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From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 - Initial positions of the three institutions prior to commencement of trilogues

Delegations will find enclosed the opening position of the three institutions on the proposal mentioned above, prior to the commencement of the trilogue phase in January 2024.

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97
2023/0138(COD)**

	Commission Proposal	EP Mandate	Council Mandate
1	2023/0138 (COD)	2023/0138 (COD)	2023/0138 (COD)
2	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97
3	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
4	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121(6) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121(6) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121(6) thereof,

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5	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,
6	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,
7	Having regard to the opinion of the European Central Bank (footnote)	Having regard to the opinion of the European Central Bank (footnote)	Having regard to the opinion of the European Central Bank (footnote)
8	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,
9	Whereas:	Whereas:	Whereas:
10	(1) The coordination of the economic policies of the Member States within the Union, as provided for by the Treaty on the Functioning of the European Union (TFEU), entails compliance with the guiding principles of stable	(1) The coordination of the economic policies of the Member States within the Union, as provided for by the Treaty on the Functioning of the European Union (TFEU), entails compliance with the guiding principles of stable	(1) The coordination of the economic policies of the Member States within the Union, as provided for by the Treaty on the Functioning of the European Union (TFEU), entails compliance with the guiding principles of stable

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	prices, sound public finances and monetary conditions and a sustainable balance of payments.	prices, sound public finances and monetary conditions and a sustainable balance of payments.	prices, sound public finances and monetary conditions and a sustainable balance of payments.
11	(2) The Stability and Growth Pact (SGP), which initially consisted of Council Regulation (EC) No 1466/97¹, Council Regulation (EC) No 1467/97 of 7 July 1997² and the Resolution of the European Council of 17 June 1997 on the Stability and Growth Pact³, is based on the objective of sound and sustainable government finances as a means of strengthening the conditions for price stability and for strong sustainable growth underpinned by financial stability, thereby supporting the achievement of the Union's objectives for sustainable and inclusive growth and employment. 1. Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1). 2. 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). 3. Resolution of the European Council on	(2) The Stability and Growth Pact (SGP), which initially consisted of Council Regulation (EC) No 1466/97¹, Council Regulation (EC) No 1467/97 of 7 July 1997² and the Resolution of the European Council of 17 June 1997 on the Stability and Growth Pact³, is based on the objective of sound and sustainable government finances as a means of strengthening the conditions for price stability and for strong sustainable growth underpinned by financial stability, thereby supporting the achievement of the Union's objectives for sustainable and inclusive growth, quality and employment <u>and competitiveness</u>. 1. Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1). 2. 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). 3. Resolution of the European Council on	(2) The Stability and Growth Pact (SGP), which initially consisted of Council Regulation (EC) No 1466/97¹, Council Regulation (EC) No 1467/97 of 7 July 1997² and the Resolution of the European Council of 17 June 1997 on the Stability and Growth Pact³, is based on the objective of sound and sustainable government finances as a means of strengthening the conditions for price stability and for strong sustainable growth underpinned by financial stability, thereby supporting the achievement of the Union's objectives for sustainable and inclusive growth and employment. 1. Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1). 2. 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). 3. Resolution of the European Council on

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	the Stability and Growth Pact Amsterdam, 17 June 1997 (OJ C 236, 2.8.1997, p. 1).	the Stability and Growth Pact Amsterdam, 17 June 1997 (OJ C 236, 2.8.1997, p. 1).	the Stability and Growth Pact Amsterdam, 17 June 1997 (OJ C 236, 2.8.1997, p. 1).
12	(3) The fiscal governance framework, which is the subject matter of this Regulation, is a part of the European Semester, which also comprises the coordination and surveillance of broader economic and employment policies of the Member States, in accordance with Articles 121 and 148 TFEU.	(3) The fiscal governance framework, which is the subject matter of this Regulation, is a part of the European Semester, which also comprises the coordination and surveillance of broader economic, <u>employment and relevant social</u> and employment policies of the Member States, in accordance with Articles 121 and 148 TFEU, <u>including the European Pillar of Social Rights, and the related country-specific recommendations.</u>	(3) The fiscal governance framework, which is the subject matter of this Regulation, is a part of the European Semester, which also comprises the coordination and surveillance of broader economic and employment policies of the Member States, in accordance with Articles 121 and 148 TFEU.
13	(4) The involvement of social partners, civil society organisations and other relevant stakeholders in the European Semester is key to ensure ownership and transparent and inclusive policy-making.	(4) The involvement of social partners, civil society organisations and other relevant stakeholders in the European Semester is key to ensure ownership and transparent and inclusive policy-making.	(4) The involvement of <u>national parliaments</u> , social partners, civil society organisations and other relevant stakeholders in the European Semester is key to ensure ownership and <u>as well as</u> transparent and inclusive policy-making.
14	(5) The economic governance framework of the Union should be	(5) The economic governance framework of the Union should be	(5) The economic governance framework of the Union should be

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	adapted to better take into account the growing heterogeneity of fiscal positions, public debt challenges and other vulnerabilities across Member States. The strong policy response to the COVID-19 pandemic proved highly effective in mitigating the economic and social damage of the crisis, but the crisis resulted in a significant increase in public- and private-sector debt ratios, underscoring the importance of reducing debt ratios to prudent levels in a gradual, sustained and growth-friendly manner and addressing macroeconomic imbalances, while paying due attention to employment and social objectives. At the same time, the economic governance framework of the Union should be adapted to help address the medium- and long-term challenges facing the Union including achieving a fair digital and green transition, including the Climate Law¹, ensuring energy security, open strategic autonomy, addressing demographic change, strengthening social and economic resilience and implementing the strategic compass for security and defence, all of which requires reforms and sustained high levels	adapted to better take into account the growing heterogeneity of fiscal positions, public debt challenges and other vulnerabilities across Member States. The strong policy response to the COVID-19 pandemic proved highly effective in mitigating the economic and social damage of the crisis, but the crisis resulted in a significant increase in public- and private-sector debt ratios, underscoring the importance of reducing debt ratios to prudent levels in a gradual, sustained and growth-friendly manner and addressing macroeconomic imbalances, while paying due attention to employment and social objectives. At the same time, the economic governance framework of the Union should be adapted to help address the medium- and long-term challenges facing the Union including achieving a fair digital and green transition, including the Climate Law¹, ensuring energy security, open strategic autonomy, addressing demographic change, strengthening social and economic resilience and implementing the strategic compass for security and defence, all of which requires reforms and sustained high levels	adapted to better take into account the growing<u>increased</u> heterogeneity of fiscal positions, public debt <u>and economic</u> challenges and other vulnerabilities across Member States. The strong policy response to the COVID-19 pandemic proved highly effective in mitigating the economic and social damage<u>consequences</u> of the crisis, but the crisis resulted in a significant increase in public- and private-sector debt ratios, underscoring the importance of reducing debt ratios <u>and deficits</u> to prudent levels in a gradual, <u>realistic</u>, sustained and growth-friendly manner <u>ensuring leeway for counter-cyclical policies</u> and addressing macroeconomic imbalances, while paying due attention to employment and social objectives. At the same time, the economic governance framework of the Union should be adapted to help address the medium- and long-term challenges facing the Union including achieving a fair digital and green transition, including the Climate Law¹, ensuring energy security, <u>supporting</u> open strategic autonomy, addressing demographic change, strengthening social and

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	of investment in the years to come. 1. The European Climate Law sets a Union-wide climate neutrality objective by 2050 and requires Union institutions and Member States to progress in enhancing adaptive capacity, requiring significant public investment to reduce the negative socio-economic impacts of climate change on the EU and its Member States, including negative impacts on growth and fiscal sustainability.	of investment in the years to come. 1. The European Climate Law sets a Union-wide climate neutrality objective by 2050 and requires Union institutions and Member States to progress in enhancing adaptive capacity, requiring significant public investment to reduce the negative socio-economic impacts of climate change on the EU and its Member States, including negative impacts on growth and fiscal sustainability.	economic resilience <u>and sustained convergence</u>, and implementing the strategic compass for security and defence, all of which requires reforms and sustained high levels of investment in the years to come. 1. The European Climate Law sets a Union-wide climate neutrality objective by 2050 and requires Union institutions and Member States to progress in enhancing adaptive capacity, requiring significant public investment to reduce the negative socio-economic impacts of climate change on the EU and its Member States, including negative impacts on growth and fiscal sustainability.
15	(6) The economic governance framework of the Union should put debt sustainability and sustainable and inclusive growth at its core and therefore differentiate between Member States by taking into account their public debt challenges and allowing country-specific fiscal trajectories.	(6) The economic governance framework of the Union should put debt sustainability, <u>investments and reforms, the common priorities of the Union</u> and sustainable and inclusive growth <u>and resilience</u>, at its core and therefore differentiate between Member States by taking into account their public debt challenges and allowing country-specific fiscal trajectories, <u>and ensure consistency within the Union as a whole, including the euro area</u>.	(6) The economic governance framework of the Union should put <u>debt sustainability and promote sound and sustainable public finances</u>, sustainable and inclusive growth at its core and therefore differentiate between Member States by taking into account their public debt <u>and economic</u> challenges and allowing <u>multi-annual</u> country-specific fiscal trajectories, <u>while ensuring effective multilateral surveillance and respecting the principle of equal treatment</u>.

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15a		<u>(6a) Maintaining a high level of public investment is necessary in order to achieve the main objectives of the reform of the economic governance framework as laid down in this Regulation and addressing the current and future priorities of the Union. That framework could be strengthened by a common investment instrument at Union level. The lessons learned from the implementation of instruments such as SURE or NGEU could serve as inspiration for future instruments that aim to support the fiscal governance framework.</u>	
16	(7) The multilateral surveillance procedure set out in Article 121(2), (3) and (4) and Article 148(4) TFEU should monitor in accordance with more detailed rules the full range of economic and employment developments in each of the Member States and in the Union. That includes the detection of macroeconomic imbalances and the prevention and correction of excessive imbalances as set out in Regulations (EU) No	(7) The multilateral surveillance procedure set out in Article 121(2), (3) and (4) and Article 148(4) TFEU should monitor in accordance with more detailed rules the full range of economic and employment developments in each of the Member States and in the Union. That includes the detection of macroeconomic imbalances and the prevention and correction of excessive imbalances as set out in Regulations (EU) No	(7) The multilateral surveillance procedure set out in Article 121(2), (3) and (4) and Article 148(4) TFEU should monitor in accordance with more detailed rules the full range of economic and employment developments in each of the Member States and in the Union. That includes the detection of macroeconomic imbalances and the prevention and correction of excessive imbalances as set out in Regulations (EU) No

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	1174/2011¹ and (EU) No 1176/2011² of the European Parliament and of the Council. For the monitoring of such economic and employment developments, Member States should present information in the form of medium-term fiscal-structural plans. 1. Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area (OJ L 306, 23.11.2011, p. 8). 2. 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).	1174/2011¹ and (EU) No 1176/2011² of the European Parliament and of the Council. For the monitoring of such economic and employment developments, Member States should present information in the form of medium-term fiscal-structural plans. 1. Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area (OJ L 306, 23.11.2011, p. 8). 2. 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).	1174/2011¹ and (EU) No 1176/2011² of the European Parliament and of the Council. For the monitoring of such economic and employment developments, Member States should present information in the form of medium-term fiscal-structural plans <u>covering a period of 4 years or 5 years, depending on the regular length of the national legislature.</u> 1. Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area (OJ L 306, 23.11.2011, p. 8). 2. 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).
16a		<u>(7a) Pursuant to Article 148(4) TFEU, the Commission, within the Social Convergence Framework, identifies risks to upward convergence for Member States in the Joint Employment report and subsequently publishes 'Social Convergence Reports' for those Member States which it has</u>	

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		<i><u>identified as facing risks to upward social convergence. The country-specific conclusions of the multilateral surveillance activities should provide input to the Commission's country-specific recommendations.</u></i>	
17	(8) Detailed rules should therefore be laid down regarding the content, submission, assessment and monitoring of the national medium-term fiscal-structural plans, in order to promote debt sustainability and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits through medium-term planning.	(8) Detailed rules should therefore be laid down regarding the content, submission, assessment and monitoring of the national medium-term fiscal-structural plans, in order to promote debt sustainability, <u>investments and reforms, the common priorities of the Union</u> and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits through medium-term planning.	(8) Detailed rules should therefore be laid down regarding the content, submission, assessment, <u>endorsement</u> and monitoring of the national medium-term fiscal-structural plans, in order to promote debt sustainability <u>sound and sustainable public finances</u> and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits through medium-term planning.
18	(9) National medium-term fiscal-structural plans should bring together the fiscal, structural reforms and investment commitments of each Member State and these plans should be the cornerstone of the economic governance framework of the	(9) National medium-term fiscal-structural plans should bring together the fiscal, structural reforms and investment commitments of each Member State and these plans should be the cornerstone of the economic governance framework of the	(9) National medium-term fiscal-structural plans should bring together the fiscal <u>policy</u> , structural reforms and investment commitments <u>investments</u> of each Member State and these plans should be the cornerstone of the economic governance framework

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	Union. Each Member State should present a medium-term plan that sets out its fiscal trajectory as well as priority public investment and reform commitments that together ensure sustained and gradual debt reduction and sustainable and inclusive growth, avoiding a pro-cyclical fiscal policy, as well as broader reform and investment commitments, including in relation to the green and digital transitions, social and economic resilience and the implementation of the European Pillar of Social Rights. During the lifetime of the Recovery and Resilience Facility¹, commitments undertaken in the national Recovery and Resilience Plans should be duly taken into account. 1. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).	Union. Each Member State should present a medium-term plan that sets out its fiscal trajectory<u>net expenditure path</u> as well as priority public investment and reform commitments that together ensure sustained and gradual debt reduction and sustainable and inclusive growth, avoiding a pro-cyclical fiscal policy, as well as broader reform and investment commitments, including in relation to the <u>European Green Deal, the European Pillar of Social Rights, the Digital transitions, social and economic resilience and the implementation of the European Pillar of Social Rights</u><u>Decade Policy Programme 2030 and the Strategic Compass for Security and Defence. The national plans should also assess the public investment gaps, in particular to achieve those common Union priorities.</u> During the lifetime of the Recovery and Resilience Facility¹, commitments undertaken in the national Recovery and Resilience Plans should be duly taken into account. 1. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57,	of the Union. Each Member State should present a medium-term <u>fiscal-structural</u> plan that sets out its fiscal trajectory as well as priority public investment and reform commitments<u>investments and reforms</u> that together ensure sustained and gradual debt reduction and sustainable and inclusive growth, <u>while</u> avoiding a pro-cyclical fiscal policy;as well as. <u>Plans should also include broader reform and investment commitments reforms and investments,</u> including in relation to <u>common EU priorities, namely the green transition, including the European Green Deal and the transition to climate neutrality by 2050; the and-digital transitions, transition, including the Digital Decade Policy Programme 2030;</u> social and economic resilience and the implementation of the European Pillar of Social Rights, <u>including the related targets on employment, skills and poverty reduction by 2030; and the build-up of defence capabilities where applicable, including the Strategic Compass for Security and Defence.</u> During the lifetime of the Recovery and Resilience Facility¹, commitments undertaken in the

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		18.2.2021, p. 17).	national Recovery and Resilience Plans should be duly taken into account. 1. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).
19	(10) Cohesion policy funds are also synchronised with the European Semester process. As the long-term investment policy of the EU budget, cohesion policy investments and reforms should also be duly taken into account in the drawing of the national medium-term fiscal-structural plans. Each Member State should also explain how its national medium-term fiscal-structural plan will ensure consistency with the expenditure on EU programmes fully matched by EU funds revenue and the relevant national co-financing.	(10) Cohesion policy funds are also synchronised with the European Semester process. As the long-term investment policy of the EU budget, cohesion policy investments and reforms should also be duly taken into account in the drawing of the national medium-term fiscal-structural plans. Each Member State should also explain how its national medium-term fiscal-structural plan will ensure consistency <u>and, where appropriate, complementarity,</u> with the expenditure on EU programmes fully matched by EU funds revenue and the relevant national co-financing.	(10) <u>The management of</u> cohesion policy funds are <u>is</u> also synchronised with the European Semester process. As the long-term investment policy of the EU budget, cohesion policy investments and reforms should also be duly taken into account in the drawing of the national medium-term fiscal-structural plans. Each Member State should also explain how its national medium-term fiscal-structural plan will ensure consistency with the expenditure on EU programmes fully matched by EU funds revenue and the relevant national co-financing.
20	(11) The presentation of the national medium-term fiscal-	(11) The presentation of the national medium-term fiscal-	(11) The presentation <u>submission</u> of the national medium-term fiscal-

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	structural plan should be preceded by a technical dialogue with the Commission to ensure compliance with the provisions of this Regulation. On the basis of a recommendation from the Commission, the Council should set the net expenditure path and endorse the reform and investment commitments, including those taken for the possible extension of the adjustment period, as appropriate.	structural plan should be preceded by a technical dialogue with the Commission to ensure compliance with the provisions of this Regulation <u>as well as equal treatment of Member States. The technical dialogue should be properly documented for the purpose of transparency and accountability towards the European Parliament.</u> On the basis of a recommendation from the Commission <u>accompanied by an opinion of the European Fiscal Board (EFB) on the Union dimension and the original opinion of the national independent fiscal institution on the plan of the Member State concerned,</u> the Council should set the net expenditure path and endorse the reform and investment commitments, including those taken for the possible extension of the adjustment period, as appropriate.	structural plan should be preceded by a technical dialogue with the Commission to ensure compliance with the provisions of this Regulation. On the basis of a recommendation from the Commission, the Council should set <u>adopt a recommendation setting</u> the net expenditure path and, <u>as appropriate,</u> endorse the reform and investment commitments, including those taken for <u>reforms and investments underpinning</u> the possible extension of the adjustment period, as appropriate.
21	(12) In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a	(12) In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a	(12) In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a

	Commission Proposal	EP Mandate	Council Mandate
	basis for setting the fiscal path and carrying out annual fiscal surveillance for each Member State. That single operational indicator should be based on nationally financed net primary expenditure, that is to say expenditure net of discretionary revenue measures and excluding interest expenditure as well as cyclical unemployment expenditure and expenditure on Union programmes fully matched by revenue from Union funds. This indicator allows for macro-economic stabilisation as it is not affected by the operation of automatic stabilisers, including revenue and expenditure fluctuations outside the direct control of the government.	basis for setting the fiscal path and carrying out annual fiscal surveillance for each Member State. That single operational indicator should be based on nationally financed net primary expenditure, that is to say <u>government expenditure net of interest expenditure</u>, discretionary revenue measures, <u>expenditure on programmes of the Union fully matched by Union funds revenue</u>, <u>national and excluding interest expenditure as well as on co-financing of programmes funded by the Union capped at a limit of 0,25% of GDP</u>, cyclical <u>elements of unemployment benefit expenditure, and costs related to the borrowing of funds for the loans related to the national Recovery and Resilience Facility Plans</u> and expenditure on Union programmes fully matched by revenue from Union funds. This indicator allows for macro-economic stabilisation as it is not affected by the operation of automatic stabilisers, including revenue and expenditure fluctuations outside the direct control of the government.	basis for setting the fiscal path and carrying out annual fiscal surveillance for each Member State. That single operational indicator should be based on nationally financed net primary expenditure, that is to say expenditure net of discretionary revenue measures and excluding interest expenditure as well as, cyclical unemployment expenditure and as well as expenditure on Union programmes fully matched by revenue from Union funds. This indicator allows for macro-economic stabilisation as it is not affected by the operation of automatic stabilisers, including revenue and expenditure fluctuations outside the direct control of the government. <u>In line with the guiding principles that have been used by the European Commission for classifying transactions as one-offs, one-offs and other temporary measures should also be excluded from net expenditure. This indicator, which</u> is not affected by the operation of automatic stabilisers, including revenue and <u>and other</u> expenditure fluctuations outside the direct control of the government, <u>provides leeway for counter-cyclical macro-economic stabilisation</u>.

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22	(13) To provide guidance to the Member States in the drafting of their medium-term fiscal-structural plan, the Commission should put forward a technical trajectory based on the minimum fiscal adjustment that brings the debt trajectory of the Member State on a plausibly downward path or maintains debt at a prudent level. It should also ensure that the public debt ratio at the end of the planning horizon declines below its level in the year before the start of the technical trajectory. The sustainability of that debt reduction should result from appropriate fiscal policies.	(13) To provide guidance to the Member States in the drafting of their<u>initiate the preparation of national</u> medium-term fiscal-structural plan<u>plans</u>, the Commission should put forward a technical trajectory<u>provide the underlying medium-term public debt projection framework</u> based on the minimum fiscal adjustment that brings the debt trajectory of the<u>debt sustainability analysis methodology and macroeconomic forecast and assumptions for each Member State. For Member States with a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value, a reference trajectory</u>on a plausibly downward path or maintains debt at a prudent level. It should also ensure that the public debt ratio at the end<u>be put forward to specify the minimum fiscal adjustment that brings the debt trajectory</u> of the planning horizon declines below its level in the year before the start of the technical trajectory<u>Member State on a plausibly downward path leading to sustainable debt reduction or maintains debt at a prudent level.</u>	(13) To provide guidance to the Member States in the drafting of their<u>frame the dialogue leading to the submission of national</u> medium-term fiscal-structural plan<u>plans</u>, the Commission should put forward a technical trajectory based on the minimum fiscal adjustment that brings the debt trajectory of the Member State on a plausibly downward path or maintains debt at a prudent level. It shall transmit to Member States with general government debt above the 60% of GDP Treaty reference value or a government deficit exceeding the 3% of GDP Treaty reference value a technical trajectory covering an adjustment period of 4 years and its possible extension by a maximum of 3 years. This technical trajectory should also be risk-based, country-specific and anchored in debt sustainability to ensure that the public debt ratio<u>a more forward-looking approach fit for current and future challenges.</u> At the end<u>request</u> of the planning horizon declines below its level in the year before the start of the technical trajectory. The sustainability of that debt reduction should result

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		The sustainability of that debt reduction should result from appropriate fiscal policies.	from appropriate fiscal policies <u>Member State, the Commission should put forward technical information to Member States with government debt not exceeding the 60% of GDP Treaty reference value and government deficit not exceeding the 3% of GDP Treaty reference value.</u>
22a		<u>(13a) For the preparation of the reference trajectory, the Commission and the Member State concerned should hold a dialogue to assess compliance of the trajectory with the provisions of this Regulation. As part of that dialogue, the Member State may decide to present a proposal for a trajectory to the Commission. If as a result of the dialogue, the Commission and the Member State concerned disagree on whether the proposal for a reference trajectory complies with the provisions of this Regulation, the Commission should put forward a reference trajectory meeting the requirements laid down in this Regulation.</u>	

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23	(14) The technical trajectory put forward by the Commission should also ensure that the government deficit is brought and maintained below the 3% of gross domestic product (GDP) reference value.	(14) The technical <u>reference</u> trajectory put forward by the Commission should also ensure that the government deficit is brought and maintained below the 3% of gross domestic product (GDP) reference value. <u>It should also ensure that the public debt ratio stabilises over the adjustment period and is reduced every year over the projection period on average by at least one percentage point of debt to GDP for the Member States with a debt-to-GDP ratio exceeding 90% and at least half a percentage point for the Member States with a debt-to-GDP ratio of 60% to 90%.</u>	(14) The technical trajectory put forward <u>should ensure that, by the Commission end of the adjustment period, general government debt is on a plausibly downward trajectory or stays at prudent levels, even under adverse scenarios. It</u> should also ensure that the <u>general</u> government deficit is brought and maintained below the 3% of gross domestic product (GDP) <u>GDP Treaty reference value, while taking into account that Member States could face additional costs after the end of the adjustment period such as ageing costs. It shall also ensure consistency with the corrective path under Council Regulation (EC) reference value No 1467/1997 on speeding up and clarifying the implementation of the Excessive Deficit Procedure, where applicable.</u>
23a			<u>(14a) To improve the predictability in the outcome of the framework and reinforce equal treatment, the technical trajectory should comply ex-ante with a debt sustainability</u>

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			<u>safeguard. This safeguard should ensure in the design phase of the medium-term fiscal-structural plans that the projected government debt ratio decreases by a minimum annual average. This debt sustainability safeguard would act as a floor to the effort underlying the technical trajectory and the net expenditure path. Due to the specific composition of outstanding Greek government debt, a significant amount of deferred interest payments is set to become due in 2033. The related exceptional increase in the general government debt-to-GDP ratio should not be taken into account in the application of the debt sustainability safeguard.</u>
23b			<u>(14b) Risk-based requirements for the technical trajectory are expected to be sufficient to bring deficit levels well below the 3% Treaty reference value. However, in order to make the framework more robust to uncertain developments of macro-fiscal variables, the technical trajectory should also provide for a common resilience margin relative to the</u>

	Commission Proposal	EP Mandate	Council Mandate
			<u>3% of GDP deficit Treaty reference value or convergence towards it. This common resilience safeguard should ensure the build-up of fiscal buffers for adverse circumstances and shocks, thereby facilitating the conduct of counter-cyclical policies in the Union fiscal framework.</u>
23c			<u>(14c) In order to ensure effective implementation and appropriate monitoring of this Regulation and in view of the need for strong Member State involvement and ownership of the assessment outcome, the Council should be given the power to adopt an implementing decision to adopt the methodology to assess plausibility by the Commission. For the first round of plans, the plausibility of public debt declining in the medium term should be based on the methodology described in the Debt Sustainability Monitor 2022. A working group for debt sustainability analysis will explore possible methodological improvements, including on</u>

