. Finally, the proposal should clarify the scope and objective of post-programme surveillance, resulting in a better implementation of the EU economic governance framework.

1.3.4. Indicators of performance

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.

1.4. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project / preparatory action[13]

☐ 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 including relating to financial stability. Actions by Member States alone cannot achieve these goals.

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

Expected generated EU added value (*ex-post*): The adoption of the amended regulation 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

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[14]

☐ **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

[14] 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.

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

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

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.[15]	from EFTA countries [16]	from candidate countries and potential candidates [17]	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

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

	[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

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 **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[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**

[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.

	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 <….>	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**

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[19]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[20]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		

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

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

- Output																		
Subtotal for specific objective No 2																		
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**

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)[21]

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

[21] 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.

Other budget lines (specify)		0	0	0	0
• **External staff (in FTEs)**					
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 or Research	**To be financed from BA line**	**To be financed from fees**
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

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	0.000	0.000	0.000	0.000	**0.000**

programmes					
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[22]			
		Year **2024**	Year **2025**	Year **2026**	Year **2027**

[22] 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.

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 identified in this proposal.

4.2. Data

NA

4.3. Digital solutions

NA

4.4. Interoperability assessment

NA

4.5. Measures to support digital implementation

NA