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			<u>underlying assumptions.</u> <u>Following findings of the working group, the Commission should be able to propose changes to the methodology, which should be adopted by a Council Implementing Decision after consulting the Economic and Financial Committee. Such working group should be composed by national experts, the Commission and the European Central Bank. The European Fiscal Board and the European Stability Mechanism should be invited by the working group as observers.</u>
24	(15) In order to assess whether further adjustments are required towards the end of the four-year implementation period of the national medium-term fiscal-structural plan, the Commission should reassess the situation and put forward a new technical trajectory if the public debt of the Member State is still above 60% of GDP reference value or its government deficit is higher than 3% of GDP reference value.	(15) In order to assess whether further adjustments are required towards the end of the four-year implementation period of the national medium-term fiscal-structural plan, the Commission should reassess the situation and <u>a new reference trajectory should be put forward</u> a new technical trajectory if the public debt of the Member State is still above 60% of GDP reference value or its government deficit is higher than 3% of GDP reference value.	(15) In order to assess whether further adjustments are required towards <u>at</u> the end of the four-year <u>four- or five-year</u> implementation period of the national medium-term fiscal-structural plan, the Commission should reassess the situation and put forward a new technical trajectory if the public <u>government</u> debt of the Member State is still above <u>the</u> 60% of GDP <u>Treaty</u> reference value or <u>and/or</u> its government deficit is higher than

	Commission Proposal	EP Mandate	Council Mandate
			<u>the</u> 3% of GDP <u>Treaty</u> reference value.
25	(16) Each national medium-term fiscal-structural plan should mention its status in the context of national procedures, notably whether the plan was presented to the national parliament and whether there has been parliamentary approval of the plan. The national medium-term fiscal-structural plan should also indicate whether the national parliament had the opportunity to discuss the Council recommendation on the previous plan and, if relevant, any other Council recommendation or decision, or any Commission warning.	(16) Each <u>Prior to the submission of the</u> national medium-term fiscal-structural plan, <u>each Member State</u> should mention its status in the context of <u>consult relevant stakeholders, including regional authorities, and annex the result of that consultation to the plan.</u> <u>Each</u> national procedures, notably whether the plan was presented to the <u>medium-term fiscal-structural plan should also mention its status in the context of</u> national parliament and <u>procedures, notably</u> whether there has been parliamentary approval of the plan. The national medium-term fiscal-structural plan should also indicate whether <u>and whether, if applicable,</u> the national parliament had the opportunity to discuss the Council recommendation on the previous plan and, if relevant, any other Council recommendation or decision, or any Commission warning.	(16) Each national medium-term fiscal-structural plan should mention its status in the context of national procedures, notably whether the plan was presented to the national parliament and whether there has been parliamentary approval of the plan. The national medium-term fiscal-structural plan should also indicate whether the national parliament had the opportunity to discuss the Council recommendation on the previous plan and, if relevant, any other Council recommendation or decision, or any Commission warning.
25a			

	Commission Proposal	EP Mandate	Council Mandate
		<i><u>(16a) A new government in a Member State may submit a new or revised national medium-term fiscal-structural plan to the Commission. However, if there are objective circumstances preventing the implementation of the plan, a Member State may request to submit a revised plan to the Commission by no later than 12 months before the end of the current plan. A new or revised national medium-term fiscal-structural plan should only attempt to reverse or remove investments present in the original plan if their removal does not result in unjustified additional costs for the Member State.</u></i>	
26	(17) When Member States use assumptions in their medium-term fiscal-structural plan that differ from the Commission's standard medium-term debt projection framework, they should explain and duly justify the differences in a transparent manner and based on sound economic arguments.	(17) When Member States use assumptions in their medium-term fiscal-structural plan <u>reference trajectory</u> that differ from the Commission's standard medium-term debt projection framework <u>and macroeconomic forecast and assumptions</u> , they should explain and duly justify the differences in a transparent manner and based on sound economic arguments, <u>in the dialogue with the Commission on</u>	(17) When Member States use assumptions in their medium-term fiscal-structural plan <u>plans</u> that differ from the Commission's standard medium-term debt projection framework, they should explain and duly justify the differences in a transparent manner and based on sound economic arguments.

	Commission Proposal	EP Mandate	Council Mandate
		<u>the reference trajectory.</u>	
26a			<u>(17a) Where the Council considers that the revised medium-term fiscal-structural plan of a Member State does not comply with the requirements laid down in the Regulation, the Council should recommend, as a rule, the original technical trajectory that had been previously issued by the Commission as the net expenditure path. Taking into account the most recent information regarding the economic and financial situation of the Member State concerned, if necessary, the Commission could update the original technical trajectory when delivering its recommendation to the Council for that purpose.</u>
27	(18) Since Member States could face additional costs at the end of their medium-term fiscal-structural plan such as ageing costs or an unfavourable interest-growth differential, they should ensure that the headline balance at the end of	(18) Since Member States could face additional costs at the end of their medium-term fiscal-structural plan such as ageing costs or an unfavourable interest-growth differential, they should ensure that the headline balance at the end of	(18) Since Member States could face additional costs at the end of their medium-term fiscal-structural plan such as ageing costs or an unfavourable interest-growth differential, they should ensure that the headline balance at the end of

	Commission Proposal	EP Mandate	Council Mandate
	the adjustment period will be sufficient to ensure that the deficit durably stays below the 3% of GDP reference value.	the adjustment period will be sufficient to ensure that the deficit durably stays below the 3% of GDP reference value.	the adjustment period will be sufficient to ensure that the deficit durably stays below the 3% of GDP reference value.
28	(19) In order to allow for a proper interaction between the common Union framework and national budgetary frameworks, the Commission should base its assessment only on nationally financed net primary expenditure developments. Member States should be able to set their national budgetary objectives in terms of a different indicator, such as the structural balance if this is required by their national budgetary framework.	(19) In order to allow for a proper interaction between the common Union framework and national budgetary frameworks, the Commission should base its assessment only on nationally financed net primary expenditure developments. Member States should be able to set their national budgetary objectives in terms of a different indicator, such as the structural balance if this is required by their national budgetary framework.	(19) In order to allow for a proper interaction between the common Union framework and national budgetary frameworks, the Commission should base its assessment only on nationally financed net primary <u>net</u> expenditure developments. Member States should be able to set their national budgetary objectives in terms of a different indicator, such as the structural balance if this is required by their national budgetary framework.
29	(20) The Commission's assessment of the national medium-term fiscal-structural plans should examine in particular the plausibility of the macroeconomic and fiscal assumptions, to the extent that they depart from those underlying the technical trajectory. In particular, the debt projections at unchanged	(20) The Commission's assessment of the national medium-term fiscal-structural plans should examine in particular the plausibility of the macroeconomic and fiscal assumptions, to the extent that they depart from those underlying the technical trajectory. In particular, the debt projections at unchanged policy to be included in the plan	(20) The Commission's assessment of the national medium-term fiscal-structural plans should examine in particular the plausibility of the macroeconomic and fiscal assumptions, to the extent that they depart <u>differ</u> from those underlying the technical trajectory. In particular, the debt projections at

	Commission Proposal	EP Mandate	Council Mandate
	policy to be included in the plan should be consistent and comparable with the Commission projections.	should be consistent and comparable with the Commission projections.	unchanged policy to be included in the plan should be consistent and comparable with the Commission projections.
30	(21) In order to ensure the implementation of the medium-term fiscal-structural plans, the Commission and the Council should monitor the reform and investment commitments made in these plans under the European Semester, based on the annual progress reports submitted by the Member States, and in accordance with the provisions of Articles 121 and 148 TFEU. To that effect, they should engage in a European Semester dialogue with the European Parliament.	(21) In order to ensure the implementation of the medium-term fiscal-structural plans, the Commission and the Council should monitor the reform and investment commitments made in these plans under the European Semester, based on the annual progress reports submitted by the Member States, and in accordance with the provisions of Articles 121 and 148 TFEU. To that effect, they should engage in a European Semester dialogue with the European Parliament <u>and a medium-term structural-fiscal plan dialogue with the competent committee of the European Parliament. The Commission should take into account elements arising from the views expressed through those dialogues.</u>	(21) In order to ensure the implementation of the medium-term fiscal-structural plans, the Commission and the Council should monitor the reform and investment commitments <u>reforms and investments</u> made in these plans under the European Semester, based on the annual progress reports submitted by the Member States, and in accordance with the provisions of Articles 121 and 148 TFEU. To that effect, they should engage in a European Semester dialogue with the European Parliament.
30a		<u>(21a) The European Parliament should be duly involved in a</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>regular and structured way in the European Semester. The Council and the Commission should regularly report to the European Parliament on the application of this Regulation and include in their reports the results of the multilateral surveillance carried out pursuant to this Regulation. In order to ensure transparency and accountability in the application of this Regulation, the Commission should transmit, subject to appropriate confidentiality arrangements where necessary, relevant documents and information simultaneously and on equal terms to the European Parliament and to the Council, such as the medium-term fiscal-structural plans submitted by Member States and the proposed net expenditure path, the debt sustainability assessments and an overview of the Commission's preliminary findings concerning the progress in the implementation of the plans.</u>	
31	(22) To ensure a more gradual debt reduction, the adjustment	(22) To ensure a more gradual debt reduction, the adjustment	(22) To ensure a more gradual debt reduction, the adjustment

	Commission Proposal	EP Mandate	Council Mandate
	period can be extended by a maximum of 3 years if the Member State underpins its medium-term fiscal-structural plan with a set of verifiable and time-bound reforms and investment that, taken altogether: are growth-enhancing, support fiscal sustainability, address the common priorities of the Union, address relevant country-specific recommendations addressed to the Member State under the European Semester, and address the country-specific investment priorities without leading to cuts in other nationally financed public investment over the adjustment period in order to ensure a macroeconomic impact of investments and avoid crowding out of other investment priorities.	period can be extended by a maximum of 3 years if the Member State underpins its medium-term fiscal-structural plan with a set of verifiable and time-bound reforms and investment that, taken altogether <u>as a rule: are growth and resilience-enhancing</u>; are growth-enhancing; support fiscal sustainability; address the common priorities of the Union, address relevant country-specific recommendations addressed to the Member State under the European Semester, and address the country-specific investment priorities without leading to cuts in other nationally financed public investment over the adjustment period in order to ensure a macroeconomic impact of investments and avoid crowding out of other investment priorities. <u>If duly justified, a Member State may be allowed to address several but not all of those criteria with regard to its set of reforms and investments underpinning an extension of the adjustment period.</u>	period can be extended by a maximum of 3 years if the Member State underpins its medium-term fiscal-structural plan with a set of verifiable and time-bound reforms and investment <u>investments</u> that, taken altogether; are growth-enhancing; support fiscal sustainability; address the common priorities of the Union; address relevant country-specific recommendations addressed to the Member State under the European Semester, and address <u>including, where applicable, recommendations issued under the Macroeconomic Imbalances Procedure, as well as</u> the country-specific investment priorities without leading to cuts in other <u>a reduction in the level of</u> nationally financed public investment over the adjustment period in order to ensure a macroeconomic impact of investments and avoid crowding out of other investment priorities <u>of the plan, compared to the medium-term level before the start of the plan.</u>
32	(23) With a view to ensuring an	(23) With a view to ensuring an	(23) With a view to ensuring an <u>a</u>

	Commission Proposal	EP Mandate	Council Mandate
	equitable and transparent process, the reform and investment commitments should be assessed using a common Union framework. During the lifetime of the Recovery and Resilience Facility, commitments in the national Recovery and Resilience Plans can be considered in the assessment of the request for an extension of the adjustment period, where applicable. The set of reforms and investments underpinning an extension of the fiscal adjustment path period should be commensurate with the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor and challenges to medium-term growth in the Member State. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the set of reforms and investments is expected to also address bottlenecks to medium-term growth.	equitable and transparent process, the reform and investment commitments should be assessed using a common Union framework. During the lifetime of the Recovery and Resilience Facility, commitments in the national Recovery and Resilience Plans can be considered in the assessment of the request <u>should be consistent with the set of reforms and investments</u> for an extension of the adjustment period, where applicable. The set of reforms and investments underpinning an extension of the fiscal adjustment path period should be commensurate with the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor and challenges to medium-term growth in the Member State, <u>including demographic challenges</u>. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the set of reforms and investments is expected to also address bottlenecks to medium-term growth.	<u>multilateral</u>, equitable and transparent process, the reform and investment commitments should be assessed using a common Union framework. During the lifetime of the Recovery and Resilience Facility, commitments in the national Recovery and Resilience Plans can be considered in the assessment of the request for an extension of the adjustment period, where applicable. The set of reforms and investments underpinning an extension of the fiscal adjustment path period should be commensurate with the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor and challenges to medium-term growth in the Member State. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the <u>assessed to fulfil, taken altogether, a</u> set of reforms and investments is expected to also address bottlenecks to medium-term growth <u>common criteria</u>.

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32a			<u>(23a) Where Recovery and Resilience Plans include ambitious reforms and investments, in particular with regards to economic growth and fiscal sustainability over the medium term, they should be considered to comply with the requirements for the extension of the adjustment period pursuant of Article 13.</u>
33	(24) The set of reform and investment commitments put forward in the national medium-term fiscal-structural plans should be aligned with common priorities of the Union. That set of reform and investment commitments should also be consistent with the implementation of the national strategies put forward by the Member State concerned to address the relevant Union priorities. Where relevant, during the lifetime of the Recovery and Resilience Facility, cross-references to the Recovery and Resilience Plans should be made to ensure policy consistency.	(24) The set of reform and investment commitments put forward in the national medium-term fiscal-structural plans should be aligned with <u>actively contribute to the</u> common priorities of the Union. <u>The Commission should pay particular attention to that contribution when assessing the net expenditure path proposed by the Member State.</u> That set of reform and investment commitments should also be consistent with the implementation of the national strategies put forward by the Member State concerned to address the relevant Union priorities. Where relevant <u>and with the Recovery and</u>	(24) The set of reform and investment commitments <u>reforms and investments</u> put forward in the national medium-term fiscal-structural plans should be aligned with common priorities of the Union, <u>including achieving a fair, green and digital transition, ensuring energy security, strengthening social and economic resilience and, where necessary, the build-up of defence capabilities.</u> That set of reform and investment commitments <u>reforms and investments</u> should also be consistent with the implementation of the national strategies put forward by the Member State concerned to address the

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		<u>Resilience Plans</u> , during the lifetime of the Recovery and Resilience Facility, cross-references to the Recovery and Resilience Plans should be made to ensure policy consistency <u>and with any Union investment instruments that address the common priorities of the Union or serve the same purpose as the Recovery and Resilience Facility.</u>	relevant <u>aforementioned</u> Union priorities. Where relevant, during the lifetime of the Recovery and Resilience Facility, cross-references to the Recovery and Resilience Plans should be made to ensure policy consistency.
33a			<u>(24a) With a view to fostering growth-friendly fiscal consolidation strategies, the impact of investments and reforms commitments, once implemented within the medium-term fiscal-structural plans, will be duly taken into account in the design of subsequent plans. Particular attention should be paid to the impact on fiscal sustainability through future public revenues, expenditures and potential growth, as well as the contribution to common priorities, based on sound and data-driven economic evidence.</u>
34			

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	(25) Where the verifiable and time-bound set of reform and investment commitments underpinning the more gradual net expenditure path is not met within the specified deadline, the Council, on a recommendation from the Commission, can recommend that adjustment be steepened, that is to say by shortening the extension of the net expenditure path.	(25) Where the verifiable and time-bound set of reform and investment commitments underpinning the more gradual net expenditure path is not met within the specified deadline, the Council, on a recommendation from the Commission, can recommend that adjustment be steepened, that is to say by shortening the extension of the net expenditure path.	(25) Where the verifiable and <u>a Member State fails to satisfactorily comply with the</u> time-bound set of reform and investment commitments <u>reforms and investments</u> underpinning the more gradual net expenditure path is not met within the specified deadline, the Council, on a recommendation from the Commission, can recommend that adjustment be steepened <u>to shorten the extension of the net expenditure path</u> , that is to say by shortening the extension of the net expenditure path <u>to steepen the annual adjustment effort, unless there are objective circumstances preventing implementation by the initially foreseen deadline.</u>
35	(26) To inform enforcement actions, in particular a report under Article 126(3) TFEU, the Commission should set up a control account for each Member State to keep track of annual deviations of the net expenditure observed in the Member State from the net expenditure path set by the Council, summing those deviations over time.	(26) To inform enforcement actions, in particular a report under Article 126(3) TFEU, the Commission should set up a control account for each Member State to keep track of annual deviations of the net expenditure observed in the Member State from the net expenditure path set by the Council, summing those deviations over time. <u>A Member State should</u>	(26) To inform enforcement actions, in particular a report under Article 126(3) TFEU, The Commission should set up a control account for each Member State to keep track of annual <u>and cumulative upward and downward</u> deviations of the net expenditure observed in the Member State from the net expenditure path set by the Council, summing those. <u>The</u>

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		<i><u>be deemed not to be in compliance with its net expenditure path where the cumulated balance of the control account during the adjustment period is higher than 1% of GDP in the years of positive GDP growth. For certain strategic investments that address the common priorities of the Union, and that have added value for the Union as a whole, the Commission should be able to exceptionally allow Member States to exceed the reference value in the control account, for example in exceptional cases where investment costs increase due to unforeseen circumstances or where the need to make additional strategic investments arises during the adjustment period. Any deviation from the reference value can be granted by the Commission for a period of up to 5 years per request.</u></i>	<i><u>control account shall not record deviations over time while escape clauses remain activated.</u></i>
35a		<i><u>(26a) A dedicated scoreboard should be established by way of a delegated act to display the progress of the implementation of the medium-term fiscal-structural plans of the Member States. The</u></i>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>scoreboard should be operational by June 2024 and should be updated by the Commission twice a year.</i></u>	
36	(27) Independent fiscal institutions have proven their capacity to foster fiscal discipline and strengthen the credibility of Member States' public finances. In order to enhance national ownership, the role of independent fiscal institutions, traditionally mandated to monitor compliance with the national framework, should be expanded to the economic governance framework of the Union.	(27) Independent fiscal institutions have proven their capacity to foster fiscal discipline and strengthen the credibility of Member States' public finances. In order to enhance national ownership, the role of independent fiscal institutions, traditionally mandated to monitor compliance with the national framework, should be expanded to the economic governance framework of the Union.	(27) Independent fiscal institutions have proven their capacity to foster fiscal discipline and strengthen the credibility of Member States' public finances. In order to enhance national ownership, the role of independent fiscal institutions, traditionally mandated to monitor compliance with the national framework, should be expanded to the <u><i>maintained in the reformed</i></u> economic governance framework of the Union.
36a		<u><i>(27a) The Commission should establish a European Fiscal Board (EFB) as an independent expert group to advise on the Union's economic policy coordination.</i></u>	<u><i>(27a) A permanent and more independent European Fiscal Board should play a stronger advisory role in the economic governance framework of the Union. It should continue to evaluate the implementation of the Stability and Growth Pact, assess the prospective fiscal stance for the euro area as a whole, and provide advice to the Commission</i></u>

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			<u>and the Council, while respecting the Commission's role and prerogatives established in the Treaties. Its independence and access to information should be improved. The Council should be consulted in the appointment process of the Chair and Members of the Board. The appointments should, to the extent possible, ensure an appropriate geographical and gender balance.</u>
37	(28) When providing an opinion on the draft budgetary plans submitted pursuant to Article 6 of Regulation (EU) No 473/2013 of the European Parliament and of the Council¹, the Commission should assess if the draft budgetary plans are consistent with the net expenditure paths pursuant to this Regulation. ¹. 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).	(28) When providing an opinion on the draft budgetary plans submitted pursuant to Article 6 of Regulation (EU) No 473/2013 of the European Parliament and of the Council¹, the Commission should assess if the draft budgetary plans are consistent with the net expenditure paths pursuant to this Regulation. ¹. 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).	(28) When providing an opinion on the draft budgetary plans submitted pursuant to Article 6 of Regulation (EU) No 473/2013 of the European Parliament and of the Council¹, the Commission should assess if the draft budgetary plans are consistent with the net expenditure paths pursuant to this Regulation. ¹. 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).

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38	(29) Particular attention should be given to significant risks of divergences of budgetary positions from the net expenditure path set by the Council. Therefore it is appropriate to complement the multilateral surveillance procedure set out in Article 121(3) and (4) TFEU with an early warning system whereby the Commission pursuant to Article 121(4) TFEU alerts a Member State at an early stage about the need to take the necessary budgetary corrective action in order to prevent its government deficit becoming excessive. Moreover, in the event of persistent budgetary slippage the Council should reinforce its recommendation and make it public.	(29) Particular attention should be given to significant risks of divergences of budgetary positions from the net expenditure path set by the Council. Therefore it is appropriate to complement the multilateral surveillance procedure set out in Article 121(3) and (4) TFEU with an early warning system whereby the Commission pursuant to Article 121(4) TFEU alerts a Member State at an early stage about the need to take the necessary budgetary corrective action in order to prevent its government deficit becoming excessive. Moreover, in the event of persistent budgetary slippage the Council should reinforce its recommendation and make it public.	(29) Particular attention should be given to significant risks of divergences of budgetary positions from the net expenditure path set by the Council. Therefore it is appropriate to complement the multilateral surveillance procedure set out in Article 121(3) and (4) TFEU with an early warning system whereby the Commission pursuant to Article 121(4) TFEU alerts a Member State at an early stage about the need to take the necessary budgetary corrective action in order to prevent its government deficit becoming excessive. Moreover, in the event of persistent budgetary slippage the Council should reinforce its recommendation and make it public.
39	(30) In case of major shocks to the euro area or the Union as a whole, it is necessary to have a general escape clause to be able to deal with a severe economic downturn in the euro area or the Union as a whole by allowing for a deviation from the net expenditure path provided that it does not endanger	(30) In case of major shocks to the euro area or the Union as a whole, it is necessary to have a general escape clause to be able to deal with a severe economic downturn in the euro area or the Union as a whole by allowing for a deviation from the net expenditure path provided that it does not endanger	(30) In case of major shocks to the euro area or the Union as a whole, it is necessary to have a general escape clause to be able to deal with a severe economic downturn in the euro area or the Union as a whole by allowing for a deviation from the net expenditure path provided that it does not endanger

	Commission Proposal	EP Mandate	Council Mandate
	fiscal sustainability in the medium term.	fiscal sustainability in the medium term.	fiscal sustainability in the medium term. <u><i>The triggering and extension of the general escape clause is to be subject to a Council recommendation, which it should endeavour to adopt within four weeks upon a Commission recommendation. At the request of the Council, the European Fiscal Board may deliver an opinion on the extension of general escape clause.</i></u>
40	(31) There should also be a country-specific escape clause to allow a deviation from the net expenditure path provided that it does not endanger fiscal sustainability in the medium term in the case of exceptional circumstances, such as unpredictable exogenous events that could not have been prevented and that require counter-cyclical fiscal measures, outside the control of the Member State which have a major impact on the public finances of the Member State. Such major impact should result in an overall size of the shock that exceeds a ‘normal’ range: for example costs of natural disasters	(31) There should also be a country-specific escape clause to allow a deviation from the net expenditure path provided that it does not endanger fiscal sustainability in the medium term in the case of exceptional circumstances, such as unpredictable exogenous events that could not have been prevented and that require counter-cyclical fiscal measures, outside the control of the Member State which have a major impact on the public finances of the Member State. Such major impact should result in an overall size of the shock that exceeds a ‘normal’ range: for example costs of natural disasters.	(31) There should also be a country-specific escape clause to allow a deviation from the net expenditure path provided that it does not endanger fiscal sustainability in the medium term in the case of exceptional circumstances, such as unpredictable exogenous events that could not have been prevented and that require counter-cyclical fiscal measures, outside the control of the Member State which have a major impact on the public finances of the Member State. Such major impact should result in an overall size of the shock that exceeds a ‘normal’ range: for example costs of natural disasters

	Commission Proposal	EP Mandate	Council Mandate
	should be factored in in budgetary planning within a certain range. The triggering and extension of general and country-specific escape clauses are subject to a Council recommendation.	<u>The assessment of whether fiscal sustainability is endangered for the application of both the general and country-specific escape clauses</u> should be factored in in budgetary planning within a certain range<u>based on a quantitative and qualitative analysis by the Commission</u>. The triggering and extension of general and country-specific escape clauses are subject to a Council recommendation.	should be factored in in budgetary planning within a certain range. The triggering and extension of general and country-specific escape clauses are subject to a Council recommendation<u>The triggering and extension of country-specific escape clauses is to be subject to a Council recommendation, which it should endeavour to adopt within four weeks upon a Commission recommendation, taking into account a possible request by the Member State concerned. At the request of the Council, the relevant independent fiscal institution may deliver an opinion on the extension.</u>
41	(32) This Regulation is part of a package together with Council Directive [XXX amending 2011/85/EU] and Council Regulation [XXX amending Council Regulation (EC) No 1467/97]. Together, they establish a reformed Union economic governance framework that incorporates into Union law the substance of Title III ‘Fiscal Compact’ of the Treaty on	(32) This Regulation is part of a package together with Council Directive [XXX amending 2011/85/EU] and Council Regulation [XXX amending Council Regulation (EC) No 1467/97]. Together, they establish a reformed Union economic governance framework that incorporates into Union law the substance of Title III ‘Fiscal Compact’ of the Treaty on	(32) This Regulation is part of a package together with Council Directive [XXX amending 2011/85/EU] and Council Regulation [XXX amending Council Regulation (EC) No 1467/97]. Together, they establish a reformed Union economic governance framework that incorporates into Union law the substance of Title III ‘Fiscal Compact’ of the Treaty on

	Commission Proposal	EP Mandate	Council Mandate
	Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union¹, in accordance with Article 16 thereof. By building on the experience with the implementation of the TSCG by the Member States, the proposed legislative package retains the Fiscal Compact's medium-term orientation as a tool to achieve budgetary discipline and growth promotion. The package includes a strengthened country-specific dimension aimed at enhancing national ownership, including by means of a stronger role for Independent Fiscal Institutions, which draws essentially on the Fiscal Compact's common principles proposed by the Commission² in accordance with Article 3(2) of the TSCG. The analysis of expenditure net of discretionary revenue measures for the overall assessment of compliance required by the Fiscal Compact is set out in this Regulation. As in the Fiscal Compact, temporary deviations from the medium-term plan are allowed only in exceptional circumstances in this Regulation. In a similar vein to the Fiscal Compact, in case of significant	Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union¹, in accordance with Article 16 thereof. By building on the experience with the implementation of the TSCG by the Member States, the proposed legislative package retains the Fiscal Compact's medium-term orientation as a tool to achieve budgetary discipline and growth promotion. The package includes a strengthened country-specific dimension aimed at enhancing national ownership, including by means of a stronger role for Independent Fiscal Institutions, which draws essentially on the Fiscal Compact's common principles proposed by the Commission² in accordance with Article 3(2) of the TSCG. The analysis of expenditure net of discretionary revenue measures for the overall assessment of compliance required by the Fiscal Compact is set out in this Regulation. As in the Fiscal Compact, temporary deviations from the medium-term plan are allowed only in exceptional circumstances in this Regulation. In a similar vein to the Fiscal Compact, in case of significant	Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union¹, in accordance with Article 16 thereof. By building on the experience with the implementation of the TSCG by the Member States, the proposed legislative package retains the Fiscal Compact's medium-term orientation as a tool to achieve budgetary discipline and growth promotion. The package includes a strengthened country-specific dimension aimed at enhancing national ownership, including by means of a stronger <u>role for maintaining the role of</u> independent fiscal institutions, which draws essentially on the Fiscal Compact's common principles proposed by the Commission² in accordance with Article 3(2) of the TSCG. The analysis of expenditure net of discretionary revenue measures for the overall assessment of compliance required by the Fiscal Compact is set out in this Regulation. As in the Fiscal Compact, temporary deviations from the medium-term plan are allowed only in exceptional circumstances in <u>accordance with Articles 24 and 25 in</u> this

	Commission Proposal	EP Mandate	Council Mandate
	deviations from the medium-term plan, measures should be implemented to correct the deviations over a defined period of time. The package strengthens fiscal surveillance and enforcement procedures to deliver on the commitment of promoting sound and sustainable public finances and sustainable and inclusive growth. The economic governance framework reform, thus, retains the fundamental objectives of budgetary discipline and debt sustainability set out in the TSCG. 1. Treaty on Stability, Coordination and Governance in the Economic and Monetary Union of 2 March 2012. 2. Communication COM(2012) 342 final of 20 June 2012 from the Commission ‘Common principles on national fiscal correction mechanisms.	deviations from the medium-term plan, measures should be implemented to correct the deviations over a defined period of time. The package strengthens fiscal surveillance and enforcement procedures to deliver on the commitment of promoting sound and sustainable public finances and sustainable and inclusive growth. The economic governance framework reform, thus, retains the fundamental objectives of budgetary discipline and debt sustainability set out in the TSCG. 1. Treaty on Stability, Coordination and Governance in the Economic and Monetary Union of 2 March 2012. 2. Communication COM(2012) 342 final of 20 June 2012 from the Commission ‘Common principles on national fiscal correction mechanisms.	Regulation <u>and in line with the provisions on the control account</u>. In a similar vein to the Fiscal Compact, in case of significant deviations from the medium-term plan, measures should be implemented to correct the deviations over a defined period of time. The package strengthens fiscal surveillance and enforcement procedures to deliver on the commitment of promoting sound and sustainable public finances and sustainable and inclusive growth. The economic governance framework reform, thus, retains the fundamental objectives of budgetary discipline and debt sustainability set out in the TSCG. 1. Treaty on Stability, Coordination and Governance in the Economic and Monetary Union of 2 March 2012. 2. Communication COM(2012) 342 final of 20 June 2012 from the Commission ‘Common principles on national fiscal correction mechanisms.
42	(33) In order to ensure effective implementation and appropriate monitoring of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be	(33) In order to ensure effective implementation and appropriate monitoring of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be	(33) In order to ensure effective implementation and appropriate monitoring of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be

	Commission Proposal	EP Mandate	Council Mandate
	delegated to the Commission in respect of: the information to be provided by Member States in their medium-term fiscal-structural plans, the information to be provided by Member States in their annual progress reports, the functioning of the control account, the methodology to assess plausibility by the Commission, drawing up of the list of common Union priorities and the assessment framework for the set of reform and investment commitments underpinning an extension of the fiscal adjustment period. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert	delegated to the Commission in respect of: the information to be provided by Member States in their medium-term fiscal-structural plans, the information to be provided by Member States in their annual progress reports, the functioning of the control account<u>methodology for debt sustainability analysis</u>, the methodology to assess plausibility by the Commission, drawing up of the list of common Union priorities<u>that the projected public debt ratio is on a downward path leading to sustainable debt reduction or remains at a prudent level, the implementation of a scoreboard</u> and the assessment framework for the set of reform and investment commitments underpinning an extension of the fiscal adjustment period. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹. In particular, to ensure equal participation in the	delegated to the Commission in respect of: the information to be provided by Member States in their medium-term fiscal-structural plans,the information to be provided by Member States <u>and</u> in their annual progress reports,the functioning of the control account, the methodology to assess plausibility by the Commission, drawing up of the list of common Union priorities and the assessment framework for the set of reform and investment commitments underpinning an extension of the fiscal adjustment period. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to

	Commission Proposal	EP Mandate	Council Mandate
	groups dealing with the preparation of delegated acts. 1. OJ L 123, 12.5.2016, p. 1.	preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. 1. OJ L 123, 12.5.2016, p. 1.	meetings of Commission expert groups dealing with the preparation of delegated acts <u>will be detailed in a Code of Conduct.</u> 1. OJ L 123, 12.5.2016, p. 1.
42a		<u>(33a) A methodology for debt sustainability analysis should be adopted by means of a delegated act no later than 12 months after the entry into force of this Regulation. For that purpose, the Commission should identify factors that are relevant to assessing the sustainability of debt. For the first year in which the Member States are required to submit their medium-term fiscal-structural plans, the basis for the underlying medium-term public debt projection framework should be the 2022 Debt Sustainability Monitor.</u>	
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	Commission Proposal	EP Mandate	Council Mandate
	(34) The multilateral surveillance should be based on high quality and independent statistics produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council¹, 1. Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).	(34) The multilateral surveillance should be based on high quality and independent statistics produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council¹, 1. Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).	(34) The Multilateral surveillance should be based on high quality and independent statistics produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council¹, 1. Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).
44	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:
45	CHAPTER I SUBJECT-MATTER AND DEFINITIONS	CHAPTER I SUBJECT-MATTER AND DEFINITIONS	CHAPTER I SUBJECT-MATTER AND DEFINITIONS
46	Article 1	Article 1	Article 1

	Commission Proposal	EP Mandate	Council Mandate
	Subject-matter	Subject-matter	Subject-matter
47	This Regulation sets out rules ensuring effective coordination of economic policies of the Member States, thereby supporting the achievement of the Union's objectives for growth and employment.	This Regulation sets out rules ensuring effective coordination of economic policies of the Member States, thereby supporting the achievement of the Union's objectives for <u>sustainable and inclusive</u> growth, quality-and employment <u>and competitiveness</u> .	This Regulation sets out rules ensuring effective coordination of <u>sound</u> economic policies of the Member States, thereby supporting the achievement of the Union's objectives for <u>inclusive</u> growth and employment.
48	It lays down detailed rules concerning the content, submission, assessment and monitoring of national medium-term fiscal-structural plans as part of multilateral budgetary surveillance by the Council and the Commission so as to promote debt sustainability and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits, by medium-term planning.	It lays down detailed rules concerning the content, submission, assessment and monitoring of national medium-term fiscal-structural plans as part of multilateral budgetary surveillance by the Council and the Commission, <u>with the involvement of the European Parliament</u> , so as to promote debt sustainability, <u>investments and reforms, common priorities of the Union</u> , and sustainable and inclusive growth <u>and resilience</u> in the Member States and <u>to</u> prevent the occurrence of excessive government deficits, by medium-term planning <u>ensuring consistency within the Union</u> ,	It lays down detailed rules concerning the content, submission, assessment and monitoring of national medium-term fiscal-structural plans as part of multilateral budgetary surveillance by the Council and the Commission so as to promote debt sustainability <u>sound</u> and sustainable and public finances , inclusive growth in the Member States <u>and resilience through reforms and investments</u> and prevent the occurrence of excessive government deficits, by medium-term planning .

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		<u>including the euro area.</u>	
49	Article 2 Definitions	Article 2 Definitions	Article 2 Definitions
50	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:
51	(1) ‘country-specific recommendation’ means the annual guidance by the Council to a Member State on economic, budgetary, employment and structural policies in accordance with Articles 121 and 148 of the Treaty on the Functioning of the European Union (TFEU);	(1) ‘country-specific recommendation’ means the annual guidance by the Council to a Member State on economic, budgetary, employment and structural policies in accordance with Articles 121 and 148 of the Treaty on the Functioning of the European Union (TFEU);	(1) <u>‘country-specific recommendation’ means the annual guidance <u>annually addressed</u> by the Council to a Member State on economic, budgetary, employment and structural policies in accordance with Articles 121 and 148 of the Treaty on the Functioning of the European Union (TFEU);</u>
52	(2) ‘net expenditure’ means government expenditure net of interest expenditure, discretionary revenue measures and other budgetary variables outside the control of the government as set	(2) <u>‘net expenditure’ means government expenditure net of interest expenditure, discretionary revenue measures, <u>expenditure on programmes of the Union fully matched by Union funds revenue,</u></u>	(2) ‘net expenditure’ means government expenditure net of interest expenditure, discretionary revenue measures, <u>expenditure on programmes of the Union fully matched by revenue from Union</u>

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	out in Annex II, point (a);	<u>national expenditure on co-financing of programmes funded by the Union capped at a limit of 0,25% of GDP, cyclical elements of unemployment benefit expenditure, and costs related to the borrowing of funds for the loans related to the national Recovery and Resilience Facility Plans</u> and other budgetary variables outside the control of the government as set out in Annex II, point (a);	<u>funds, cyclical elements of unemployment benefit expenditure, and one-offs and other temporary measures</u> and other budgetary variables outside the control of the government as set out in Annex II, point (a);
53	(3) ‘technical trajectory’ means the net expenditure trajectory put forward by the Commission to provide guidance to Member States with public debt above the 60% of gross domestic product (GDP) reference value or government deficit above the 3% of GDP reference value when drawing up their national medium-term fiscal-structural plans;	(3) ‘ technical <u>reference</u> trajectory’ means the net expenditure trajectory put forward by the Commission to provide guidance to for each Member States <u>State</u> with public debt above the 60% of gross domestic product (GDP) reference value or government deficit above the 3% of GDP reference value, <u>the net expenditure trajectory put forward by the Commission, following an optional presentation of a proposal by each Member State concerned and the dialogue referred to in Article 7(1a)</u> when drawing up their national medium-term fiscal-structural plans;	(3) ‘technical trajectory’ means the <u>multiannual</u> net expenditure trajectory put forward by the Commission to provide guidance to <u>frame the dialogue with</u> Member States with public debt above <u>where government debt exceeds</u> the 60% of gross domestic product (GDP) <u>Treaty</u> reference value or <u>where the</u> government deficit above <u>exceeds</u> the 3% of GDP <u>Treaty</u> reference value when drawing up their national medium-term fiscal-structural plans;

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53a			<u>(3a) ‘technical information’ means the guidance put forward by the Commission upon request to Member States with government debt not exceeding the 60% of GDP Treaty reference value and government deficit not exceeding the 3% of GDP Treaty reference value before Member States draw up their national medium-term fiscal-structural plans;</u>
54	(4) ‘net expenditure path’ means the multi-annual trajectory for net expenditure of a Member State as set by the Council;	(4) ‘net expenditure path’ means the multi-annual trajectory for net expenditure of a Member State as set by the Council;	(4) ‘net expenditure path’ means the multi-annual trajectory for net expenditure of a Member State as set by the Council;
55	(5) ‘national medium-term fiscal-structural plan’ means the document containing the fiscal, reform and investment commitments of a Member State;	(5) ‘national medium-term fiscal-structural plan’ means the document containing the fiscal, reform and investment commitments of a Member State;	(5) ‘national medium-term fiscal-structural plan’ means the document containing the fiscal, reform and investment commitments of a Member State, <u>covering a planning horizon of 4 years or 5 years depending on the regular length of the national legislature;</u>

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56	(6) ‘annual progress report’ means the document of a Member State reporting on the implementation of the net expenditure path, and of the reforms and investment commitments included in its national medium-term fiscal-structural plan;	(6) ‘annual progress report’ means the document of a Member State reporting on the implementation of the <u>national medium-term fiscal-structural plan, including its</u> net expenditure path, and of the reforms and the reform and investment commitments included in its national medium-term fiscal-structural plan ;	(6) ‘annual progress report’ means the document of a Member State reporting on the implementation of the <u>national medium-term fiscal-structural plan, including the</u> net expenditure path, and of <u>on</u> the reforms and investment commitments included in its national medium-term fiscal-structural plan ; <u>investments</u> ;
57	(7) ‘adjustment period’ means the period of time over which the fiscal adjustment of a Member State takes place, covering a minimum adjustment period of 4 years of the national medium-term fiscal-structural plan and its possible extension;	(7) ‘adjustment period’ means the period of time over which the fiscal adjustment of a Member State takes place, covering a minimum adjustment period of 4 years of the national medium-term fiscal-structural plan and its possible extension;	(7) ‘adjustment period’ means the period of time over which the fiscal adjustment of a Member State takes place, covering a minimum adjustment period of 4 years or, in the case of an extension, a period of 4 years of the national medium-term fiscal-structural plan and its possible extension <u>plus an additional extended period of 3 years at the most</u> ;
58	(8) ‘control account’ means a record of the cumulated deviations of the actual net expenditure in a Member State from the net	(8) ‘control account’ means a record of the cumulated deviations of the actual net expenditure in a Member State from the net	(8) ‘control account’ means a record of the cumulated <u>upward and downward</u> deviations of the actual <u>observed</u> net expenditure in a

	Commission Proposal	EP Mandate	Council Mandate
	expenditure path;	expenditure path;	Member State from the net expenditure path <u>set by the Council</u> ;
59	(9) ‘structural balance’ means the cyclically adjusted general government balance net of temporary measures;	(9) ‘structural balance’ means the cyclically adjusted general government balance net of temporary measures;	(9) ‘structural balance’ means the cyclically adjusted general government balance net of <u>one-off and other</u> temporary measures;
60	(10) ‘structural primary balance’ means the cyclically adjusted general government balance net of temporary measures and net of interest expenditure.	(10) ‘structural primary balance’ means the cyclically adjusted general government balance net of temporary measures and net of interest expenditure.	(10) ‘structural primary balance’ means the cyclically adjusted general government <u>structural</u> balance net of temporary measures <u>and</u> net of interest expenditure.
60a		<u>(10a) ‘projection period’ means the adjustment period plus 10 years.</u>	
61	CHAPTER II EUROPEAN SEMESTER	CHAPTER II EUROPEAN SEMESTER	CHAPTER II EUROPEAN SEMESTER
62	Article 3 The European Semester	Article 3 The European Semester	Article 3 The European Semester

	Commission Proposal	EP Mandate	Council Mandate
63	In order to ensure closer coordination of economic policies and sustained convergence of the economic and social performance of the Member States, the Council and the Commission shall conduct multilateral surveillance within the European Semester in accordance with the objectives and requirements set out in the TFEU. Multilateral surveillance shall rely on high quality and independent statistics, produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council.	In order to ensure closer coordination of economic <u>and relevant social</u> policies and sustained convergence of the economic and social performance of the Member States, the Council and the Commission, <u>with the involvement of the European Parliament in accordance with Article 25a</u> , shall conduct multilateral surveillance within the European Semester in accordance with the objectives and requirements set out in the TFEU. Multilateral surveillance shall rely on high quality and independent statistics, produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council.	In order to ensure closer coordination of economic policies and sustained convergence of the economic and social performance of the Member States, the Council and the Commission shall conduct multilateral surveillance within the European Semester in accordance with the objectives and requirements set out in the TFEU. Multilateral surveillance shall rely on high quality and independent statistics, produced in accordance with the principles laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council.
64	The European Semester shall include:	<u>In order to achieve its overarching aim of ensuring closer coordination of economic, social, budgetary and structural policies and for the purposes of the overall assessment of economic performance</u> , the European Semester shall include:	The European Semester shall include:

	Commission Proposal	EP Mandate	Council Mandate
65	(a) the formulation, and the surveillance of the implementation, of the broad guidelines for the economic policies of the Member States and of the Union in accordance with Article 121(2) TFEU, of country-specific recommendations and of the recommendation on the economic policy of the euro area;	(a) the formulation, and the surveillance of the implementation, of the broad guidelines for the economic policies of the Member States and of the Union in accordance with Article 121(2) TFEU, of country-specific recommendations and of the recommendation on the economic policy of the euro area;	(a) the formulation, and the surveillance of the implementation, of the broad guidelines for the economic policies of the Member States and of the Union in accordance with Article 121(2) TFEU, of country-specific recommendations and of the recommendation on the economic policy of the euro area;
66	(b) the formulation, and the surveillance of the implementation, of the employment guidelines that are to be taken into account by Member States in accordance with Article 148(2) TFEU, including the European Pillar of Social Rights, and of the related country-specific recommendations;	(b) the formulation, and the surveillance of the implementation, of the employment guidelines that are to be taken into account by Member States in accordance with Article 148(2) TFEU, <i>including of</i> the European Pillar of Social Rights <i>and its headline targets</i> , and of the related country-specific recommendations <i>as well as the social scoreboard and its headline and secondary indicators and the Social Convergence Framework to prevent and identify social convergence risks</i> ;	(b) the formulation, and the surveillance of the implementation, of the employment guidelines that are to be taken into account by Member States in accordance with Article 148(2) TFEU, <i>including also considering</i> the European Pillar of Social Rights, and of the related country-specific recommendations;
67	(c) the submission, assessment and endorsement of Member States'	(c) the submission, assessment and endorsement of Member States'	(c) the submission, assessment and endorsement of Member States'

	Commission Proposal	EP Mandate	Council Mandate
	medium-term fiscal-structural plans, as well as their monitoring via the annual progress reports;	medium-term fiscal-structural plans, as well as their monitoring via the annual progress reports;	medium-term fiscal-structural plans, as well as their <u>the</u> monitoring <u>of their implementation</u> via the annual progress reports;
68	(d) the surveillance to prevent and correct macroeconomic imbalances pursuant to Regulation (EU) No 1176/2011;	(d) the surveillance to prevent and correct macroeconomic imbalances pursuant to Regulation (EU) No 1176/2011;	(d) <u>the</u> surveillance to prevent and correct macroeconomic imbalances pursuant to Regulation (EU) No 1176/2011 ² .
69	(e) other multilateral surveillance procedures established by the European Parliament and the Council pursuant to Article 121(6) TFEU.	(e) other multilateral surveillance procedures established by the European Parliament and the Council pursuant to Article 121(6) TFEU.	(e) other multilateral surveillance procedures established by the European Parliament and the Council pursuant to Article 121(6) TFEU.
70	Article 4 Implementation of the European Semester	Article 4 Implementation of the European Semester	Article 4 Implementation of the European Semester
71	1. Where necessary, following the assessment pursuant to this Regulation of the medium-term fiscal-structural plans, the annual progress reports and the socio-	1. Where <u>Whenever</u> necessary, following the assessment pursuant to this Regulation of the medium-term fiscal-structural plans, the annual progress reports and the	1. Where necessary , Following the assessment pursuant to this Regulation of the medium-term fiscal-structural plans, <u>and</u> the annual progress reports, <u>and also</u>

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	economic situation of the Member States concerned, the Council shall, on the basis of recommendations from the Commission, address recommendations to those Member States making full use of the legal instruments provided in Articles 121 and 148 TFEU and related secondary legislation.	socio-economic situation of the Member States concerned, the Council shall, on the basis of recommendations from the Commission, address recommendations to those Member States making full use of the legal instruments provided in Articles 121 and 148 TFEU and related secondary legislation.	considering and the socio-economic situation of the Member States concerned, the Council shall, on the basis of recommendations from the Commission, address recommendations to those Member States making full use of the legal instruments provided in Articles 121 and 148 TFEU and related secondary legislation.
72	2. Member States shall take due account of the broad guidelines for the economic policies of the Member States, of the employment guidelines and of the recommendations referred to in Article 3, second paragraph, points (a) and (b) before taking key decisions in the development of their economic, employment and budgetary policies. Progress shall be monitored by the Commission.	2. Member States shall take due account of the broad guidelines for the economic policies of the Member States, of the employment guidelines and of the recommendations referred to in Article 3, second paragraph, points (a) and (b) before taking key decisions in the development of their economic, <u>social</u> , employment, <u>structural</u> and budgetary policies. Progress shall be monitored by the Commission.	2. Member States shall take due account of the broad guidelines for the economic policies of the Member States, of the employment guidelines and of the recommendations referred to in Article 3, second paragraph, points (a) and (b) before taking key decisions in the development of their economic, employment and budgetary policies. Progress shall be monitored by the Commission.
73	3. Failure by a Member State to act upon the guidance received may result in:	3. Failure by a Member State to act upon the guidance received may result in:	3. Failure by a Member State to act upon the guidance received may result in:

	Commission Proposal	EP Mandate	Council Mandate
74	(a) further country-specific recommendations;	(a) further country-specific recommendations;	(a) further country-specific <u>further</u> recommendations;
75	(b) a warning by the Commission or a recommendation by the Council pursuant to Article 121(4) TFEU;	(b) a warning by the Commission or a recommendation by the Council pursuant to Article 121(4) TFEU;	(b) a warning by the Commission or a recommendation by the Council pursuant to Article 121(4) TFEU;
75a		<u>(ba) a recommendation by the Council in accordance with Article 148(4) TFEU;</u>	
76	(c) measures under this Regulation, Council Regulation (EC) No 1467/97 ¹ or Regulation (EU) No 1176/2011. 1. 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).	(c) measures under this Regulation, Council Regulation (EC) No 1467/97 ¹ or Regulation (EU) No 1176/2011. 1. 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).	(c) <u>measures under this Regulation, Council Regulation (EC) No 1467/97¹³ or Regulation (EU) No 1176/2011.</u> 1. 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). <u>13. 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).</u>
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	Commission Proposal	EP Mandate	Council Mandate
	CHAPTER III THE TECHNICAL TRAJECTORY	CHAPTER III THE TECHNICAL TRAJECTORY	CHAPTER III THE TECHNICAL TRAJECTORY
78	Article 5 Technical trajectory	Article 5 Technical <u>Reference</u> trajectory	Article 5 Technical trajectory
79	For each Member State having a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value, the Commission shall put forward, in a report to the Economic and Financial Committee, a technical trajectory for net expenditure covering a minimum adjustment period of 4 years of the national medium-term fiscal-structural plan, and its possible extension by a maximum of 3 years pursuant to Article 13. The Commission shall make the report public.	For each Member State having a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value, the Commission shall put forward, in a report to the Economic and Financial Committee, a technical <u>European Parliament and the Council, a reference</u> trajectory. <u>For the preparation of the report, the Commission shall consult the Member State concerned including, where applicable, on its proposed reference trajectory, as part of the dialogue referred to in Article 7(1a), while ensuring fair and equal treatment of all Member States.</u> <u>The reference trajectory shall be set in levels of for net expenditure covering and be based on the debt sustainability analysis</u>	For each Member State having a public debt <u>Where the general government debt is</u> above the 60% of GDP <u>Treaty</u> reference value or at the general government deficit above <u>exceeds</u> the 3% of GDP <u>Treaty</u> reference value, the Commission shall put forward, in a report <u>transmit to the Member State concerned and</u> to the Economic and Financial Committee; a technical trajectory for <u>the</u> net expenditure covering a <u>minimum</u> adjustment period of 4 years of the national medium-term fiscal-structural plan, and its possible extension by a maximum of 3 years pursuant to Article 13. The Commission shall make the report public.

	Commission Proposal	EP Mandate	Council Mandate
		<u>methodology as referred to in Article 7(1), point (a), which is publicly available.</u> <u>The reference trajectory shall cover</u> a minimum adjustment period of 4 years of the national medium-term fiscal-structural plan, and its possible extension by a maximum of 3 years pursuant to Article 13. The Commission shall make the report public <u>in accordance with Article 9.</u>	
80	Article 6 Requirements for the technical trajectory	Article 6 Requirements for the technical <u>reference</u> trajectory	Article 6 <u>Risk-based</u> requirements for the technical trajectory
81	The technical trajectory shall ensure that:	The technical <u>reference</u> trajectory shall ensure that:	The technical trajectory shall ensure <u>be risk-based and differentiated for each Member State, ensuring</u> that:
82	(a) the public debt ratio is put or remains on a plausibly downward path, or stays at prudent levels;	(a) the public debt ratio is put or remains on a plausibly downward path, <u>leading to sustainable debt reduction</u> or stays at prudent levels;	(a) <u>by the end of the adjustment period, at the latest, assuming no further budgetary measures, the projected general government</u> the public debt ratio is put or remains on a plausibly downward path, or

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			stays at prudent levels <u>below the 60% GDP Treaty reference value over the medium-term</u> ;
83	(b) the government deficit is brought and maintained below the 3% of GDP reference value;	(b) the government deficit is brought and maintained below the 3% of GDP reference value;	(b) the <u>projected general</u> government deficit is brought and maintained below the 3% of GDP <u>Treaty</u> reference value <u>over the adjustment period and maintained below such reference value over the medium-term assuming no further budgetary measures</u> ;
84	(c) the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(c) the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(c) the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is <u>linear as a rule and</u> at least proportional to the total effort over the entire adjustment period; <u>and</u>
85	(d) the public debt ratio at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and	(d) the public debt ratio <u>stabilises over the adjustment period and is reduced every year over the projection period on average by at least one percentage point of debt to GDP for the Member States with a debt-to-GDP ratio exceeding 90% and at least half a</u>	(d) the public debt ratio at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and <u>there is consistency with the corrective path referred to in Article [X] of Council Regulation (EC) No 1467/97,</u>

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		<u>percentage point for the Member States with a debt-to-GDP ratio of 60% to 90%.</u> at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and	<u>where applicable.</u>
86	(e) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.	(e) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.	(e) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.
86a		<u>If a Member State's government deficit is above 3% while the public debt is below the 60% of GDP reference value, point (d) shall not apply.</u>	
87	The technical trajectories shall be differentiated for each Member State. The criteria for setting the technical trajectories are set out in Annex I.	The technical <u>reference</u> trajectories shall be differentiated for each Member State. The criteria for setting the technical trajectories are set out in Annex I.	The technical trajectories shall be differentiated for each Member State. The criteria for setting the technical trajectories are set out in Annex I.
87a			

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			<u>Article 6a</u> <u>Debt sustainability safeguard</u>
87b			<u>The technical trajectory shall ensure that the projected general government debt-to-GDP ratio decreases by a minimum annual average amount of:</u>
87c			<u>(a) 1 percentage point of GDP as long as the general government debt-to-GDP ratio exceeds 90%;</u>
87d			<u>(b) 0,5 percentage point of GDP as long as the general government debt-to-GDP ratio remains between 60% and 90%.</u>
87e			<u>The average decrease shall be computed from the year before the start of the technical trajectory or the year in which the excessive deficit procedure is projected to be abrogated under Council Regulation (EC) No 1467/97, whichever occurs last, until the</u>

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			<u>end of the adjustment period.</u>
87f			<u>Article 6b</u> <u>Deficit resilience safeguard</u>
87g			<u>1. The Commission technical trajectory, referred to in Article 6, shall ensure that fiscal adjustment continues, where needed, until the Member State reaches a deficit level that provides a common resilience margin in structural terms of 1,5% of GDP relative to the 3% of GDP deficit Treaty reference value.</u>
87h			<u>2. The annual improvement in the structural primary balance to achieve the required margin shall be of 0,4% of GDP, which shall be reduced to 0,25% of GDP in case of an extension of the adjustment period in accordance with Article 13.</u>
88	Article 7	Article 7	Article 7

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	Prior guidance by the Commission	Prior guidance by the Commission <u>The reference trajectory procedure</u>	Prior guidance by the Commission
89	1. By [1 March] of the year [xxxx] in which the Member States have to submit for the first time their medium-term fiscal-structural plans or, as appropriate, within 3 weeks from the request of the Member State to submit a new plan, the Commission shall publish:	1. By [1 March] of the year [xxxx] in which the <u>At least three months before the date for</u> Member States have to submit for the first time their medium-term fiscal-structural plans or, as appropriate, within 3 weeks from the request of the Member State to submit a new plan, the Commission shall publish <u>for the first time and mutatis mutandis thereafter, the Commission shall provide the following information to the European Parliament and the Council:</u>	1. <u>At the latest by 15 January</u> By [1 March] of the year [xxxx] in which the Member States have to submit for the first time their medium-term fiscal-structural plans or, as appropriate <u>pursuant to Article 9 or</u> , within 3 weeks from the request of the Member State to submit a new plan <u>revised plan pursuant to Article 14</u> , the Commission shall publish <u>transmit to the Member State concerned and to the Economic and Financial Committee:</u>
90	(a) the underlying medium-term public debt projection framework and results;	(a) the <u>country-specific</u> underlying medium-term public debt projection framework <u>based on the debt sustainability analysis methodology</u> and results;	(a) the underlying medium-term public debt projection framework and results;
91	(b) its macroeconomic forecast and assumptions;	(b) its <u>country-specific</u> macroeconomic forecast and	(b) its macroeconomic forecast and assumptions;

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		assumptions ² .	
92	(c) the technical trajectory, if required under Article 5, and the corresponding structural primary balance.	(c) the technical trajectory, if required under Article 5, and the corresponding structural primary balance.	(c) the technical trajectory, if required under Article 5, <u>or the technical information, if requested under paragraph 2 of this Article,</u> and the corresponding structural primary balance, <u>including template spreadsheets and other relevant information required to ensure its full replicability.</u>
92a		<u>At least two months before the date for Member States to submit their medium-term fiscal-structural plans, the Commission and the Member State concerned shall hold a dialogue with the objective of ensuring that the reference trajectory complies with Articles 5 and 6. As part of that dialogue, the Member State concerned shall be allowed to present a proposal for a reference trajectory to the Commission, taking into account the information referred in paragraph 1, points (a) and (b). The proposal for a reference trajectory shall be accompanied by an opinion of the</u>	

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		<u>independent fiscal institution of the Member State concerned. However, failure by the independent fiscal institution to deliver such an opinion within a reasonable timeframe shall not prevent the submission of the Member State's proposal for a reference trajectory.</u>	
92b		<u>Where, in the course of the dialogue referred to in the first subparagraph, the Member State concerned chooses not to present a proposal for a reference trajectory or fails to do so in a timely manner, or where the Commission and the Member State concerned are unable to agree on a reference trajectory the Commission shall put forward a reference trajectory meeting the requirements set out in Article 6.</u>	
92c		<u>The Commission shall transmit the reference trajectories to European Parliament and the Council, together with the proposals for reference trajectories by the Member States</u>	

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		<u>and all data, assumptions and calculations underlying those trajectories, in such a way that allows for their replication.</u>	
93	2. For Member States having a government deficit below the 3% of GDP reference value and public debt below the 60% of GDP reference value, the Commission shall provide technical information regarding the structural primary balance necessary to ensure that the headline deficit is maintained below the 3% of GDP reference value without any additional policy measures over a 10-year period after the end of the national medium-term fiscal-structural plan.	2. For Member States having a government deficit below the 3% of GDP reference value and public debt below the 60% of GDP reference value, the Commission shall provide technical information regarding the structural primary balance necessary to ensure that the headline deficit is maintained below the 3% of GDP reference value without any additional policy measures over a 10-year period after the end of the national medium-term fiscal-structural plan.	2. For Member States having a <u>general</u> government deficit below <u>not exceeding</u> the 3% of GDP <u>Treaty</u> reference value and public debt below <u>general government debt not exceeding</u> the 60% of GDP <u>Treaty</u> reference value, the Commission shall provide, <u>at the request of the Member State,</u> technical information regarding the structural primary balance necessary to ensure that the headline deficit is maintained below the 3% of GDP <u>Treaty</u> reference value without any additional policy measures over a 10-year period after the end of the national medium-term fiscal-structural <u>the medium and long-term and indicating whether this implies fiscal adjustment needs. Technical information shall also be consistent with the deficit resilience safeguard referred in Article 6ter during the</u> Plan.

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94	3. The Commission shall update the technical trajectories and the quantitative guidance at least once every 4 years in time for the submission of the next cycle of medium-term fiscal-structural plans.	3. The Commission shall update the technical trajectories and the quantitative guidance at least once every 4 years in time for <u>Each Member State having a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value shall update its proposal for a reference trajectory at least two months before</u> the submission of the next cycle of medium-term fiscal-structural plans.	3. The Commission shall update the technical trajectories and the quantitative guidance at least once every 4 years in time for the submission of the next cycle of medium-term fiscal-structural plans.
95	Article 8 Assessment of plausibility	Article 8 Assessment of plausibility <u>and debt sustainability</u>	Article 8 Assessment of plausibility
96	To assess plausibility that the projected public debt ratio of the Member State concerned is on a downward path or remains at a prudent level, the Commission shall use the methodology referred to in Annex V. The Commission shall make public its analysis of plausibility and the underlying data.	To assess plausibility that the projected public debt ratio of the Member State concerned is on a downward path or remains at a prudent level, the Commission shall use the methodology referred to in Annex V. <u>which, with appropriate fiscal policies, leads to sustainable debt reduction or remains at a prudent level,</u> the	To assess plausibility that the projected public <u>general government</u> debt ratio of the Member State concerned is on a downward path or remains at a prudent level, the Commission shall use the methodology referred to in Annex V. The Commission shall make public its analysis of plausibility and the underlying

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		Commission shall make public its analysis of plausibility and the underlying data. <u>use a replicable, predictable and transparent methodology based on the following conditions:</u>	data <u>adopted by the Council.</u>
96a		<u>(a) public debt ratio declines or stays at prudent levels, under the deterministic scenarios of the Commission's medium-term public debt projection framework, based on debt sustainability analysis methodology;</u>	
96b		<u>(b) the risk of the public debt ratio not decreasing in the 5 years following the adjustment period of the national medium-term fiscal-structural plan is sufficiently low, that risk being assessed with the help of the Commission's stochastic analysis.</u>	
96c		<u>The Commission shall inform the European Parliament and the Council of its analysis of plausibility and the underlying</u>	<u>The Commission shall submit a proposal to the Council for a methodology. After the Economic and Financial Committee has</u>

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		<u>data, subject to confidentiality arrangements where necessary.</u>	<u>delivered an opinion on the Commission's proposal, the Council shall adopt the methodology by means of an implementing decision.</u>
96d		<u>By ... [12 months from the date of entry into force of this Regulation], the Commission shall adopt a delegated act in accordance with Article 33 to supplement this Regulation by defining the methodology for debt sustainability analysis and the methodology for the assessment of plausibility referred to in paragraph 1. Delegated acts shall be sufficiently detailed in the disclosure of models and ranges of variables and assumptions so as to enable replicability of the debt sustainability analysis.</u>	<u>The Commission shall make public its analysis of plausibility and the template spreadsheets containing underlying data as well as other relevant information to ensure replicability of results at the time of the submission of the national medium-term fiscal-structural plan in accordance with Article 9.</u>
96e		<u>For the purpose of the delegated act on debt sustainability analysis, the Commission shall identify the relevant factors to assess the sustainability of debt, taking into consideration, in particular the future evolution of sustainable</u>	

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		<u>growth; interest rates; the level of inflation; liquidity risks; the structure of the debt; contingent liabilities; the potential growth impact of the reforms and investments underpinning the implemented national medium-term fiscal-structural plans, as well as climate risks.</u>	
96f		<u>For the first year in which the Member States are to submit their medium-term fiscal-structural plans, and as long as the delegated act referred to in paragraph 3 is not adopted, the underlying medium-term public debt projection framework shall be based on the most recent update of the Debt Sustainability Monitor.</u>	
97	CHAPTER IV NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS	CHAPTER IV NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS	CHAPTER IV NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS
98	Article 9 Submission of the national	Article 9 Submission of the national	Article 9 Submission of the national

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	medium-term fiscal-structural plans	medium-term fiscal-structural plans	medium-term fiscal-structural plans
99	Each Member State shall submit to the Council and to the Commission a national medium-term fiscal-structural plan before end-April following the entry into force of this Regulation. The Member State concerned and the Commission may agree to extend this deadline by a reasonable period if necessary.	Each Member State shall submit to the Council and to the Commission a national medium-term fiscal-structural plan before end-April following the entry into force of this Regulation. The Member State concerned and the Commission may agree to extend this deadline by a reasonable period if necessary. <u><i>The European Parliament shall, without undue delay, be informed in writing about each extension and the reasons underlying it.</i></u>	Each Member State shall submit to the Council and to the Commission a national medium-term fiscal-structural plan before end-April following the entry into force of this Regulation <u><i>by 30 April of the last year of the plan in force.</i></u> The Member State concerned and the Commission may agree to extend this deadline by a reasonable period if necessary.
99a		<u><i>Each Member State shall submit to the Council and to the Commission a new national medium-term fiscal-structural plan before the end of April of the final year covered by the ongoing medium-term fiscal-structural plan.</i></u>	
99b		<u><i>The national medium-term fiscal-structural plan shall be</i></u>	

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		<u><i>accompanied by an opinion of the independent fiscal institution of the Member State concerned, in particular regarding the fulfilment of the criteria in Article 15 and the assumptions used in the reference trajectory. However, failure by the independent fiscal institution to deliver such an opinion within a reasonable timeframe shall not prevent the submission of the plan by the Member State.</i></u>	
99c		<u><i>Prior to the submission of its national medium-term fiscal-structural plan to the Council and Commission, each Member State shall establish a structured cooperation mechanism to receive contributions to that national medium-term fiscal-structural plan from civil society, social partners, regional authorities and other relevant stakeholders. The recommendations and suggestions submitted in the framework of the structured cooperation mechanism shall be included as an annex to the national medium-term fiscal-structural plans.</i></u>	

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99d		<u>Prior to the submission of its national medium-term fiscal-structural plan to the Council and Commission, each Member State shall debate the draft national medium-term fiscal-structural plan with its national parliament.</u>	
100	The Member State shall make its national medium-term fiscal-structural plan public.	The Member State shall make its national medium-term fiscal-structural plan public <u>upon its submission to the Council and the Commission, along with the reference trajectory and all data, assumptions and documents related to the negotiations used for the reference trajectory.</u>	The Member State shall make its national medium-term fiscal-structural plan public.
101	Article 10 Technical dialogue	Article 10 Technical dialogue	Article 10 Technical dialogue
102	Prior to the submission of its national medium-term fiscal-structural plan, the Member State concerned shall hold with the Commission a technical dialogue, with the objective of ensuring that	Prior to the submission of its national medium-term fiscal-structural plan, the Member State concerned shall hold with the Commission a technical dialogue, with the objective of ensuring that	Prior to the submission of its national medium-term fiscal-structural plan, the Member State concerned shall hold with the Commission a technical dialogue, with the objective of ensuring that

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	the national medium-term fiscal-structural plan complies with Articles 11, 12 and 14.	the national medium-term fiscal-structural plan complies with Articles 11, <u>12, 14 and, where relevant, Article 13. The Commission shall ensure equal treatment of Member States. To ensure transparency and accountability, the Commission shall retain the minutes and all related documents prepared ahead, during and after each technical dialogue until at least the end of the second intended adjustment period. After the submission of the national medium-term fiscal structural plan to the Council and the Commission, the European Parliament shall have access to those documents upon request, subject to confidentiality arrangements, where necessary.</u> 12 and 14.	the national medium-term fiscal-structural plan complies with Articles 11, 12 and 14.
103	Article 11 Content of the national medium-term fiscal-structural plan	Article 11 Content of the national medium-term fiscal-structural plan	Article 11 Content <u>and requirements</u> of the national medium-term fiscal-structural plan
104	The national medium-term fiscal-	The <u>A</u> national medium-term fiscal-	The national medium-term fiscal-

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	structural plan shall provide the information listed in Annex II. In particular, it shall present a net expenditure trajectory covering a period of at least 4 years, as well as the underlying macroeconomic assumptions and the planned fiscal-structural measures in order to demonstrate compliance with the requirements of Article 12.	structural plan shall provide the information listed in Annex II. In particular, it shall present a net expenditure trajectory <u>path, set in the form of nominal targets,</u> covering a period of at least 4 years, as well as the underlying macroeconomic assumptions and the planned fiscal-structural measures in order to demonstrate compliance with the requirements of Article 12.	structural plan shall provide the information listed in Annex II. In particular, it shall present a net expenditure trajectory covering a period of at least 4 years, as well as the underlying macroeconomic assumptions and the planned fiscal-structural measures in order to demonstrate compliance with the requirements of Article 12.;
104a			<u>(a) present a multi-annual net expenditure path, as well as the underlying macroeconomic assumptions and the planned fiscal-structural measures in order to demonstrate compliance with the fiscal requirements of Article 15(2);</u>
104b			<u>(b) include the technical trajectory or the technical information transmitted by the Commission pursuant to Articles 5 and 7(2). Where the national-medium-term fiscal-structural plan includes a higher net expenditure path than in the</u>

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			<u>technical trajectory issued by the Commission pursuant to Article 5, the Member State shall provide in its plan sound and data-driven economic arguments explaining the difference;</u>
104c			<u>(c) explain how it will ensure the delivery of investment and reforms responding to the main challenges identified within the European Semester, in particular in the country-specific recommendations, and to the common priorities of the Union including achieving a fair green and digital transition, ensuring energy security, strengthening social and economic resilience and, where necessary, the build-up of defence capabilities;</u>
104d			<u>(d) describe the action of the Member State concerned to address the country-specific recommendations that are relevant for the Macroeconomic Imbalances Procedure, and the warnings by the Commission, where applicable, or the</u>

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			<u>recommendations by the Council, where applicable, made pursuant to Article 121(4) TFEU;</u>
104e			<u>(e) if applicable, explain how it will ensure the delivery of a relevant set of reforms and investments referred to in Article 13, underpinning an extension of the Member State's adjustment period by 3 years at most;</u>
104f			<u>(f) include the impact of investments and reforms already implemented, paying particular attention to the impact on fiscal sustainability through future public revenues, expenditures and potential growth, based on sound and data-driven economic evidence;</u>
104g			<u>(g) contain information related to the main macroeconomic and budgetary assumptions, implicit and contingent liabilities, expected impact of reforms and investments underpinning the extension of the</u>

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			<u>adjustment period, forecasted level of nationally-financed public investment throughout the planning horizon of the national medium-term fiscal-structural plan and information on the consultations of national parliaments and other relevant stakeholders.</u>
105	The national medium-term fiscal-structural plan shall also describe the actions of the Member State concerned to address the country-specific recommendations, including those that are relevant for the Macroeconomic Imbalances Procedure, and the warnings by the Commission, where applicable, or the recommendations by the Council, where applicable, made pursuant to Article 121(4) TFEU.	The national medium-term fiscal-structural plan shall also describe the actions of the Member State concerned to address the country-specific recommendations, including those that are relevant for the Macroeconomic Imbalances Procedure, and the warnings by the Commission, where applicable, or the recommendations by the Council, where applicable, made pursuant to Article 121(4) TFEU.	The national medium-term fiscal-structural plan shall also describe the actions of the Member State concerned to address the country-specific recommendations, including those that are relevant for the Macroeconomic Imbalances Procedure, and the warnings by the Commission, where applicable, or the recommendations by the Council, where applicable, made pursuant to Article 121(4) TFEU.
106	2. Where the national-medium-term fiscal-structural plan includes a higher net expenditure trajectory than in the technical trajectory issued by the Commission pursuant to Article 5, the Member State shall provide in its plan sound and	2. Where the national-medium-term fiscal-structural plan includes a higher net expenditure trajectory than in the technical trajectory issued by the Commission pursuant to Article 5, the Member State shall provide in its plan sound and	2. Where the national-medium-term fiscal-structural plan includes a higher net expenditure trajectory than in the technical trajectory issued by the Commission pursuant to Article 5, the Member State shall provide in its plan sound and

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	verifiable economic arguments explaining the difference.	verifiable economic arguments explaining the difference.	verifiable economic arguments explaining the difference.
107	Article 12 Requirements	Article 12 Requirements <u>for the national medium-term fiscal-structural plans</u>	Article 12 Requirements
108	The national medium-term fiscal-structural plan shall:	The national medium-term fiscal-structural plan shall:	The national medium-term fiscal-structural plan shall:
109	(a) ensure the fiscal adjustment necessary to put or keep public debt on a plausibly downward path by the end of the adjustment period at the latest, or remain at prudent levels, and to bring and maintain the government deficit below the 3% of GDP reference value over the medium term;	(a) ensure the <u>primary structural</u> fiscal adjustment necessary to put or keep public debt on a plausibly downward path <u>leading to sustainable debt reduction</u> , by the end of the adjustment period at the latest, or remain at prudent levels, and to bring and maintain the government deficit below the 3% of GDP reference value over the medium term;	(a) ensure the fiscal adjustment necessary to put or keep public debt on a plausibly downward path by the end of the adjustment period at the latest, or remain at prudent levels, and to bring and maintain the government deficit below the 3% of GDP reference value over the medium term;
110	(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges	(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges	(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges

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	identified within the European Semester, in the country-specific recommendations, correct the identified macroeconomic imbalances under the Macroeconomic Imbalances Procedure if applicable, and address the common priorities of the Union referred to in Annex VI of this Regulation, including the European Green Deal, European Pillar of Social Rights and the Digital Decade while being consistent with the updated National Energy and Climate Plans and the National Digital Decade Roadmaps;	identified within the European Semester, in the country-specific recommendations <u>and</u> , correct, <u>if applicable</u> , the identified macroeconomic imbalances under the Macroeconomic Imbalances Procedure if applicable, and address the common priorities of the Union referred to in Annex VI of this Regulation, including the European Green Deal, European Pillar of Social Rights and the Digital Decade while being consistent with the updated National Energy and Climate Plans and the National Digital Decade Roadmaps , <u>the warnings by the Commission or the recommendations by the Council made pursuant to Article 121(4) TFEU</u> ;	identified within the European Semester, in the country-specific recommendations, correct the identified macroeconomic imbalances under the Macroeconomic Imbalances Procedure if applicable, and address the common priorities of the Union referred to in Annex VI of this Regulation, including the European Green Deal, European Pillar of Social Rights and the Digital Decade while being consistent with the updated National Energy and Climate Plans and the National Digital Decade Roadmaps;
110a		<u>In addition, the national medium-term fiscal-structural plan shall explain how it will ensure consistency with the broad guidelines for the economic policies of the Member States and with the employment guidelines in accordance with Article 121(2) and Article 148(2) TFEU and, if applicable, prevent social</u>	

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		<u>convergence risks identified within the European Semester in accordance with Article 3, second paragraph, point (b);</u>	
110b		<u>(ba) explain how it will address the following common priorities of the Union:</u>	
110c		<u>(i) the European Green Deal¹, including the transition to climate neutrality by 2050² and the translation at national level through the National Energy and Climate Plans;</u> <u>1. Communication COM(2019) 640 final of 11 December 2019 from the Commission ‘The European Green Deal’ and Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030 (OJ L 114, 12.4.2022, p.22).</u> <u>2. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’).</u>	

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110d		<u>(ii) the European Pillar of Social Rights¹ including the related targets on employment, skills and poverty reduction by 2030;</u> <u>I. (2017/C 428/09) Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).</u>	
110e		<u>(iii) the Digital Decade Policy Programme 2030¹, and reflected at national level through the National Digital Decade Strategic Roadmaps;</u> <u>I. Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 (OJ L 323, 19.12.2022, p. 4).</u>	
110f		<u>(iv) a Strategic Compass for Security and Defence - For a European Union that protects its citizens, values and interests and contributes to international peace and security¹.</u> <u>I. Council of the European Union, COPS 130.</u>	

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110g		<u>(ac) explain how it will ensure consistency with the updated National Energy and Climate Plans, the European Climate Law and the National Digital Decade Roadmaps;</u>	
110h		<u>(ad) assess the national public investment gaps, including to achieve each of the common priorities of the Union referred to in point (ba);</u>	
111	(c) if applicable, explain how it will ensure the delivery of a relevant set of reforms and investments referred to in Article 13, underpinning an extension of the Member State's adjustment period by 3 years at most;	(c) if applicable, explain how it will ensure the delivery of a relevant set of reforms and investments referred to in Article 13, underpinning an extension of the Member State's adjustment period by 3 years at most;	(e) if applicable, explain how it will ensure the delivery of a relevant set of reforms and investments referred to in Article 13, underpinning an extension of the Member State's adjustment period by 3 years at most;
112	(d) explain how it will ensure consistency with the Recovery and Resilience Plan of the Member State concerned during the period	(d) explain how it will ensure consistency <u>and, where appropriate, complementarity,</u> with the Recovery and Resilience	(d) explain how it will ensure consistency with the Recovery and Resilience Plan of the Member State concerned during the period

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	of availability of the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241.	Plan of the Member State concerned during the period of availability of the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241- <u>and with any Union investment instruments that address the Union's common priorities or serve the same purpose as the Recovery and Resilience Facility;</u>	of availability of the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241.
112a		<u>(da) explain how it will ensure consistency and, where appropriate, complementarity with Union funds, in particular with the cohesion policy funds benefiting the Member State concerned.</u>	
113	Article 13 Conditions for an extension of the adjustment period	Article 13 Conditions <u>Requirements</u> for an extension of the adjustment period	Article 13 Conditions for an extension of the adjustment period
114	1. Where a Member State commits to a relevant set of reforms and investments in accordance with the criteria set out in paragraph 2, the adjustment period may be extended	1. Where a Member State commits to a relevant set of reforms and investments in accordance with the criteria set out in paragraph 2, the adjustment period may be extended	1. Where a Member State commits to a relevant set of reforms and investments in accordance with the criteria set out in paragraph 2, the adjustment period may be extended

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	by 3 years at most.	by 3 years at most.	by 3 years at most.
115	The set of reform and investment commitments underpinning an extension of the adjustment period, shall be commensurate with the degree of public debt challenges and challenges to medium-term growth in the Member State concerned.	The set of reform and investment commitments underpinning an extension of the adjustment period, shall be commensurate with the degree of public debt challenges and challenges to medium-term growth in the Member State concerned.	The set of reform and investment commitments underpinning an extension of the adjustment period, shall be commensurate with the degree of public debt challenges and challenges to medium-term growth in the Member State concerned.
116	The set of reforms and investment commitments shall fulfil, taken altogether, the following criteria:	The set of reforms and investment commitments shall fulfil, <u>as a general rule</u> , taken altogether, the following criteria:	The set of reforms and investment commitments <u>underpinning an extension of the adjustment period</u> shall fulfil, taken altogether, the following criteria:
117	(i) be growth enhancing;	(i) be growth <u>and resilience</u> enhancing;	(i) be <u>entail, based on credible and prudent assumptions, an improvement of</u> growth enhancing <u>potential of the economy of the Member State concerned in a sustainable manner</u> ;
118	(ii) support fiscal sustainability;	(ii) support fiscal sustainability;	(ii) support fiscal sustainability, <u>with a structural improvement of</u>

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			<u>public finances over the medium-term, such as reducing public expenditure to GDP ratio or increasing the public revenue to GDP ratio;</u>
119	(iii) address the common priorities of the Union referred to in Annex VI;	(iii) address the the common priorities of the Union referred to in Annex VI <u>Article 12, points (ba) and (bb);</u>	(iii) the address the the common priorities of the Union referred to in Annex VI <u>point c of Article 11;</u>
120	(iv) address relevant country-specific recommendations addressed to the Member State concerned, including, where applicable, recommendations issued under the Macroeconomic Imbalances Procedure;	(iv) address relevant country-specific recommendations addressed to the Member State concerned, including, where applicable, recommendations issued under the Macroeconomic Imbalances Procedure;	(iv) the address relevant country-specific recommendations addressed to the Member State concerned, including, where applicable, recommendations issued under the Macroeconomic Imbalances Procedure;
121	(v) ensure that the overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before the period of that plan.	(v) ensure that the overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before the period of that plan.	(v) ensure that the <u>planned</u> overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before the period of that plan <u>taking into account the scope and scale of the country-specific challenges.</u>

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122	3. Each of the reform and investment commitments underpinning an extension of the adjustment period shall be sufficiently detailed, front-loaded, time-bound and verifiable.	3. Each of the reform and investment commitments underpinning an extension of the adjustment period shall be sufficiently detailed, front-loaded , <u>adequately distributed throughout the period covered by the plan and at the latest by the end of the adjustment period</u> time-bound and verifiable.	3. Each of the reform and investment commitments underpinning an extension of the adjustment period shall be sufficiently detailed, front-loaded, time-bound and verifiable, and <u>shall respect the following criteria:</u>
122a			<u>3a. the description of the reform and investment commitments shall be clear and allow the Commission to assess the criteria in paragraph 2(i) to (v);</u>
122b			<u>3b. the reforms shall be implemented within the planning horizon of the national medium-term fiscal-structural plan;</u>
122c			<u>3c. significant progress in the implementation of the investments shall be achieved at the latest by</u>

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			<u>the end of the adjustment period;</u>
122d			<u>3d. the description of reforms and investments shall include indicators, where relevant, to allow the assessment of their implementation and monitoring.</u>
123	4. During the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, commitments included in the approved Recovery and Resilience Plan of the Member State concerned can be taken into account for an extension of the adjustment period.	4. During the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, <u>The set of reforms and investments for an extension of the adjustment period shall be consistent with</u> commitments included in the approved Recovery and Resilience Plan of the Member State concerned can be taken into account for an extension of the adjustment period <u>during the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, and the Partnership Agreement in Multiannual Financial Framework.</u>	4. During the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, commitments included in the approved Recovery and Resilience Plan of the Member State concerned can be taken into account for an extension of the adjustment period.
124	5. The assessment of whether the	5. The assessment of whether the	5. The assessment of whether the

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	set of reforms and investment commitments fulfil the criteria set out in paragraph 2 and of whether each of the reform and investment commitment fulfil the conditions set out in paragraph 3 shall be carried out in accordance with the assessment framework set out in Annex VII.	set of reforms and investment commitments fulfil the criteria set out in paragraph 2 and of whether each of the reform and investment commitment fulfil the conditions set out in paragraph 3 shall be carried out in accordance with the assessment framework set out in Annex VII.	set of reforms and investment commitments fulfil the criteria set out in paragraph 2 and of whether each of the reform and investment commitment fulfil the conditions set out in paragraph 3 shall be carried out in accordance with the assessment framework set out in Annex VII.
125	Article 14 Revised national medium-term fiscal-structural plan	Article 14 Revised national medium-term fiscal-structural plan	Article 14 Revised national medium-term fiscal-structural plan
126	1. A Member State may request to submit a revised national medium-term fiscal-structural plan to the Commission before the end of its adjustment period if there are objective circumstances preventing the implementation of the original national medium-term fiscal-structural plan or if the submission of a new national medium-term fiscal-structural plan is requested by a new government.	1. <u>By no later than 12 months before the end of the current national medium-term fiscal structural plan,</u> a Member State may request to submit a revised national medium-term fiscal-structural plan to the Commission before the end of its adjustment period if there are objective circumstances preventing the implementation of the original <u>current</u> national medium-term fiscal-structural plan or if the submission of a new national medium-term fiscal-structural plan is requested by a new government.	1. A Member State may request to submit a revised national medium-term fiscal-structural plan to the Commission before the end of its adjustment period <u>the period covered by the national medium-term fiscal-structural plan</u> if there are objective circumstances preventing the <u>its</u> implementation. <u>In this case, the revised</u> of the original national medium-term fiscal-structural plan or if the submission of a new national medium-term fiscal-structural plan is requested by a new government <u>shall cover the period</u>

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		<u><i>The levels of ambition of the reform and of investments in the revised plan shall not be lower than the levels of the original plan.</i></u>	<u><i>running until the end of the initial term of the plan.</i></u>
126a		<u><i>1a. A new government in a Member State may submit a new or revised national medium-term fiscal-structural plan to the Commission, taking into account the level of ambition of the previous plan.</i></u>	<u><i>1a. A newly appointed government of a Member State may submit a revised national medium-term fiscal-structural plan covering a new period of 4 years or 5 years depending on the regular length of the national legislature.</i></u>
126b		<u><i>1b. A revised national medium term fiscal structural plan shall be accompanied by an opinion of the national independent fiscal institutions of the Member State concerned assessing the circumstances preventing the implementation of the original plan. However, failure by the independent fiscal institution to deliver such an opinion within a reasonable timeframe shall not prevent the submission of the Member State's revised national medium-term fiscal-structural</i></u>	

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		<u>plan.</u>	
127	2. Prior to the submission of the revised national medium-term fiscal-structural plan, the Commission shall put forward, in a report to the Economic and Financial Committee, a new technical trajectory.	2. Prior to the submission of the revised national medium-term fiscal-structural plan, the Commission <u>a new reference trajectory</u> shall be put forward, in a report to the Economic and Financial Committee, a new technical trajectory <u>accordance with Article 5.</u>	2. Prior to the submission of the revised national medium-term fiscal-structural plan <u>Following the request by a Member State in accordance with paragraphs 1 or 1a of this Article</u> , the Commission shall put forward, in a report <u>transmit to the Member State concerned and</u> to the Economic and Financial Committee, a new technical trajectory <u>or, at the request of the Member State concerned, new technical information.</u>
128	3. Taking into account the past adjustment of the Member State concerned or the lack thereof, the new technical trajectory shall not allow backloading of the fiscal adjustment effort and shall not lead to a lower fiscal adjustment effort.	3. Taking into account the past adjustment of the Member State concerned or the lack thereof, the new technical <u>reference</u> trajectory shall not allow backloading of the fiscal adjustment effort and shall not lead to a lower fiscal adjustment effort.	3. Taking into account the past adjustment of the Member State concerned or the lack thereof, the new technical trajectory shall not allow backloading of the fiscal adjustment effort and shall not lead <u>as a rule</u> to a lower fiscal adjustment effort.
129	4. Where a revised national medium-term fiscal-structural plan	4. Where a revised national medium-term fiscal-structural plan	4. Where <u>If</u> a revised national medium-term fiscal-structural plan

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	is submitted, Articles 12 and 15 to 19 shall apply.	is submitted, Articles 12 and 15 to 19 shall apply.	is submitted, Articles 12 <u>10 to 13</u> and 15 to 19 shall apply.
130	5. The Commission shall in particular assess, if applicable, whether any extension of the adjustment period is to continue to apply under the revised national medium-term fiscal-structural plan, taking into account the implementation of the set of reform and investment commitments underpinning the extension under the original plan and the changes in terms of public debt challenges under the revised national medium-term fiscal-structural plan.	5. The Commission shall in particular assess, if applicable, whether any extension of the adjustment period is to continue to apply under the revised national medium-term fiscal-structural plan, taking into account the implementation of the set of reform and investment commitments underpinning the extension under the original plan and the changes in terms of public debt challenges under the revised national medium-term fiscal-structural plan.	5. The Commission shall in particular assess, if applicable, whether any extension of the adjustment period is to <u>apply or</u> continue to apply under the revised national medium-term fiscal-structural plan, taking. <u>The Commission's assessment shall take</u> into account the implementation of the set of reform and investment commitments underpinning the extension under the original plan and the changes in terms of public debt challenges under the revised national medium-term fiscal-structural plan.
131	Article 15 Assessment of national medium-term fiscal-structural plans by the Commission	Article 15 Assessment of national medium-term fiscal-structural plans by the Commission	Article 15 Assessment of national medium-term fiscal-structural plans by the Commission
132	1. The Commission shall assess each national medium-term fiscal-structural plan within 2 months of	1. The Commission shall assess each national medium-term fiscal-structural plan within 2 months of	1. The Commission shall assess each national medium-term fiscal-structural plan within 2 months <u>six</u>

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	its submission. The Member State concerned and the Commission may agree to extend the period of assessment by a reasonable period if necessary.	its submission. The Member State concerned and the Commission may, <u>if necessary</u> , agree to extend the period of assessment by a reasonable period, <u>not exceeding 2 months</u> if necessary .	<u>weeks</u> of its submission. The Member State concerned and the Commission may agree to extend the this period of assessment by a reasonable period <u>for up to two weeks as a rule</u> if necessary.
132a			<u>1a. When assessing the national medium-term fiscal-structural plan, the Commission shall examine for all Member States that the net expenditure path complies with the requirements to put or keep general government debt on a plausibly downward path by the end of the adjustment period at the latest, or it remains at prudent levels below 60% of GDP, and it brings and maintains the government deficit below the 3% of GDP reference value over the medium term;</u>
133	2. When assessing the national medium-term fiscal-structural plan the Commission shall examine for all Member States:	2. When assessing the national medium-term fiscal-structural plan the Commission shall examine for all Member States:	2. When assessing the national medium-term fiscal-structural plan the Commission shall examine for all the Member States: <u>that have received a technical trajectory that the net expenditure path complies with the requirements laid out in</u>

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			<u>Article 6, Article 6bis and Article 6ter.</u>
134	(a) whether the national medium-term fiscal-structural plan ensures that public debt is put or kept on a plausibly downward path by the end of the adjustment period at the latest, or stays at prudent levels;	(a) whether the national medium-term fiscal-structural plan ensures that public debt is put or kept on a plausibly downward path by the end of the adjustment period at the latest, <u>leading to sustainable debt reduction</u> or stays at prudent levels;	(a) whether the national medium-term fiscal-structural plan ensures that public debt is put or kept on a plausibly downward path by the end of the adjustment period at the latest, or stays at prudent levels;
135	(b) whether the government deficit is maintained below the 3% of GDP reference value throughout the duration of the plan or whether the government deficit returns swiftly below the 3% of GDP reference value at the latest by the end of the adjustment period when the deficit is above this reference value at the time of submission of the national medium-term fiscal-structural plan;	(b) whether the government deficit is maintained below the 3% of GDP reference value throughout the duration of the plan or whether the government deficit returns swiftly below the 3% of GDP reference value at the latest by the end of the adjustment period when the deficit is above this reference value at the time of submission of the national medium-term fiscal-structural plan;	(b) whether the government deficit is maintained below the 3% of GDP reference value throughout the duration of the plan or whether the government deficit returns swiftly below the 3% of GDP reference value at the latest by the end of the adjustment period when the deficit is above this reference value at the time of submission of the national medium-term fiscal-structural plan;
136	(c) whether the government deficit is maintained below the 3% of GDP reference value in the absence	(c) whether the government deficit is maintained below the 3% of GDP reference value in the absence	(c) whether the government deficit is maintained below the 3% of GDP reference value in the

	Commission Proposal	EP Mandate	Council Mandate
	of further budgetary measures over a period of 10 years;	of further budgetary measures over a period of 10 years;	absence of further budgetary measures over a period of 10 years;
137	(d) whether the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(d) whether the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(d) whether the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;
138	(e) whether for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the fiscal adjustment is consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X]; and	(e) whether for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the fiscal adjustment is consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X]; and	(e) whether for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the fiscal adjustment is consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X]; and
139	(f) whether the public debt ratio at the end of the planning horizon is below the public debt ratio in the	(f) whether the public debt ratio at the end of the planning horizon is below the public debt ratio in the	(f) whether the public debt ratio at the end of the planning horizon is below the public debt ratio in the

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	year before the start of the technical trajectory.	year before the start of the technical trajectory <u>stabilises over the adjustment period and is reduced every year over the projection period on average by at least one percentage point of debt to GDP for the Member States with a debt-to-GDP ratio exceeding 90% and at least half a percentage point for the Member States with a debt-to-GDP ratio of 60% to 90%.</u>	year before the start of the technical trajectory.
140	3. In addition the Commission shall examine for the Member State concerned:	3. <u>The Commission shall examine for all Member States whether the national medium-term fiscal-structural plan complies with the requirements set out in Article 12.</u> In addition the Commission shall examine for the Member State concerned ;	3. In addition, the Commission shall examine for the Member State concerned:
141	(a) whether the set of reform and investment commitments underpinning an extension of the adjustment period fulfil the conditions set out in Article 13;	whether the set of reform and investment commitments underpinning an extension of the adjustment period fulfil the conditions set out in Article 13 ;	(a) whether the set of reform and investment commitments <u>reforms and investments</u> underpinning an extension of the adjustment period fulfil the conditions set out in Article 13;

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142	(b) whether the other reform and investment commitments contained in the plan comply with the requirements of Article 12, letter b.	(b) whether the other reform and investment commitments contained in the plan comply with the requirements of Article 12, letter b.	(b) whether the other reform and investment commitments <u>reforms and investments</u> contained in the plan comply with the requirements of Article 12, letter b. <u>11.</u>
143	Article 16 Endorsement of the national medium-term fiscal-structural plan by the Council	Article 16 Endorsement of the national medium-term fiscal-structural plan by the Council	Article 16 Endorsement of the national medium-term fiscal-structural plan by the Council
144	The Council, on a recommendation from the Commission, shall adopt a recommendation setting the net expenditure path of the Member State concerned and, if applicable, endorsing the set of reform and investment commitments underpinning an extension of the adjustment period included in its national medium-term fiscal-structural plan within four weeks of the adoption of the Commission recommendation as a rule.	The Council, on a recommendation from the Commission, shall adopt a recommendation setting the net expenditure path of the Member State concerned and, if applicable, endorsing the set of reform and investment commitments underpinning an extension of the adjustment period included in its national medium-term fiscal-structural plan within four weeks of the adoption of the Commission recommendation as a rule. <u>The Commission recommendation shall be accompanied by an opinion of the European Fiscal Board (EFB) on the Union dimension and the original</u>	The Council, on a recommendation from the Commission, shall adopt a recommendation setting the net expenditure path of the Member State concerned and, if applicable, endorsing the set of reform and investment commitments underpinning an extension of the adjustment period included in its national medium-term fiscal-structural plan within four <u>six</u> weeks of the adoption of the Commission recommendation as a rule.

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		<u><i>opinion of the national independent fiscal institution of the Member State concerned as referred to Article 9(3). However, failure by the EFB and the national independent fiscal institution to provide their respective opinions shall not prevent the Commission from putting forward a recommendation.</i></u>	
145	Where the national medium-term fiscal-structural plan serves as the corrective action plan required for the correction of excessive macroeconomic imbalances, as provided for in Article 30, the Council shall also endorse in that recommendation the reforms and investment necessary to correct the imbalances.	Where the national medium-term fiscal-structural plan serves as the corrective action plan required for the correction of excessive macroeconomic imbalances, as provided for in Article 30, the Council shall also endorse in that recommendation the reforms and investment necessary to correct the imbalances.	Where the national medium-term fiscal-structural plan serves as the corrective action plan required for the correction of excessive macroeconomic imbalances, as provided for in Article 30, the Council shall also endorse in that recommendation the reforms and investment necessary to correct the imbalances.
146	Article 17 Council Recommendation for a revised national medium-term fiscal-structural plan	Article 17 Council Recommendation for a revised national medium-term fiscal-structural plan	Article 17 Council Recommendation for a revised national medium-term fiscal-structural plan
147			

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	Where it considers that the plan does not comply with the requirements set out in Article 15 (2) and (3) point (a), the Council shall, on a recommendation from the Commission, recommend that the Member State concerned submits a revised national medium-term fiscal-structural plan.	Where it considers that the plan does not comply with the requirements set out in Article 15 (2) and (3) point (a), the Council shall, on a recommendation from the Commission, recommend that the Member State concerned submits a revised national medium-term fiscal-structural plan.	Where it considers that the plan does not comply with the requirements set out in Article 15 <u>(2)</u> and (3) point (a) <u>of this Regulation, taking into account the Commission's assessment</u> , the Council shall, on a recommendation from the Commission, recommend that the Member State concerned submits a revised national medium-term fiscal-structural plan.
148	Article 18 Council Recommendation in case of failure by the Member State	Article 18 Council Recommendation in case of failure by the Member State	Article 18 Council Recommendation in case of failure <u>non-compliance</u> by the Member State
149	The Council shall, on a recommendation from the Commission, recommend to the Member State concerned that the technical trajectory issued by the Commission be the net expenditure path of the Member State where:	The Council shall, on a recommendation from the Commission, recommend to the Member State concerned that the technical-reference trajectory issued by the Commission <u>in accordance with Article 5, second subparagraph</u> , be the net expenditure path of the Member State where:	The Council shall, on a recommendation from the Commission, recommend to the Member State concerned that the technical trajectory issued by the Commission be <u>as a rule</u> the net expenditure path of the Member State where:

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150	(a) the Member State concerned fails to submit a revised national medium-term fiscal-structural plan within one month of the recommendation by the Council;	(a) the Member State concerned fails to submit a revised national medium-term fiscal-structural plan within one month <u>two months</u> of the recommendation by the Council;	(a) the Member State concerned fails to submit a revised national medium-term fiscal-structural plan within one month of the recommendation by the Council <u>referred to in Article 17. The Member State concerned and the Commission may agree to extend this deadline by up to three months as a rule;</u>
151	(b) the Council considers that the revised national medium-term fiscal-structural plan does not comply with the requirements set out in Article 15(2) and (3), point (a);	(b) the Council considers that the revised national medium-term fiscal-structural plan does not comply with the requirements set out in Article 15(2) and (3), point <u>(a) duly justifying its position;</u>	(b) the Council considers that the revised national medium-term fiscal-structural plan does not comply with the requirements set out in Article 15(2) and (3), point (a);
152	(c) the Member State fails to submit a new national medium-term fiscal-structural plan at the end of the period covered by the previous national medium-term fiscal-structural plan.	(c) the Member State fails to submit <u>an initial national medium-term fiscal-structural plan or</u> a new national medium-term fiscal-structural plan at the end of the period covered by the previous national medium-term fiscal-structural plan.	(c) the Member State fails to submit <u>an initial national medium-term fiscal-structural plan or</u> a new national medium-term fiscal-structural plan at the end of the period <u>in the last year</u> covered by the previous <u>ongoing</u> national medium-term fiscal-structural plan, <u>in accordance with the first paragraph of Article 9.</u>

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153	Article 19 Failure by a Member State to satisfactorily comply with its commitments underpinning an extension of its adjustment period	Article 19 Failure by a Member State to satisfactorily comply with its commitments underpinning an extension of its adjustment period	Article 19 Failure <u>Non-compliance</u> by a Member State to satisfactorily comply with its commitments <u>with the investments and reforms</u> underpinning an extension of its adjustment period
154	Where a Member State has been granted an extension of its adjustment period but fails to satisfactorily comply with its set of reform and investment commitments underpinning the extension referred to in Article 13(1), the Council may on a recommendation from the Commission, recommend a revised net expenditure path with a shorter adjustment period.	Where a Member State has been granted an extension of its adjustment period but fails to satisfactorily comply with its set of reform and investment commitments underpinning the extension referred to in Article 13(1), the Council may on a <u>shall, as a rule, follow the</u> recommendation from the Commission, <u>and</u> recommend a revised net expenditure path with a shorter adjustment period <u>or, where Council does not do so, explain its position publicly.</u>	Where a Member State has been granted an extension of its adjustment period but fails to satisfactorily comply with its set of reform <u>reforms</u> and investment commitments underpinning the extension referred to in Article 13(1), the Council may on a recommendation from the Commission, recommend a revised net expenditure path with a shorter adjustment period, <u>unless there are objective circumstances preventing implementation by the initially-foreseen deadline.</u>
154a		<u>Article 19a</u> <u>Medium-term fiscal-structural plans scoreboard</u>	

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154b		<u>1. The Commission shall establish a medium-term fiscal-structural plans scoreboard (the ‘Scoreboard’) to display the progress of the implementation of the national medium-term fiscal-structural plans of the Member States, including in particular the reforms, investments and Union priorities as well as the stage of the life-cycle of the plan and the status of the actual net expenditure path. The Scoreboard shall also display information related to the national public investment gaps, including to achieve each of the common priorities of the Union referred to in Article 12, point (ba).</u>	
154c		<u>2. The Commission shall be empowered to adopt a delegated act in accordance with Article 33 to supplement this Regulation by defining the detailed elements of the Scoreboard with a view to displaying the progress of the implementation of the medium-term fiscal-structural plans as referred to in paragraph 1.</u>	

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154d		<u>3. The Scoreboard shall be operational by [1 June] 2024 and shall be updated by the Commission twice a year. The Scoreboard shall be made publicly available on a website or internet portal.</u>	
155	CHAPTER V IMPLEMENTATION OF THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS	CHAPTER V IMPLEMENTATION OF THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS	CHAPTER V IMPLEMENTATION OF THE NATIONAL MEDIUM-TERM FISCAL-STRUCTURAL PLANS
156	Article 20 Progress report	Article 20 Progress report	Article 20 Progress report <u>and Commission assessment</u>
157	1. Each Member State shall submit to the Commission an annual progress report on the implementation of its national medium-term fiscal-structural plan, by 15 April each year at the latest.	1. Each Member State shall submit to the Commission an annual progress report on the implementation of its national medium-term fiscal-structural plan, by 15 <u>30</u> April each year at the latest.	1. Each Member State shall submit to the Commission an annual progress report on the implementation of its national medium-term fiscal-structural plan, by 15 <u>30</u> April each year at the latest.
158			

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	2. The annual progress report referred to in paragraph 1 shall contain in particular information about the progress in the implementation of the net expenditure path, the implementation of broader reform and investment commitments in the European Semester context and, if applicable, in the implementation of the set of reform and investment commitments underpinning an extension of the adjustment period.	2. The annual progress report referred to in paragraph 1 shall contain in particular information about the progress in the implementation of the net expenditure path, the implementation of broader reform and investment commitments in the European Semester context and, if applicable, in the implementation of the set of reform and investment commitments underpinning an extension of the adjustment period.	2. The annual progress report referred to in paragraph 1 shall contain in particular information about the progress in the implementation of the net expenditure path, the implementation of broader reform and investment commitments <u>reforms and investments</u> in the European Semester context and, if applicable, in the implementation of the set of reform and investment commitments <u>reforms and investments</u> underpinning an extension of the adjustment period.
159	3. The annual progress report referred to in paragraph 1 shall also contain the information set out in Annex III.	3. The annual progress report referred to in paragraph 1 shall also contain the information set out in Annex III.	3. The annual progress report referred to in paragraph 1 shall also contain the information set out in Annex III.
160	4. Each Member State shall make its annual progress report public.	4. Each Member State shall make its annual progress report public.	4. Each Member State shall make its annual progress report public.
160a		<u>4a. Member States shall discuss the progress report in their national parliaments and with</u>	<u>4a. The Commission shall use the information provided by Member States in annual progress reports,</u>

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		<u>civil society, social partners and relevant stakeholders, in accordance with their national legal frameworks.</u>	<u>along with other relevant information, for the purpose of delivering assessments referred to in Article 4(1). The assessment of the Commission shall be published.</u>
161	Article 21 Monitoring by the Commission	Article 21 Monitoring by the Commission	Article 21 Monitoring by the Commission
162	The Commission shall monitor the implementation of the national medium-term fiscal-structural plan, and in particular, the net expenditure path.	The Commission shall monitor the implementation of the national medium-term fiscal-structural plan, and in particular, the net expenditure path <u>and the reforms and investments underpinning the adjustment period.</u>	The Commission shall monitor the implementation of the national medium-term fiscal-structural plan, and, in particular, the net expenditure path.
163	The Commission shall set up a control account, functioning in accordance with Annex IV, and shall keep track of cumulative upward and downward deviations of actual net expenditures from the net expenditure path.	The Commission shall set up a control account, functioning in accordance with Annex IV, and shall keep track of cumulative upward <u>(debit)</u> and downward <u>(credit)</u> deviations of actual net expenditures from the net expenditure path.	The Commission shall set up a control account, functioning in accordance with Annex IV, and shall <u>to</u> keep track of cumulative upward and downward deviations of actual net expenditures <u>expenditure</u> from the net expenditure path, <u>which shall be reset after the endorsement by the Council of a new medium-</u>

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			<u>term fiscal-structural plan.</u>
163a			<u>(a) The control account shall record a debit when the actual net expenditure in the concerned Member State in a given year is above the net expenditure path set by the Council;</u>
163b			<u>(b) The control account shall record a credit when the actual net expenditure in the concerned Member State in a given year is below the net expenditure path set by the Council;</u>
163c			<u>(c) The cumulated balance of the control account shall be the sum of the yearly debits and credits referred to in points a and b of this paragraph. It shall be expressed in percentage of GDP.</u>
163d			<u>(d) Debits and credits shall be recorded annually on the basis of outturn data</u>

	Commission Proposal	EP Mandate	Council Mandate
163e			<u>Where the Council has adopted a recommendation pursuant to Article 24 and 25 of this Regulation, the control account of the Member State concerned shall not record deviations.</u>
163f		<u>The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.</u>	
163g		<u>A Member State shall be deemed not to be in compliance with its net expenditure path where the cumulated balance of the control account during the adjustment period is higher than 1% of GDP in the years of positive GDP growth.</u>	
163h		<u>By way of derogation from paragraph 2b, in order to account for certain strategic investments</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<i><u>addressing the common priorities of the Union that have added value for the Union as a whole, the Commission may exceptionally allow a Member State to temporarily exceed the limit set out in paragraph 2b during a defined period of a maximum of 5 years, ensuring that the deviation falls below that limit by the end of that period.</u></i>	
164	Article 22 Role of independent fiscal institutions	Article 22 Role of independent fiscal institutions	Article 22 Role of independent fiscal institutions
165	Each national independent fiscal institution referred to in Article 8 of Council Directive [...]¹ [on the national budgetary frameworks] shall provide an assessment of compliance of the budgetary outturns data reported in the progress report referred to in Article 20 with the net expenditure path. Where applicable, each national independent fiscal institution shall also analyse the factors underlying a deviation from the net expenditure path.	Each national independent fiscal institution referred to in Article 8 of Council Directive [...]¹ [on the national budgetary frameworks] shall provide an assessment of compliance of the budgetary outturns data reported in the progress report referred to in Article 20 with the net expenditure path, <i><u>including of non-quantifiable targets</u></i> . Where applicable, each national independent fiscal institution shall also analyse the factors underlying	Each <i><u>Member States may request the relevant</u></i> national independent fiscal institution referred to in Article 8 of Council Directive [...]¹ [on the national budgetary frameworks] shall <i><u>to</u></i> provide an assessment of compliance of the budgetary outturns data reported in the progress report referred to in Article 20 with the net expenditure path. Where applicable, each <i><u>Member States may also request the relevant</u></i> national independent fiscal institution

	Commission Proposal	EP Mandate	Council Mandate
	1. Council Directive [...] of [...] [amending Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States] (OJ, ..., p,...)	a deviation from the net expenditure path. 1. Council Directive [...] of [...] [amending Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States] (OJ, ..., p,...)	shallto also analyse the factors underlying a deviation from the net expenditure path. <u>These analyses should be non-binding and additional to those provided by the Commission.</u> 1. Council Directive [...] of [...] [amending Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States] (OJ, ..., p,...)
165a		<u>The qualitative and quantitative assessments in the opinions of the national independent fiscal institution referred to in paragraph 1 shall take into account different views and allow for the disclosure of minority and divergent positions. For that purpose, relevant stakeholders shall be regularly consulted.</u>	
165b		<u>Opinions and assessments delivered by the independent fiscal institutions in accordance with this Regulation shall be made public.</u>	
165c			

	Commission Proposal	EP Mandate	Council Mandate
		<u>Article 22a</u> <u>Role of the European Fiscal Board</u>	<u>Article 22bis</u> <u>The European Fiscal Board</u>
165d		<u>1. The Commission shall establish the European Fiscal Board (EFB), an independent expert group, which shall have an advisory role in respect of the Union's economic policy coordination. The Commission shall be represented on the EFB but shall not have voting rights.</u>	<u>1. The independent European Fiscal Board ('the Board') established by Commission Decision (EU) 2015/1937 of 21 October 2015 shall contribute in an advisory capacity to the exercise of the Commission's and Council's functions in the multilateral fiscal surveillance as set out in Articles 121, 126 and 136 TFEU.</u>
165e		<u>2. The EFB shall:</u>	<u>2. In the performance of its tasks, the Board shall enjoy full independence in the discharge of its functions, performing its duties impartially and solely in the interest of the Union as a whole. It shall not seek nor take instructions from any government of a Member State, the Union's institutions or bodies or from any other public or private body.</u>
165f			

	Commission Proposal	EP Mandate	Council Mandate
		<u>(a) be independent and not seek or take instructions from the budgetary authorities of the Member States, from the Commission or from any other public or private bodies;</u>	
165g		<u>(b) have the capacity to produce opinions in a timely manner and communicate publicly;</u>	
165h		<u>(c) ensure a diversity of views and backgrounds in the composition of its members;</u>	
165i		<u>(d) allow for the disclosure of minority and divergent positions in its opinions;</u>	
165j		<u>(e) have adequate and stable own resources to carry out its mandate in an effective manner, including any type of analysis within its mandate;</u>	
165k			

	Commission Proposal	EP Mandate	Council Mandate
		<u>(f) have adequate and timely access to all information by the Commission and the Member States needed to fulfil its mandate;</u>	
165l		<u>(g) regularly consult relevant stakeholders.</u>	
165m		<u>3. The EFB shall carry out the tasks laid down in Article 2 of Commission Decision (EU) 2015/1937. In addition, it shall provide advice to the European Parliament, the Council, the Commission and the Eurogroup.</u>	<u>3. For the purposes of paragraph 1, the tasks of the Board shall include:</u>
165n			<u>(a) Provide a timely ex post evaluation of the implementation of the Union fiscal governance framework;</u>
165o			<u>(b) Advise on the prospective fiscal stance appropriate for the euro area as a whole, as well as on the appropriate national fiscal stances that are consistent with it</u>

	Commission Proposal	EP Mandate	Council Mandate
			<u>within the rules of the Stability and Growth Pact;</u>
165p			<u>(c) Upon request of the Commission or the Council, provide advice on the implementation of the Stability and Growth Pact, including on the extension of escape clauses in accordance with Article 24 of this Regulation;</u>
165q			<u>(d) Cooperate closely with national independent fiscal institutions as referred to in Article 8 of Council Directive 2011/85/EU;</u>
165r			<u>(e) Make suggestions for the future evolution of the fiscal framework.</u>
165s			<u>4. The Board shall be comprised of a Chair and four Members.</u>
165t			

	Commission Proposal	EP Mandate	Council Mandate
			<u>5. The Chair and the Members of the Board shall be selected and appointed by the Commission, after consultation of the Council, following a transparent process and on the basis of proven analytical experience and competences in the analysis of public finances and macroeconomics. The Chair and the Members of the Board shall be nominated for a period of 3 years with a possibility of one renewal for an additional period of 3 years.</u>
165u			<u>6. The Board shall establish its Rules of Procedure.</u>
165v			<u>7. The Board shall report once a year on its activities to the Commission, the Council and the European Parliament. All reports and advice of the Board will be made public.</u>
166	Article 23 Commission warning and Council recommendation for policy	Article 23 Commission warning and Council recommendation for policy	Article 23 Commission warning and Council recommendation for policy

	Commission Proposal	EP Mandate	Council Mandate
	measures	measures	measures
167	1. In the event of a significant risk of deviation from the net expenditure path or a risk that the government deficit may exceed the 3% of GDP reference value, the Commission may address a warning to the Member State concerned in accordance with Article 121(4) TFEU.	1. In the event of a significant risk of deviation from the net expenditure path <u>as monitored by the control account</u> or a risk that the government deficit may exceed the 3% of GDP reference value, the Commission may address a warning to the Member State concerned in accordance with Article 121(4) TFEU.	1. In the event of a significant risk of deviation from the net expenditure path or a risk that the government deficit may exceed the 3% of GDP reference value, the Commission may address a warning to the Member State concerned in accordance with Article 121(4) TFEU.
168	2. On the basis of a Commission recommendation, the Council shall, within one month of the Commission warning referred to in paragraph 1, adopt a recommendation to the Member State concerned for the necessary policy measures, in accordance with Article 121(4) TFEU.	2. On the basis of a Commission recommendation, the Council shall, within one month of the Commission warning referred to in paragraph 1, adopt a recommendation to the Member State concerned for the necessary policy measures, in accordance with Article 121(4) TFEU.	2. On the basis of a Commission recommendation, the Council shall, within one month of the Commission warning referred to in paragraph 1, adopt a recommendation to the Member State concerned for the necessary policy measures, in accordance with Article 121(4) TFEU.
169	Article 24 Severe economic downturn in the euro area or the Union as a whole	Article 24 Severe economic downturn in the euro area or the Union as a whole	Article 24 Severe economic downturn in the euro area or the Union as a whole <u>General escape clause</u>

	Commission Proposal	EP Mandate	Council Mandate
170	On a recommendation from the Commission, the Council may adopt a recommendation allowing Member States to deviate from their net expenditure path, in the event of a severe economic downturn in the euro area or the Union as a whole, provided it does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such deviation.	On a recommendation from the Commission, the Council may adopt a recommendation allowing Member States to deviate from their net expenditure path, in the event of a severe economic downturn in the euro area or the Union as a whole, provided it <u>that, according to a quantitative and qualitative analysis by the Commission, such deviation</u> does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such deviation.	On a recommendation from the Commission, the Council may adopt <u>within four weeks as a rule</u> a recommendation allowing Member States to deviate from their net expenditure path, in the event of a severe economic downturn in the euro area or the Union as a whole, provided it does not endanger fiscal sustainability in the medium term. The Council shall specify a <u>one-year</u> time-limit for such deviation.
170a		<u>The Commission recommendations referred to in the first subparagraph shall be accompanied by an opinion of the EFB. However, failure by the EFB to deliver such an opinion within a reasonable timeframe shall not prevent the Commission from putting forward a recommendation.</u>	
171	As long as the severe economic downturn in the euro area or the	As long as the severe economic downturn in the euro area or the	As long as the severe economic downturn in the euro area or the

	Commission Proposal	EP Mandate	Council Mandate
	Union as a whole persists, the Commission shall continue to monitor debt sustainability and ensure policy coordination and a consistent policy mix that takes into account the euro area and the Union dimension.	Union as a whole persists, the Commission shall continue to monitor debt sustainability and ensure policy coordination and a consistent policy mix that takes into account the euro area and the Union dimension.	Union as a whole persists, the Commission shall continue to monitor debt sustainability and ensure policy coordination and a consistent policy mix that takes into account the euro area and the Union dimension.
172	The Council, on a recommendation from the Commission, may extend the period during which Member States may deviate from the net expenditure paths, provided that the severe economic downturn in the euro area or the Union as a whole persists. An extension may be granted more than once. However, each extension shall be for an additional period of one year at most.	The Council, on a recommendation from the Commission, may extend the period during which Member States may deviate from the net expenditure paths, provided that the severe economic downturn in the euro area or the Union as a whole persists. An extension may be granted more than once. However, each extension shall be for an additional period of one year at most.	The Council, on a recommendation from the Commission, may extend the period during which Member States may deviate from the net expenditure paths, provided that the severe economic downturn in the euro area or the Union as a whole persists. <u>At request of the Council, the European Fiscal Board may deliver an opinion on the extension of the general escape clause.</u> An extension may be granted more than once. However, each extension shall be for an additional period of one year at most.
173	Article 25 Exceptional circumstances outside the control of the Member State leading to a major impact on the public finances of the Member	Article 25 Exceptional circumstances outside the control of the Member State leading to a major impact on the public finances of the Member	Article 25 Exceptional circumstances outside the control of the Member State leading to a major impact on the public finances of the Member

	Commission Proposal	EP Mandate	Council Mandate
	State concerned	State concerned	State concerned <u>National escape clauses</u>
174	On a recommendation from the Commission, the Council may adopt a recommendation allowing a Member State to deviate from its net expenditure path where exceptional circumstances outside the control of the Member State lead to a major impact on the public finances of the Member State concerned, provided it does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such a deviation.	On a recommendation from the Commission, the Council may adopt a recommendation allowing a Member State to deviate from its net expenditure path where exceptional circumstances outside the control of the Member State lead to a major impact on the public finances of the Member State concerned, provided <u>that, according to a quantitative and qualitative analysis by the Commission,</u> it does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such a deviation.	<u>Following a request from a Member State and based</u> on a recommendation from <u>by</u> the Commission, the Council may adopt <u>within four weeks</u> a recommendation allowing a Member State to deviate from its net expenditure path where exceptional circumstances outside the control of the Member State lead to a major impact on the public finances of the Member State concerned, provided it does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such a deviation.
175	The Council, on a recommendation from the Commission, may extend the period during which the Member State may deviate from the net expenditure path, provided that the exceptional circumstances persist. An extension may be granted more than once. However, each extension shall be for an	The Council, on a recommendation from the Commission, may extend the period during which the Member State may deviate from the net expenditure path, provided that the exceptional circumstances persist. An extension may be granted more than once. However, each extension shall be for an	The Council, on a recommendation from the Commission <u>and upon request from the concerned Member State,</u> may extend the period during which the Member State may deviate from the net expenditure path, provided that the exceptional circumstances persist. <u>At the request of the Council, the</u>

	Commission Proposal	EP Mandate	Council Mandate
	additional period of one year at most.	additional period of one year at most.	<u>relevant independent fiscal institution may deliver an opinion on the extension.</u> An extension may be granted more than once. However, each extension shall be for an additional period of one year at most.
176	CHAPTER VI ECONOMIC DIALOGUE	CHAPTER VI ECONOMIC DIALOGUE <u>DEMOCRATIC ACCOUNTABILITY AND TRANSPARENCY</u>	CHAPTER VI ECONOMIC DIALOGUE
176a		<u>Article 25a</u> <u>Role of the European Parliament</u>	
176b		<u>The European Parliament shall be duly involved in a regular and structured way in the European Semester in order to increase transparency, democratic accountability and ownership for the decisions taken, in particular by means of the dialogues referred to in this Regulation.</u>	

	Commission Proposal	EP Mandate	Council Mandate
176c		<u><i>The Commission shall transmit to the European Parliament the national medium-term fiscal-structural plans submitted by the Member States. The Commission shall inform the European Parliament of its overall assessment of those medium-term fiscal-structural plans. The competent committee of the European Parliament may request the Commission and relevant stakeholders, including social partners, to appear before it. On such occasions, the Commission shall be invited to present its assessment of medium-term fiscal-structural plans and the relevant stakeholders shall be invited to comment thereon.</i></u>	
176d		<u><i>The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation.</i></u>	
176e		<u><i>The Council and the Commission shall include in their report to the European Parliament the results</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>of the multilateral surveillance carried out pursuant to this Regulation.</u>	
176f		<u>The Eurogroup shall annually report to the European Parliament on the outcome of its work on the specific responsibilities related to the single currency in the area of multilateral surveillance.</u>	
176g		<u>Information shall be prepared and transmitted by the Commission to the Council and any of its preparatory bodies in the context of this Regulation, or the application thereof, and shall be made available to the European Parliament simultaneously and on equal terms without undue delay, subject to confidentiality arrangements where necessary. Such information shall include, but shall not be limited to:</u>	
176h		<u>(a) the debt sustainability assessments and its methodological framework;</u>	

	Commission Proposal	EP Mandate	Council Mandate
176i		<u>(b) the reference trajectories;</u>	
176j		<u>(c) the national medium-term fiscal-structural plans submitted by the Member States and the proposed net expenditure path;</u>	
176k		<u>(d) an overview of the Commission's preliminary findings concerning general progress in implementation of national medium-term fiscal-structural plan, including the balance of the control account;</u>	
176l		<u>(e) an overview of the Commission's preliminary findings concerning the satisfactory fulfilment of the set of reform and investment commitments underpinning the extension of the adjustment period;</u>	
176m			

	Commission Proposal	EP Mandate	Council Mandate
		<u>(f) the evaluation of the country-specific recommendations and social convergence risks, and the progress towards the implementation of the principles of the European Pillar of Social Rights;</u>	
176n		<u>(g) the revisions of national medium-term fiscal-structural plans;</u>	
176o		<u>(h) the outcome of missions to Member States under Articles 34 and 35;</u>	
176p		<u>(i) the Commission warning under Article 23;</u>	
176q		<u>(j) the risk of non-compliance with the net expenditure paths;</u>	
176r		<u>(k) the Commission's quantitative and qualitative analysis that, in case of activation of the escape</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>clauses pursuant to Article 24 and Article 25, medium-term sustainability shall not be endangered;</u>	
176s		<u>(l) any other relevant information and documentation provided by the Commission to the competent committee of the European Parliament in relation to the implementation of coordination of economic policies and multilateral budgetary surveillance.</u>	
176t		<u>Relevant outcomes of discussions held in Council preparatory bodies shall be shared with the competent committee of the European Parliament.</u>	
176u		<u>The competent committee of the European Parliament may invite the Commission to provide information on the state of play of the national medium-term fiscal-structural plans in the context of the medium-term fiscal-structural plan dialogues referred to in</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>Article 26a.</u>	
176v		<u>The Commission shall take into account in its policy guidance any elements arising from the views expressed through the European Semester and medium-term fiscal-structural plan dialogues as referred to in Articles 26 and 26a, including any resolutions by the European Parliament.</u>	
177	Article 26 European Semester Dialogue	Article 26 European Semester Dialogue	Article 26 European Semester Dialogue
178	The European Parliament shall be duly involved in the European Semester in order to increase the transparency and ownership of, and the accountability for the decisions taken, in particular by means of an economic dialogue. The Economic and Financial Committee, the Economic Policy Committee, the Employment Committee and the Social Protection Committee shall be consulted within the framework of the European Semester where	<u>In order to enhance the dialogue between the institutions of the Union, in particular</u> The European Parliament shall be duly involved in the European Semester in order to increase the <u>Parliament, the Council and the Commission, and to ensure</u> transparency and ownership of, and the accountability for the decisions taken, in particular by means of an economic dialogue. <u>accountability, the President of the Council, the</u>	The European Parliament shall be duly involved in the European Semester in order to increase the transparency, the and ownership of and the accountability for the decisions taken, in particular by means of an economic dialogue. The Economic and Financial Committee, the Economic Policy Committee, the Employment Committee and the Social Protection Committee shall be consulted within the framework of

	Commission Proposal	EP Mandate	Council Mandate
	appropriate. Relevant stakeholders, in particular the social partners, shall be involved within the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the TFEU and national legal and political arrangements.	<u>Commission and, where appropriate, the President of the European Council or the President of the Eurogroup, shall appear before the European Parliament when invited, to discuss the policy guidance to Member States issued by the Commission, the conclusions drawn by the European Council and the results of multilateral surveillance carried out under this Regulation. A representative of the Economic and Financial Committee, the Economic Policy Committee, the Employment Committee and the Social Protection Committee shall be consulted may be invited by the European Parliament</u> within the framework of the European Semester where appropriate <u>Dialogue</u> . Relevant stakeholders, in particular the social partners, shall be involved within the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the TFEU and national legal and political arrangements.	the European Semester where appropriate. Relevant stakeholders, in particular the <u>national parliaments and</u> social partners, shall be involved within the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the TFEU and national legal and political arrangements.
179			

	Commission Proposal	EP Mandate	Council Mandate
	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 transparency and accountability, 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 it to discuss the policy guidance to Member States issued by the Commission, conclusions drawn by the European Council and the results of multilateral surveillance carried out under this Regulation.	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 transparency and accountability, 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 it to discuss the policy guidance to Member States issued by the Commission, conclusions drawn by the European Council and the results of multilateral surveillance carried out under this Regulation.	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 transparency and accountability, 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 it to discuss the policy guidance to Member States issued by the Commission, conclusions drawn by the European Council and the results of multilateral surveillance carried out under this Regulation.
180	The President of the Council, and the Commission in accordance with Article 121 TFEU, and, where appropriate, the President of the Eurogroup, shall report annually to the European Parliament and to the European Council on the results of the multilateral surveillance.	The President of the Council, and the Commission in accordance with Article 121 TFEU, and, where appropriate, the President of the Eurogroup, shall report annually to the European Parliament and to the European Council on the results of the multilateral surveillance.	The President of the Council, and the Commission in accordance with Article 121 TFEU, and, where appropriate, the President of the Eurogroup, shall report annually to the European Parliament and to the European Council on the results of the multilateral surveillance.
180a		<u>Article 26a</u> <u>Medium-term structural-fiscal</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>plan dialogue</i></u>	
180b		<u><i>In order to enhance the dialogue between the European Parliament and the Commission, and to ensure greater transparency and accountability, the Commission shall appear before the competent committee of the European Parliament upon request to discuss the content, submission, assessment and monitoring of its medium-term fiscal-structural plans as part of multilateral budgetary surveillance, including the information set out in Article 25a(7).</i></u>	
180c		<u><i>In order to enhance the dialogue between the Union institutions, in particular the European Parliament and the Council, and to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the President of the Council and, where appropriate, the President of the European Council or the President of the Eurogroup, to</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>appear at least twice a year before its competent committee to discuss the matters referred to in paragraph 1.</u>	
181	Article 27 Comply or explain rule	Article 27 Comply or explain rule	Article 27 Comply or explain rule
182	The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.	The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.	The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.
183	Article 28 Dialogue with a Member State	Article 28 <u>Economic</u> Dialogue with a Member State	Article 28 Dialogue with a Member State
184	Where the Council addresses a recommendation to a Member State pursuant to Article 23(2) in the event of a significant risk of deviation from the net expenditure path, the European Parliament may offer the opportunity to that Member State, to participate in an exchange of views.	Where the Council addresses a recommendation <u>The competent committee of the European Parliament may offer the opportunity</u> to a Member State pursuant to Article 23(2) in the event of a significant risk of deviation from the net expenditure path, the European Parliament	Where the Council addresses a recommendation to a Member State pursuant to Article 23(2) in the event of a significant risk of deviation from the net expenditure path, the European Parliament may offer the opportunity to that Member State, to participate in an exchange of views.

	Commission Proposal	EP Mandate	Council Mandate
		may offer the opportunity to that Member State, to participate in an exchange of views <u>to participate in an exchange of views when the Council addresses a recommendation to a Member State pursuant to Article 18, Article 19 or Article 23(2).</u>	
185	Article 29 Regular information of the European Parliament	Article 29 Regular information of the European Parliament	Article 29 Regular information of the European Parliament
186	1. The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation.	1. The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation.	1. The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation.
187	2. The Council and the Commission shall include in their report to the European Parliament the results of the multilateral surveillance carried out pursuant to this Regulation.	2. The Council and the Commission shall include in their report to the European Parliament the results of the multilateral surveillance carried out pursuant to this Regulation.	2. The Council and the Commission shall include in their report to the European Parliament the results of the multilateral surveillance carried out pursuant to this Regulation.
188	CHAPTER VII	CHAPTER VII	CHAPTER VII

	Commission Proposal	EP Mandate	Council Mandate
	INTERACTION WITH REGULATION (EU) No 1176/2011	INTERACTION WITH REGULATION (EU) No 1176/2011	INTERACTION WITH REGULATION (EU) No 1176/2011
189	Article 30 Interaction with the Macro- Economic Imbalance Procedure	Article 30 Interaction with the Macro- Economic Imbalance Procedure	Article 30 Interaction with the Macro- Economic Imbalance Procedure
190	1. Where a Member State fails to implement the reform and investment commitments included in its national medium-term fiscal-structural plan to address the country-specific recommendations that are relevant for the Macroeconomic Imbalance Procedure established by Regulation (EU) No 1176/2011, and where the Commission considers that the Member State concerned is affected by excessive imbalances in accordance with Article 7(1) of that Regulation, the procedure laid down in Article 7(2) of Regulation (EU) No 1176/2011 shall apply.	1. Where a Member State fails to implement the reform and investment commitments included in its national medium-term fiscal-structural plan to address the country-specific recommendations that are relevant for the Macroeconomic Imbalance Procedure established by Regulation (EU) No 1176/2011, and where the Commission considers that the Member State concerned is affected by excessive imbalances in accordance with Article 7(1) of that Regulation, the procedure laid down in Article 7(2) of Regulation (EU) No 1176/2011 shall apply.	1. Where a Member State fails to implement the reform and investment commitments included in its national medium-term fiscal-structural plan to address the country-specific recommendations that are relevant for the Macroeconomic Imbalance Procedure established by <u>The implementation of relevant reforms and investments included in the Member State's national medium term fiscal-structural plans that are relevant for macroeconomic imbalances shall be considered (i) by the Commission when undertaking in-depth reviews in accordance with Article 5 (2) of</u> Regulation (EU) No 1176/2011, and where; <u>and (ii) by the Council, and</u> the Commission considers that the

	Commission Proposal	EP Mandate	Council Mandate
			<i>Member State concerned is affected by excessive imbalances</i> <u>for its recommendation, when considering whether to establish the existence of an excessive imbalance and recommend that the Member State take corrective action</u> in accordance with Article 7(1) <u>7(2)</u> of that Regulation, the procedure laid down in Article 7(2) of Regulation (EU) No 1176/2011 shall apply. <u>The Commission shall take into account any information that the Member State considers relevant.</u>
191	2. In that case, the Member State for which an excessive imbalance procedure is opened in accordance with Article 7(2) of Regulation (EU) No 1176/2011, it shall submit a revised plan in accordance with Article 14 of this Regulation. The revised plan shall follow the Council recommendation adopted in accordance with Article 7(2) of Regulation (EU) No 1176/2011. The submission of the revised plan shall be subject to the endorsement by the Council in accordance with Articles 16 to 19 of this	2. In that case, the Member State for which an excessive imbalance procedure is opened in accordance with Article 7(2) of Regulation (EU) No 1176/2011, it shall submit a revised plan in accordance with Article 14 of this Regulation. The revised plan shall follow the Council recommendation adopted in accordance with Article 7(2) of Regulation (EU) No 1176/2011. The submission of the revised plan shall be subject to the endorsement by the Council in accordance with Articles 16 to 19 of this	2. In that case, The Member State for which an excessive imbalance procedure is opened in accordance with Article 7(2) of Regulation (EU) No 1176/2011, it shall submit a revised plan in accordance with Article 14 of this Regulation. The revised plan shall follow the Council recommendation adopted in accordance with Article 7(2) of Regulation (EU) No 1176/2011. The submission of the revised plan shall be subject to the endorsement by the Council in accordance with Articles 16 to 19 of this

	Commission Proposal	EP Mandate	Council Mandate
	Regulation. The revised plan shall be assessed in accordance with Article 15 of this Regulation.	Regulation. The revised plan shall be assessed in accordance with Article 15 of this Regulation.	Regulation. The revised plan shall be assessed in accordance with Article 15 of this Regulation.
192	Where a Member State submits a revised medium-term fiscal-structural plan pursuant to paragraph 2, that revised plan shall serve as the corrective action plan required under Article 8(1) of Regulation (EU) No 1176/2011 and shall set out the specific policy actions the Member State concerned has implemented or intends to implement and shall include a timetable for those actions.	Where a Member State submits a revised medium-term fiscal-structural plan pursuant to paragraph 2, that revised plan shall serve as the corrective action plan required under Article 8(1) of Regulation (EU) No 1176/2011 and shall set out the specific policy actions the Member State concerned has implemented or intends to implement and shall include a timetable for those actions.	<u>3.</u> Where a Member State submits a revised medium-term fiscal-structural plan pursuant to paragraph 2, that revised plan shall serve as the corrective action plan required under Article 8(1) of Regulation (EU) No 1176/2011 and shall set out the specific policy actions the Member State concerned has implemented or intends to implement and shall include a timetable for those actions.
192a		<u>Where the Council decides not to open an excessive imbalance procedure under Article 7(2) of Regulation (EU) No 1176/2011 in cases where the Commission considers that the Member State concerned is affected by excessive imbalances on the basis of the in-depth review referred to in Article 5 of that Regulation, the Council shall publicly explain its position.</u>	

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193	In that case, in accordance with Article 8(2) of Regulation (EU) No 1176/2011, the Council, on the basis of a Commission assessment, shall assess the revised plan within 2 months of its submission. The monitoring and assessment of the implementation of the revised plan shall be made in accordance with Article 21 of this Regulation and Articles 9 and 10 of Regulation (EU) No 1176/2011.	In that case, in accordance with Article 8(2) of Regulation (EU) No 1176/2011, the Council, on the basis of a Commission assessment, shall assess the revised plan within 2 months of its submission. The monitoring and assessment of the implementation of the revised plan shall be made in accordance with Article 21 of this Regulation and Articles 9 and 10 of Regulation (EU) No 1176/2011.	In that case, in accordance with Article 8(2) of Regulation (EU) No 1176/2011, the Council, on the basis of a Commission assessment, shall assess the revised plan within 2 months <u>6 weeks</u> of its submission. The monitoring and assessment of the implementation of the revised plan shall be made in accordance with Article 21 of this Regulation and Articles 9 and 10 of Regulation (EU) No 1176/2011.
194	CHAPTER VIII INTERACTION WITH REGULATION (EU) No 472/2013	CHAPTER VIII INTERACTION WITH REGULATION (EU) No 472/2013	CHAPTER VIII INTERACTION WITH REGULATION (EU) No 472/2013
195	Article 31 Interaction with the enhanced surveillance procedure	Article 31 Interaction with the enhanced surveillance procedure	Article 31 Interaction with the enhanced surveillance procedure
196	A Member State subject to enhanced surveillance under Article 2 of Regulation (EU) No 472/2013 of the European Parliament and of the Council ¹ shall take into account any	A Member State subject to enhanced surveillance under Article 2 of Regulation (EU) No 472/2013 of the European Parliament and of the Council ¹ shall take into account any	A Member State subject to enhanced surveillance under Article 2 of Regulation (EU) No 472/2013 of the European Parliament and of the Council¹ shall take into account any

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	recommendations addressed to it under Article 23 of this Regulation when adopting measures aimed at addressing the sources or potential sources of difficulties pursuant to Article 3(1) of that Regulation. 1. 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).	recommendations addressed to it under Article 23 of this Regulation when adopting measures aimed at addressing the sources or potential sources of difficulties pursuant to Article 3(1) of that Regulation. 1. 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).	recommendations addressed to it under Article 23 of this Regulation when adopting measures aimed at addressing the sources or potential sources of difficulties pursuant to Article 3(1) of that Regulation. 1. 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).
197	Where a Member State is subject to a macroeconomic adjustment programme and the changes thereto in accordance with Article 7 of Regulation (EU) No 472/2013, it shall not be required to submit a medium-term fiscal-structural plan pursuant to Article 9 of this Regulation and an annual progress report pursuant to Article 20 of this Regulation.	Where a Member State is subject to a macroeconomic adjustment programme and the changes thereto in accordance with Article 7 of Regulation (EU) No 472/2013, it shall not be required to submit a medium-term fiscal-structural plan pursuant to Article 9 of this Regulation and an annual progress report pursuant to Article 20 of this Regulation.	Where a Member State is subject to a macroeconomic adjustment programme and the changes thereto in accordance with Article 7 of Regulation (EU) <u>of the European Parliament and of the Council</u> No 472/2013, it shall not be required to submit a medium-term fiscal-structural plan pursuant to Article 9 of this Regulation and an annual progress report pursuant to Article 20 of this Regulation.
197a		<u>Where a Member State has an active medium-term fiscal-structural plan, and that Member</u>	

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		<u>State becomes subject to a macroeconomic adjustment programme pursuant to Article 7 of Regulation (EU) No 472/2013, the medium-term fiscal-structural plan shall be taken into account in the design of the macroeconomic adjustment programme.</u>	
198	CHAPTER IX DELEGATED POWERS	CHAPTER IX DELEGATED POWERS	CHAPTER IX DELEGATED POWERS
199	Article 32 Amendment of the annexes	Article 32 Amendment of the annexes	Article 32 Amendment of the annexes
200	The Commission is empowered to adopt delegated acts in accordance with Article 33 to amend Annexes II to VII to adapt them to take due account of further developments or needs regarding the information in the national medium-term fiscal-structural plan (Annex II) or in the annual progress reports (Annex III), regarding the functioning of the control account (Annex IV), regarding the methodology for the assessment of plausibility (Annex	The Commission is empowered to adopt delegated acts in accordance with Article 33 to amend Annexes II, III and to VII to adapt them to take due account of further developments or needs regarding the information in the national medium-term fiscal-structural plan (Annex II) or in the annual progress reports (Annex III), regarding the functioning of the control account (Annex IV), regarding the methodology for the	The Commission is empowered to adopt delegated acts in accordance with Article 33 to amend Annexes II to VII to adapt them to take due account of further developments or needs regarding the information in the national medium-term fiscal-structural plan (Annex II) or in the annual progress reports (Annex III), regarding the functioning of the control account (Annex IV), regarding the methodology for the assessment of plausibility (Annex

	Commission Proposal	EP Mandate	Council Mandate
	V), regarding the common priorities of the Union (Annex VI) or regarding the assessment framework (Annex VII).	assessment of plausibility (Annex V), regarding the common priorities of the Union (Annex VI) or regarding the assessment framework (Annex VII).	V), regarding the common priorities of the Union (Annex VI) or regarding the assessment framework (Annex VII).
201	Article 33 Exercise of the delegation	Article 33 Exercise of the delegation	Article 33 Exercise of the delegation
202	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
203	2. The power to adopt delegated acts referred to in Article 32 shall be conferred for an indeterminate period of time from XXX.	2. The power to adopt delegated acts referred to in Article 32 <u>Articles 8 and 19a</u> shall be conferred <u>on the Commission for a period of 5 years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the 5-year</u> for an indeterminate period. <u>The delegation of power shall be tacitly extended for periods of an</u>	2. The power to adopt delegated acts referred to in Article 32 shall be conferred for an indeterminate period of time from XXX.

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		<i>identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period</i> <i>-of time from XXX.</i>	
204	3. The delegations of power referred to in Article 32 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegations of power referred to in Article 32 <u>Articles 8 and 19a</u> may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegations of power referred to in Article 32 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
205	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall <u>conduct a public consultation and</u> consult experts designated by each Member State in accordance with the principles <u>and procedures</u> laid down in the Interinstitutional	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

	Commission Proposal	EP Mandate	Council Mandate
		Agreement of 13 April 2016 on Better Law-Making.	
206	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	5. As soon as it adopts a delegated act, the <u>A delegated act adopted pursuant to Articles 8 and 19a shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the</u> Commission <u>that they will not object. That period</u> shall notify it simultaneously to <u>be extended by three months at the initiative of</u> the European Parliament and to <u>or of</u> the Council.	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
207	6. A delegated act adopted pursuant to Article 32 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one	6. A delegated act adopted pursuant to Article 32 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one	6. A delegated act adopted pursuant to Article 32 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one

	Commission Proposal	EP Mandate	Council Mandate
	month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.	month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.	month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.
208	CHAPTER X COMMON PROVISIONS	CHAPTER X COMMON PROVISIONS	CHAPTER X COMMON PROVISIONS
209	Article 34 Dialogue with the Member States	Article 34 Dialogue with the Member States	Article 34 Dialogue with the Member States
210	The Commission shall ensure a permanent dialogue with Member States in accordance with the objectives of this Regulation. To that end, the Commission shall, in particular, carry out missions for the purpose of the assessment of the socio-economic situation in the Member State and the identification of any risks or difficulties in complying with the	The Commission shall ensure a permanent dialogue with Member States in accordance with the objectives of this Regulation. To that end, the Commission shall, in particular, carry out missions for the purpose of the assessment of the socio-economic situation in the Member State and the identification of any risks or difficulties in complying with the	The Commission shall ensure a permanent dialogue with Member States in accordance with the objectives of this Regulation. To that end, the Commission shall, in particular, carry out missions for the purpose of the assessment of the socio-economic situation in the Member State and the identification of any risks or difficulties in complying with the

	Commission Proposal	EP Mandate	Council Mandate
	objectives of this Regulation.	objectives of this Regulation.	objectives of this Regulation.
211	Article 35 In-depth surveillance missions	Article 35 In-depth surveillance Monitoring missions	Article 35 In-depth surveillance missions
212	1. The Commission may undertake in-depth surveillance missions in Member States which are the subject of recommendations issued pursuant to Article 23 for the purposes of on-site monitoring.	1. The Commission may shall undertake in-depth surveillance monitoring missions in Member States which are the subject of recommendations issued pursuant to Article 23. Such monitoring shall, as a general rule, take place on-site. for the purposes of on-site monitoring.	1. The Commission may undertake in-depth surveillance missions in Member States which are the subject of recommendations issued pursuant to Article 23 for the purposes of on-site monitoring.
213	2. When the Member State concerned is a Member State whose currency is the euro or a Member State that is participating in ERM2, the Commission may invite representatives of the European Central Bank, if appropriate, to participate in surveillance missions.	2. When the Member State concerned is a Member State whose currency is the euro or a Member State that is participating in ERM2, the Commission may invite representatives of the European Central Bank, if appropriate, to participate in surveillance monitoring missions.	2. When the Member State concerned is a Member State whose currency is the euro or a Member State that is participating in ERM2, the Commission may invite representatives of the European Central Bank, if appropriate, to participate in surveillance missions.
213a			

	Commission Proposal	EP Mandate	Council Mandate
		<u>2a. For the purposes of monitoring missions, the Commission may invite relevant stakeholders based in the Member State concerned to participate in those missions.</u>	
214	Article 36 Report	Article 36 Report <u>Review</u>	Article 36 Report
215	1. By [31 December 2030] 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.	1. By [31 December 2030 <u>2028</u>] 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.	1. By [31 December 2030] and every 5 years thereafter, the Commission shall submit to the European Parliament and to the Council <u>prepare</u> 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.
216	2. The report referred to in paragraph 1 shall review:	2. The report referred to in paragraph 1 shall <u>assess and</u> review:	2. The report referred to in paragraph 1 shall review:
217	(a) the effectiveness of this	(a) the effectiveness of this	(a) <u>the</u> effectiveness of this

	Commission Proposal	EP Mandate	Council Mandate
	Regulation, particularly whether the provisions governing decision-making have proved sufficiently efficient in ensuring a downward path for public debt ratios or maintaining them at prudent levels in accordance with the relevant Council recommendations;	Regulation, particularly whether the provisions governing decision-making have proved sufficiently efficient in <u>Regulation</u> in ensuring a downward path for public debt ratios or maintaining them at prudent levels in accordance with the relevant Council recommendations, <u>in promoting debt sustainability and sustainable and inclusive growth in the Member States and in preventing the occurrence of excessive government deficits</u> ;	Regulation, particularly whether the provisions governing decision-making have proved sufficiently efficient in ensuring a downward path for public debt ratios or maintaining them at prudent levels in accordance with the relevant Council recommendations; <u>in achieving its objectives</u> ;
217a		<u>(aa) the use of the delegated powers laid down in Article 33;</u>	
218	(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States.	(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States.	(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States.
218a		<u>(ba) the progress in the implementation of the country-specific recommendations, the common priorities of the Union</u>	

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		<u>referred to in Article 12, point (ba), the reforms and overall level of investments in the Union;</u>	
218b		<u>(bb) whether Communication COM(2015)012 is still fit for purpose.</u>	
219	3. The report shall be forwarded to the European Parliament and the Council.	3. The report shall be forwarded to the European Parliament and the Council.	3. The report shall be forwarded to the European Parliament and the Council.
220	Article 37 Repeal of Regulation (EC) No 1466/97	Article 37 Repeal of Regulation (EC) No 1466/97	Article 37 Repeal of Regulation (EC) No 1466/97
221	Regulation (EC) No 1466/97 is repealed.	Regulation (EC) No 1466/97 is repealed.	Regulation (EC) No 1466/97 is repealed.
222	Article 38 Entry into force	Article 38 Entry into force	Article 38 Entry into force
223	This Regulation shall enter into	This Regulation shall enter into	This Regulation shall enter into

	Commission Proposal	EP Mandate	Council Mandate
	force on the [twentieth] day following that of its publication in the Official Journal of the European Union.	force on the [twentieth] day following that of its publication in the Official Journal of the European Union.	force on the [twentieth] day following that of its publication in the Official Journal of the European Union.
224	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.
224a			<u>Article 38bis</u> <u>Transitory provisions</u>
224b			<u>For the first cohort of medium-term fiscal-structural plans:</u>
224c			<u>(a) By exception to Article 7(1), the Commission shall transmit prior guidance to the Member States concerned at the latest by 15 February 2024, and Member States shall submit their medium-term fiscal-structural plans by 30 April 2024, in accordance with Article 9, unless the Member State and the Commission agree to extend the deadline by a</u>

	Commission Proposal	EP Mandate	Council Mandate
			<u>reasonable period of time;</u>
224d			<u>(b) During the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, commitments included in the approved Recovery and Resilience Plan of the Member State concerned shall be taken into account for an extension of the adjustment period in accordance with Article 13, provided the Recovery and Resilience Plan contains significant reforms and investments aimed at improving fiscal sustainability and enhancing the growth potential of the economy, and the Member State concerned commits to continue the reform effort over the remainder of the national medium-term fiscal-structural plan, as well as to maintain the nationally financed investment levels realised on average over the period covered by the Recovery and Resilience Plan.</u>
224e			<u>(c) Projects related to Recovery</u>

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			<u>and Resilience Facility loans as well as national co-financing of EU funds in 2025 and 2026 shall be taken into account whenever a Member State requests an exception to the no-backloading safeguard referred to in Article 6 point c, provided that this does not endanger fiscal sustainability in the medium term;</u>
224f			<u>(d) Acknowledging the exceptional impact of recent economic shocks and current uncertainty on estimates of potential growth, Member States may use more stable series than the ones resulting from the commonly agreed methodology, provided it is duly justified by economic arguments and the cumulated growth over the projection horizon remains broadly in line.</u>
225	Done at Brussels,	Done at Brussels,	Done at Brussels,
226	For the European Parliament	For the European Parliament	For the European Parliament

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227	The President	The President	The President
228	For the Council	For the Council	For the Council
229	The President	The President	The President
230	Annex I	Annex I	Annex I
231	Criteria for setting the technical trajectory for Member States having a public debt above 60% of GDP reference value or government deficit above 3% of GDP reference value	Criteria for setting the technical trajectory for Member States having a public debt above 60% of GDP reference value or government deficit above 3% of GDP reference value	Criteria for setting the technical trajectory for Member States having a public debt above 60% of GDP reference value or government deficit above 3% of GDP reference value
232	For Member States having public debt above the 60% of GDP reference value or government deficit above the 3% of GDP reference value, the technical trajectory shall ensure that:	For Member States having public debt above the 60% of GDP reference value or government deficit above the 3% of GDP reference value, the technical trajectory shall ensure that:	For Member States having public debt above the 60% of GDP reference value or government deficit above the 3% of GDP reference value, the technical trajectory shall ensure that:

	Commission Proposal	EP Mandate	Council Mandate
233	(a) by the end of the adjustment period, at the latest, the 10-year debt trajectory in the absence of further budgetary measures is on a plausibly downward path or stays at prudent levels;	(a) by the end of the adjustment period, at the latest, the 10-year debt trajectory in the absence of further budgetary measures is on a plausibly downward path or stays at prudent levels;	(a) by the end of the adjustment period, at the latest, the 10-year debt trajectory in the absence of further budgetary measures is on a plausibly downward path or stays at prudent levels;
234	(b) the government deficit is brought and maintained below the 3% of GDP reference value in the absence of further budgetary measures over the same 10-year period;	(b) the government deficit is brought and maintained below the 3% of GDP reference value in the absence of further budgetary measures over the same 10-year period;	(b) the government deficit is brought and maintained below the 3% of GDP reference value in the absence of further budgetary measures over the same 10-year period;
235	(c) for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the technical trajectory is also consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X];	(c) for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the technical trajectory is also consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X];	(c) for the years that the Member State concerned is expected to have a deficit above the 3% of GDP reference value, and the excess is not close and temporary, the technical trajectory is also consistent with the benchmark referred to under Article 3 of Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure as amended by Regulation [X];

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236	(d) the adjustment effort is not postponed towards the final years of the adjustment period, that is to say the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(d) the adjustment effort is not postponed towards the final years of the adjustment period, that is to say the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;	(d) the adjustment effort is not postponed towards the final years of the adjustment period, that is to say the fiscal adjustment effort over the period of the national medium-term fiscal-structural plan is at least proportional to the total effort over the entire adjustment period;
237	(e) the public debt ratio at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and	(e) the public debt ratio at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and	(e) the public debt ratio at the end of the planning horizon is below the public debt ratio in the year before the start of the technical trajectory; and
238	(f) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.	(f) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.	(f) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.
239	Annex II	Annex II	Annex II
240	Information to be provided in the national medium-term fiscal-	Information to be provided in the national medium-term fiscal-	Information to be provided in the national medium-term fiscal-

	Commission Proposal	EP Mandate	Council Mandate
	structural plans	structural plans	structural plans
241	A national medium-term fiscal-structural plan shall contain the following information:	A national medium-term fiscal-structural plan shall contain the following information:	A national medium-term fiscal-structural plan shall contain the following information:
242	(a) The national net expenditure path referred to in Article 11. The other budgetary variables outside the control of the government that are part of the definition of net expenditure referred to in Article 2 consist in expenditure on programmes of the Union fully matched by Union funds revenue and cyclical elements of unemployment benefit expenditure.	(a) The national net expenditure path referred to in Article 11. The other budgetary variables outside the control of the government that are part of the definition of net expenditure referred to in Article 2 consist in expenditure on programmes of the Union fully matched by Union funds revenue and cyclical elements of unemployment benefit expenditure.	(a) The national net expenditure path referred to in Article 11. The other budgetary variables outside the control of the government that are part of the definition of net expenditure referred to in Article 2 consist in expenditure on programmes of the Union fully matched by Union funds revenue and cyclical elements of unemployment benefit expenditure.
243	(b) The projected growth path of government revenue at unchanged policy.	(b) The projected growth path of government revenue at unchanged policy.	(b) The projected growth path of government revenue at unchanged policy.
244	(c) The projected path of the public debt ratio.	(c) The projected path of the public debt ratio.	(c) The projected path of the public debt ratio.
244a			

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		<u>(ca) An assessment of national public investment gaps, including to achieve each of the common priorities of the Union referred to in Article 12, point (ba);</u>	
245	(d) Information on implicit liabilities related to ageing, and contingent liabilities with a potentially large impact on government budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof, potential expenses and obligations arising from court cases and, to the extent possible, information on disaster and climate contingent liabilities.	(d) Information on implicit liabilities related to ageing, and contingent liabilities with a potentially large impact on government budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof, potential expenses and obligations arising from court cases and, to the extent possible, <u>science-based</u> information on disaster and climate contingent liabilities.	(d) Information on implicit liabilities related to ageing, and contingent liabilities with a potentially large impact on government budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof, potential expenses and obligations arising from court cases and, to the extent possible, information on disaster and climate contingent liabilities.
246	(e) The main assumptions about expected economic developments and main economic variables which are relevant for ensuring consistency with a convergence of public debt towards prudent levels and maintaining the government deficit below the 3% of GDP	(e) The main assumptions about expected economic developments and main economic variables which are relevant for ensuring consistency with a convergence of public debt towards prudent levels and maintaining the government deficit below the 3% of GDP	(e) The main assumptions about expected economic developments and main economic variables which are relevant for ensuring consistency with a convergence of public debt towards prudent levels and maintaining the government deficit below the 3% of GDP

	Commission Proposal	EP Mandate	Council Mandate
	reference value.	reference value.	reference value.
247	(f) In case the Member State makes use of assumptions referred to under point (e) that differ from the Commission's assumptions over the adjustment period of the national medium-term fiscal-structural plan and the subsequent 10-year period in the absence of further budgetary measures, due explanations and justifications based on sound economic arguments of these differences.	(f) In case the Member State makes use of assumptions referred to under point (e) that differ from the Commission's assumptions over the adjustment period of the national medium-term fiscal-structural plan, <u>and, if applicable, the reference trajectory proposed by the Member State deviates from the reference trajectory put forward by the Commission in accordance with Article 5 and the subsequent 10-year period in the absence of further budgetary measures</u> , due explanations and justifications based on sound economic arguments of these differences.	(f) In case the Member State makes use of assumptions referred to under point (e) that differ from the Commission's assumptions over the adjustment period of the national medium-term fiscal-structural plan and the subsequent 10-year period in the absence of further budgetary measures, due explanations and justifications based on sound economic arguments of these differences.
248	(g) An analysis of how changes in the main economic assumptions would affect the budgetary and debt position of the Member State.	(g) An analysis of how changes in the main economic assumptions would affect the budgetary and debt position of the Member State.	(g) An analysis of how changes in the main economic assumptions would affect the budgetary and debt position of the Member State.
249	(h) If applicable, the duly substantiated reasons (with relevant	(h) If applicable, the duly substantiated reasons (with	(h) If applicable, the duly substantiated reasons (with

	Commission Proposal	EP Mandate	Council Mandate
	sound and verifiable economic arguments) for deviating from the technical trajectory put forward by the Commission.	relevant sound and verifiable economic arguments) for deviating from the technical trajectory put forward by the Commission.	relevant sound and verifiable economic arguments) for deviating from the technical trajectory put forward by the Commission.
250	(i) Reform and investment priorities to respond to the main challenges as identified in the country-specific recommendations, taking into account the state of play of implementation of those country-specific recommendations.	(i) Reform and investment priorities to respond to the main challenges as identified in the country-specific recommendations, taking into account the state of play of implementation of those country-specific recommendations <u>and the progress on the reduction of the investment gaps.</u>	(i) Reform and investment priorities to respond to the main challenges as identified in the country-specific recommendations, taking into account the state of play of implementation of those country-specific recommendations.
251	(j) Total public investment expenditure, as well as reforms and public investment expenditure addressing the common priorities of the Union referred to in Annex VI.	(j) Total public investment expenditure, as well as Reforms and public investment expenditure addressing <u>each of</u> the common priorities of the Union referred to in Annex VI <u>Article 12, point (ba).</u>	(j) Total public investment expenditure, as well as reforms and public investment expenditure addressing the common priorities of the Union referred to in Annex VI.
252	(k) If applicable, information on a specific, time-bound and verifiable set of reform and investment commitments underpinning an extension of the adjustment period pursuant to Article 13, a timeline	(k) If applicable, information on a specific, time-bound and verifiable set of reform and investment commitments underpinning an extension of the adjustment period pursuant to Article 13, a timeline	(k) If applicable, information on a specific, time-bound and verifiable set of reform and investment commitments underpinning an extension of the adjustment period pursuant to Article 13, a timeline

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	for its implementation, as well as sound economic arguments that this set of reform and investment commitments fulfil the criteria under Article 13 taking into account the assessment criteria in Annex VII.	for its implementation, as well as sound economic arguments that this set of reform and investment commitments fulfil the criteria under Article 13 taking into account the assessment criteria in Annex VII.	for its implementation, as well as sound economic arguments that this set of reform and investment commitments fulfil the criteria under Article 13 taking into account the assessment criteria in Annex VII.
253	(l) A quantification, as much as possible, of the expected impacts of reforms and investment referred to under point (k) on fiscal sustainability, growth and employment, where applicable in line with commonly agreed methodologies.	(l) A quantification, as much as possible, of the expected impacts of reforms and investment referred to under point (k) on fiscal sustainability, <u>sustainable and inclusive</u> growth, <u>competitiveness and quality</u> and employment, where applicable in line with commonly agreed methodologies.	(l) A quantification, as much as possible, of the expected impacts of reforms and investment referred to under point (k) on fiscal sustainability, growth and employment, where applicable in line with commonly agreed methodologies.
254	(m) The medium-term budgetary and potential medium-term growth impact of those reform and investment commitments referred to under point (k) where possible.	(m) The medium-term budgetary and potential medium-term growth <u>and resilience</u> impact of those reform and investment commitments referred to under point (k) where possible.	(m) The medium-term budgetary and potential medium-term growth impact of those reform and investment commitments referred to under point (k) where possible.
255	(n) If applicable, reforms and investment to correct the identified macroeconomic imbalances under	(n) If applicable, reforms and investment to correct the identified macroeconomic imbalances under	(n) If applicable, reforms and investment to correct the identified macroeconomic imbalances under

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	the Macroeconomic Imbalance Procedure.	the Macroeconomic Imbalance Procedure, <u>the warnings by the Commission or the recommendations by the Council pursuant to Article 121(4) TFEU.</u>	the Macroeconomic Imbalance Procedure.
256	(o) The planned overall level of nationally financed public investment covering the period of the national medium-term fiscal-structural plan.	(o) The planned overall level of <u>reforms and</u> nationally financed public investment covering the period of the national medium-term fiscal-structural plan.	(o) The planned overall level of nationally financed public investment covering the period of the national medium-term fiscal-structural plan.
257	(p) For Member States with low public debt challenges but large implicit liabilities due to population ageing, the national net expenditure trajectory and the reforms in the national medium-term fiscal-structural plans should take due consideration of long-term fiscal sustainability challenges of public finances.	(p) For Member States with low public debt challenges but large implicit liabilities due to population ageing, the national net expenditure trajectory and the reforms in the national medium-term fiscal-structural plans should take due consideration of long-term fiscal sustainability challenges of public finances.	(p) For Member States with low public debt challenges but large implicit liabilities due to population ageing, the national net expenditure trajectory and the reforms in the national medium-term fiscal-structural plans should take due consideration of long-term fiscal sustainability challenges of public finances.
258	(q) Information on the consultations of social partners, civil society organisations and other relevant stakeholders in view of the preparation of the plan.	(q) Information on the consultations of social partners, civil society organisations and other relevant stakeholders in view of the preparation of the plan, <u>a</u>	(q) Information on the consultations of social partners, civil society organisations and other relevant stakeholders in view of the preparation of the plan.

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		<u>summary of their contributions to the plan and how their input was reflected.</u>	
258a		<u>(qa) Challenges identified in the social convergence reports under the Social Convergence Framework and the implementation of the European Pillar of Social Rights.</u>	
259	Annex III	Annex III	Annex III
260	Information to be provided by Member States in the Annual Progress Reports	Information to be provided by Member States in the Annual Progress Reports	Information to be provided by Member States in the Annual Progress Reports
261	In their annual progress report, the Member States shall submit the following information:	In their annual progress report, the Member States shall submit the following information:	In their annual progress report, the Member States shall submit the following information:
262	(a) A comparison between the planned net expenditure based on the net expenditure path set by the Council and the net expenditure	(a) A comparison between the planned net expenditure based on the net expenditure path set by the Council and the net expenditure	(a) A comparison between the planned net expenditure based on the net expenditure path set by the Council and the net expenditure

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	based on outturn data.	based on outturn data.	based on outturn data.
263	(b) A comparison from the beginning of the national medium-term fiscal-structural plan between the projections of the main economic variables submitted in that plan and the outturn data for these variables, as well as the implications for compliance with the net expenditure path set by the Council and the implications on the projected path of the public debt ratio reported in that plan.	(b) A comparison from the beginning of the national medium-term fiscal-structural plan between the projections of the main economic variables submitted in that plan and the outturn data for these variables, as well as the implications for compliance with the net expenditure path set by the Council and the implications on the projected path of the public debt ratio reported in that plan.	(b) A comparison from the beginning of the national medium-term fiscal-structural plan between the projections of the main economic variables submitted in that plan and the outturn data for these variables, as well as the implications for compliance with the net expenditure path set by the Council and the implications on the projected path of the public debt ratio reported in that plan.
264	(c) An analysis of the implementation in the previous year of the discretionary revenue measures.	(c) An analysis of the implementation in the previous year of the discretionary revenue measures.	(c) An analysis of the implementation in the previous year of the discretionary revenue measures.
265	(d) Progress and the planned implementation for the following year of the commitments to reforms and investment given in the national medium-term fiscal-structural plan under the information to be provided in accordance with Annex II, points	(d) Progress and the planned implementation for the following year of the commitments to reforms and investment given in the national medium-term fiscal-structural plan under the information to be provided in accordance with Annex II, points	(d) Progress and the planned implementation for the following year of the commitments to reforms and investment given in the national medium-term fiscal-structural plan under the information to be provided in accordance with Annex II, points

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	(i) and (j), as well as, if applicable, (k) and (n).	(i) and (j), as well as, if applicable, (k) and (n).	(i) and (j), as well as, if applicable, (k) and (n).
266	(e) Information for the following year on how the Member State intends to address the country-specific recommendations of the previous year, including, where applicable, the recommendation on the economic policy of the euro area.	(e) Information for the following year on how the Member State intends to address the country-specific recommendations of the previous year, including, where applicable, the recommendation on the economic policy of the euro area.	(e) Information for the following year on how the Member State intends to address the country-specific recommendations of the previous year, including, where applicable, the recommendation on the economic policy of the euro area.
267	(f) During the lifetime of the Recovery and Resilience Facility, information on the progress of implementation of the Recovery and Resilience Plan, to comply with the bi-annual reporting requirements in the context of the European Semester set out in Article 27 of Regulation (EU) 2021/241.	(f) During the lifetime of the Recovery and Resilience Facility <u>or any Union investment instrument that would serve a similar purpose</u> , information on the progress of implementation of the Recovery and Resilience Plan, to comply with the bi-annual reporting requirements in the context of the European Semester set out in Article 27 of Regulation (EU) 2021/241.	(f) During the lifetime of the Recovery and Resilience Facility, information on the progress of implementation of the Recovery and Resilience Plan, to comply with the bi-annual reporting requirements in the context of the European Semester set out in Article 27 of Regulation (EU) 2021/241.
268	(g) Information on the evolution of contingent liabilities reported in the national medium-term fiscal-	(g) Information on the evolution of contingent liabilities reported in the national medium-term fiscal-	(g) Information on the evolution of contingent liabilities reported in the national medium-term fiscal-

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	structural plan and referred to in Annex II, point (d), as well as of the implicit liabilities related to ageing, where relevant, and information on the contingent liabilities and the implicit liabilities for the following year.	structural plan and referred to in Annex II, point (d), as well as of the implicit liabilities related to ageing, where relevant, and information on the contingent liabilities and the implicit liabilities for the following year.	structural plan and referred to in Annex II, point (d), as well as of the implicit liabilities related to ageing, where relevant, and information on the contingent liabilities and the implicit liabilities for the following year.
269	(h) The main assumptions about expected economic developments and main economic variables for the following years of the adjustment period, including the public debt ratio.	(h) The main assumptions about expected economic developments and main economic variables for the following years of the adjustment period, including the public debt ratio.	(h) The main assumptions about expected economic developments and main economic variables for the following years of the adjustment period, including the public debt ratio.
270	(i) The projections at unchanged policies for the following years of the adjustment period for government expenditure and revenue and their main components, including public investment expenditure.	(i) The projections at unchanged policies for the following years of the adjustment period for government expenditure and revenue and their main components, including public investment expenditure.	(i) The projections at unchanged policies for the following years of the adjustment period for government expenditure and revenue and their main components, including public investment expenditure.
271	(j) The planned government expenditure and revenue as a percentage of GDP and their main components for the following years of the adjustment period, taking	(j) The planned government expenditure and revenue as a percentage of GDP and their main components for the following years of the adjustment period, taking	(j) The planned government expenditure and revenue as a percentage of GDP and their main components for the following years of the adjustment period, taking

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	into account the net expenditure path set by the Council.	into account the net expenditure path set by the Council.	into account the net expenditure path set by the Council.
272	(k) A description and quantification of the expenditure and revenue measures to be implemented to bridge the gap between the projections at unchanged policies for expenditure and revenue referred to in point (i) and the planned expenditure and revenue referred to in point (j).	(k) A description and quantification of the expenditure and revenue measures to be implemented to bridge the gap between the projections at unchanged policies for expenditure and revenue referred to in point (i) and the planned expenditure and revenue referred to in point (j).	(k) A description and quantification of the expenditure and revenue measures to be implemented to bridge the gap between the projections at unchanged policies for expenditure and revenue referred to in point (i) and the planned expenditure and revenue referred to in point (j).
273	(l) An analysis of the evolution of the macroeconomic imbalances identified under the Macroeconomic Imbalance Procedure and of the impact on them of the implementation of the relevant reforms and investment reported in the national medium-term fiscal-structural plan in accordance with Annex II, point (n), where applicable.	(l) An analysis of the evolution of the macroeconomic imbalances identified under the Macroeconomic Imbalance Procedure and of the impact on them of the implementation of the relevant reforms and investment reported in the national medium-term fiscal-structural plan in accordance with Annex II, point (n), where applicable.	(l) An analysis of the evolution of the macroeconomic imbalances identified under the Macroeconomic Imbalance Procedure and of the impact on them of the implementation of the relevant reforms and investment reported in the national medium-term fiscal-structural plan in accordance with Annex II, point (n), where applicable.
274	(m) Information on the implementation of a warning by the Commission or a recommendation	(m) Information on the implementation of a warning by the Commission or a recommendation	(m) Information on the implementation of a warning by the Commission or a recommendation

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	by the Council pursuant to Article 121(4) TFEU.	by the Council pursuant to Article 121(4) TFEU.	by the Council pursuant to Article 121(4) TFEU.
274a		<u>(ma) An assessment of national public investment gaps, including to achieve each of the common priorities of the Union referred to in Article 12, point (ba);</u>	
275	(n) Information on labour market, skills and social policy developments, and on the implementation of policy measures taken that foster upward social convergence among Member States towards better working and living conditions, in line with the principles of the European Pillar of Social Rights and the Employment Guidelines under Article 148 TFEU. That includes the expected impact of measures, in relation to progress on the national targets on employment, skills and poverty reduction by 2030.	(n) Information on labour market, skills and social policy developments, and on the implementation of policy measures taken that foster upward social convergence among Member States towards better working and living conditions, in line with the principles of the European Pillar of Social Rights and the Employment Guidelines under Article 148 TFEU. That includes the expected impact of measures, in relation to progress on the national targets on employment, skills and poverty reduction by 2030, <u>and if applicable the expected impact of measures to address the challenges identified under the Social Convergence Framework.</u>	(n) Information on labour market, skills and social policy developments, and on the implementation of policy measures taken that foster upward social convergence among Member States towards better working and living conditions, in line with the principles of the European Pillar of Social Rights and the Employment Guidelines under Article 148 TFEU. That includes the expected impact of measures, in relation to progress on the national targets on employment, skills and poverty reduction by 2030.

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276	(o) The assessment of the independent fiscal institutions referred to in Article 22.	(o) The assessment of the independent fiscal institutions referred to in Article 22.	(o) The assessment of the independent fiscal institutions referred to in Article 22.
277	Annex IV	Annex IV	Annex IV
278	Functioning of the Control Account	Functioning of the Control Account	Functioning of the Control Account
279	The control account for each Member State referred to in Article 21 will record a debit when the actual net expenditure in the Member State in a given year is above the net expenditure path set by the Council.	The control account for each Member State referred to in Article 21 will record a debit when the actual net expenditure in the Member State in a given year is above the net expenditure path set by the Council.	The control account for each Member State referred to in Article 21 will record a debit when the actual net expenditure in the Member State in a given year is above the net expenditure path set by the Council.
280	The control account will record a credit when the actual net expenditure in the Member State in a given year is below the net expenditure path set by the Council.	The control account will record a credit when the actual net expenditure in the Member State in a given year is below the net expenditure path set by the Council.	The control account will record a credit when the actual net expenditure in the Member State in a given year is below the net expenditure path set by the Council.
281			

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	The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.	The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.	The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.
282	Annex V	Annex V	Annex V
283	Methodology to assess plausibility by the Commission	Methodology to assess plausibility by the Commission	Methodology to assess plausibility by the Commission
284	The methodology for the assessment of plausibility pursuant to Article 8 is based on the following conditions:	The methodology for the assessment of plausibility pursuant to Article 8 is based on the following conditions:	The methodology for the assessment of plausibility pursuant to Article 8 is based on the following conditions:
285	- public debt ratio should be declining, or stay at prudent levels, under the deterministic scenarios of the Commission's medium-term public debt projection framework described in the Debt Sustainability Monitor 2022;	- public debt ratio should be declining, or stay at prudent levels, under the deterministic scenarios of the Commission's medium-term public debt projection framework described in the Debt Sustainability Monitor 2022;	- public debt ratio should be declining, or stay at prudent levels, under the deterministic scenarios of the Commission's medium-term public debt projection framework described in the Debt Sustainability Monitor 2022;
286	- the risk of the public debt ratio	- the risk of the public debt ratio	- the risk of the public debt ratio

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	not decreasing in the 5 years following the adjustment period of the national medium-term fiscal-structural plan is sufficiently low. The risk is assessed with the help of the Commission's stochastic analysis.	not decreasing in the 5 years following the adjustment period of the national medium-term fiscal-structural plan is sufficiently low. The risk is assessed with the help of the Commission's stochastic analysis.	not decreasing in the 5 years following the adjustment period of the national medium-term fiscal-structural plan is sufficiently low. The risk is assessed with the help of the Commission's stochastic analysis.
287	Annex VI	Annex VI	Annex VI
288	Common priorities of the Union	Common priorities of the Union	Common priorities of the Union
289	The common priorities of the Union referred to in Article 12, point (b) are:	The common priorities of the Union referred to in Article 12, point (b) are:	The common priorities of the Union referred to in Article 12, point (b) are:
290	(a) The European Green Deal¹, including the transition to climate neutrality by 2050² and the translation at national level through the National Energy and Climate Plans; 1. Communication COM(2019) 640 final of 11 December 2019 from the Commission 'The European Green Deal' and Decision (EU) 2022/591 of the	(a) The European Green Deal¹, including the transition to climate neutrality by 2050² and the translation at national level through the National Energy and Climate Plans; 1. Communication COM(2019) 640 final of 11 December 2019 from the Commission 'The European Green Deal' and Decision (EU) 2022/591 of the European Parliament	(a) The European Green Deal¹, including the transition to climate neutrality by 2050² and the translation at national level through the National Energy and Climate Plans; 1. Communication COM(2019) 640 final of 11 December 2019 from the Commission 'The European Green Deal' and Decision (EU) 2022/591 of the European Parliament

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	European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030 (OJ L 114, 12.4.2022, p.22). 2. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law').	and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030 (OJ L 114, 12.4.2022, p.22). 2. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law').	and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030 (OJ L 114, 12.4.2022, p.22). 2. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law').
291	(b) The European Pillar of Social Rights ¹ including the related targets on employment, skills and poverty reduction by 2030; 1. (2017/C 428/09) Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).	(b) The European Pillar of Social Rights¹ including the related targets on employment, skills and poverty reduction by 2030; 1. (2017/C 428/09) Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).	(b) The European Pillar of Social Rights¹ including the related targets on employment, skills and poverty reduction by 2030; 1. (2017/C 428/09) Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).
292	(c) The Digital Decade Policy Programme 2030 ¹ , and reflected at national level through the National Digital Decade Strategic Roadmaps; 1. Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 (OJ L 323, 19.12.2022, p. 4).	(c) The Digital Decade Policy Programme 2030¹, and reflected at national level through the National Digital Decade Strategic Roadmaps; 1. Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 (OJ L 323, 19.12.2022, p. 4).	(c) The Digital Decade Policy Programme 2030¹, and reflected at national level through the National Digital Decade Strategic Roadmaps; 1. Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 (OJ L 323, 19.12.2022, p. 4).

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293	(d) A Strategic Compass for Security and Defence - For a European Union that protects its citizens, values and interests and contributes to international peace and security.¹ ¹. Council of the European Union, COPS 130.	(d) A Strategic Compass for Security and Defence—For a European Union that protects its citizens, values and interests and contributes to international peace and security.¹ ¹. Council of the European Union, COPS 130.	(d) A Strategic Compass for Security and Defence—For a European Union that protects its citizens, values and interests and contributes to international peace and security.¹ ¹. Council of the European Union, COPS 130.
294	Annex VII	Annex VII	Annex VII
295	Assessment framework for the set of reform and investment commitments underpinning an extension of the adjustment period	Assessment framework for the set of reform and investment commitments underpinning an extension of the adjustment period	Assessment framework for the set of reform and investment commitments underpinning an extension of the adjustment period
296	1. Scope	1. Scope	1. Scope
297	The purposes of this assessment framework is to serve:	The purposes of this assessment framework is to serve:	The purposes of this assessment framework is to serve:
298	- as a basis for the Commission to assess whether the set of reforms	- as a basis for the Commission to assess whether the set of reforms	- as a basis for the Commission to assess whether the set of reforms

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	and investment commitments included in the national medium term fiscal structural plans underpinning an extension of their adjustment period meet the criteria set out in Article 13(2). This assessment framework represents thus the basis for the application of the assessment criteria as referred to in Article 13(2) with a view to ensuring an equitable and transparent process;	and investment commitments included in the national medium term fiscal structural plans underpinning an extension of their adjustment period meet the criteria set out in Article 13(2). This assessment framework represents thus the basis for the application of the assessment criteria as referred to in Article 13(2) with a view to ensuring an equitable and transparent process;	and investment commitments included in the national medium term fiscal structural plans underpinning an extension of their adjustment period meet the criteria set out in Article 13(2). This assessment framework represents thus the basis for the application of the assessment criteria as referred to in Article 13(2) with a view to ensuring an equitable and transparent process;
299	- as a basis to assess whether each of those reform and investment commitments fulfil the conditions set out in Article 13(3). This assessment framework represents thus also the basis for the application of the conditions as referred to in Article 13(3), for the same purpose.	- as a basis to assess whether each of those reform and investment commitments fulfil the conditions set out in Article 13(3). This assessment framework represents thus also the basis for the application of the conditions as referred to in Article 13(3), for the same purpose.	- as a basis to assess whether each of those reform and investment commitments fulfil the conditions set out in Article 13(3). This assessment framework represents thus also the basis for the application of the conditions as referred to in Article 13(3), for the same purpose.
300	2. Assessment criteria	2. Assessment criteria	2. Assessment criteria
301	In accordance with Article 13(2), the set of reforms and investment commitments included in the	In accordance with Article 13(2), the set of reforms and investment commitments included in the	In accordance with Article 13(2), the set of reforms and investment commitments included in the

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	national medium term fiscal structural plans underpinning an extension of the adjustment period shall be commensurate with the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor and challenges to medium-term growth in the Member State. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the set of reforms and investments is expected to also address bottlenecks to medium-term growth.	national medium term fiscal structural plans underpinning an extension of the adjustment period shall be commensurate with the the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor <u>or the Debt Sustainability Analysis methodology</u> and challenges to medium-term growth in the Member State. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the set of reforms and investments is expected to also address bottlenecks to medium-term growth.	national medium term fiscal structural plans underpinning an extension of the adjustment period shall be commensurate with the degree of public debt challenges as established in the most recent update of the Debt Sustainability Monitor and challenges to medium-term growth in the Member State. For Member States where public debt challenges are linked to significant challenges to medium-term growth, the set of reforms and investments is expected to also address bottlenecks to medium-term growth.
302	The set of reforms and investment commitments shall fulfil, taken altogether, the following criteria:	The set of reforms and investment commitments shall fulfil, taken altogether, the following criteria:	The set of reforms and investment commitments shall fulfil, taken altogether, the following criteria:
303	2.1 The set of reform and investment commitments are growth-enhancing;	2.1 The set of reform and investment commitments are growth-enhancing <u>growth and resilience-enhancing</u> ;	2.1 The set of reform and investment commitments are growth-enhancing;
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	- The set of reform and investment commitments are expected to entail, based on credible, well documented and prudent assumptions, a significant boost to the growth potential of the economy of the Member State concerned in a sustainable manner;	- The set of reform and investment commitments are expected to entail, based on credible, well documented and prudent assumptions, a significant boost to the growth potential of the economy of the Member State concerned in a sustainable manner;	- The set of reform and investment commitments are expected to entail, based on credible, well documented and prudent assumptions, a significant boost to the growth potential of the economy of the Member State concerned in a sustainable manner;
305	2.2 The set of reform and investment commitments support fiscal sustainability;	2.2 The set of reform and investment commitments support fiscal sustainability;	2.2 The set of reform and investment commitments support fiscal sustainability;
306	- The set of reform and investment commitments are expected to entail a significant structural improvement of public finances over the medium-term, by structurally reducing public expenditure or increasing public revenue, of the Member State concerned.	- The set of reform and investment commitments are expected to entail a significant structural improvement of public finances over the medium-term, by structurally reducing public expenditure or increasing public revenue, of the Member State concerned.	- The set of reform and investment commitments are expected to entail a significant structural improvement of public finances over the medium-term, by structurally reducing public expenditure or increasing public revenue, of the Member State concerned.
307	2.3 The set of reform and investment commitments address priorities of the Union referred to in Annex VI;	2.3 The set of reform and investment commitments address <u>common</u> priorities of the Union referred to in Annex VI <u>Article 12</u> ;	2.3 The set of reform and investment commitments address priorities of the Union referred to in Annex VI;

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		point (ba) ;	
308	- The set of reform and investment commitments contribute significantly to at least one of the priorities of the Union referred to in Annex VI;	- The set of reform and investment commitments contribute significantly to at least one of the common priorities of the Union referred to in Annex VI Article 12, point (ba) ;	- The set of reform and investment commitments contribute significantly to at least one of the priorities of the Union referred to in Annex VI;
309	2.4 The set of reform and investment commitments, taken altogether, addresses relevant country-specific recommendations, including, where applicable, recommendations issued under the Macroeconomic Imbalance Procedure;	2.4 The set of reform and investment commitments, taken altogether, addresses relevant country-specific recommendations, including, where applicable, recommendations issued under the Macroeconomic Imbalance Procedure;	2.4 The set of reform and investment commitments, taken altogether, addresses relevant country-specific recommendations, including, where applicable, recommendations issued under the Macroeconomic Imbalance Procedure;
310	- The set of relevant reform and investment commitments underpinning the extension of the adjustment period, taken altogether is expected to address challenges identified in the relevant country-specific recommendations, including the recommendations issued under the Macroeconomic Imbalance Procedure where	- The set of relevant reform and investment commitments underpinning the extension of the adjustment period, taken altogether is expected to address challenges identified in the relevant country-specific recommendations, including the recommendations issued under the Macroeconomic Imbalance Procedure where	- The set of relevant reform and investment commitments underpinning the extension of the adjustment period, taken altogether is expected to address challenges identified in the relevant country-specific recommendations, including the recommendations issued under the Macroeconomic Imbalance Procedure where

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	applicable, taking into account the scope and scale of the country-specific challenges and the commitments made under the Recovery and Resilience Plans, where relevant;	applicable, taking into account the scope and scale of the country-specific challenges and the commitments made under the Recovery and Resilience Plans, where relevant;	applicable, taking into account the scope and scale of the country-specific challenges and the commitments made under the Recovery and Resilience Plans, where relevant;
311	2.5 The set of reform and investment commitments ensure that the overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before to the period of that plan	2.5 The set of reform and investment commitments ensure that the overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before to the period of that plan	2.5 The set of reform and investment commitments ensure that the overall level of nationally financed public investment over the lifetime of the national medium-term fiscal-structural plan is higher than the medium-term level before to the period of that plan
312	Whether the planned level of nationally financed public investment over the lifetime of the plan is higher than the medium-term level before to the period of the plan.	Whether the planned level of nationally financed public investment over the lifetime of the plan is higher than the medium-term level before to the period of the plan.	Whether the planned level of nationally financed public investment over the lifetime of the plan is higher than the medium-term level before to the period of the plan.
313	In addition, each of the reform and investment commitments made by Member States underpinning an extension of the adjustment period	In addition, each of the reform and investment commitments made by Member States underpinning an extension of the adjustment period	In addition, each of the reform and investment commitments made by Member States underpinning an extension of the adjustment period

	Commission Proposal	EP Mandate	Council Mandate
	should be sufficiently detailed, frontloaded, time-bound, and verifiable.	should be sufficiently detailed, frontloaded, <u>adequately distributed throughout the period covered by the plan and at the latest by the end of the adjustment period</u> time-bound, and verifiable.	should be sufficiently detailed, frontloaded, time-bound, and verifiable.
314	- the description of the reform and investment commitments is clear and sets out the detailed elements of each reform and investment, that allows the Commission to assess the criteria in points 2.1-2.5, including regarding their implementation, and monitoring;	- the description of the reform and investment commitments is clear and sets out the detailed elements of each reform and investment, that allows the Commission to assess the criteria in points 2.1-2.5, including regarding their implementation, and monitoring;	- the description of the reform and investment commitments is clear and sets out the detailed elements of each reform and investment, that allows the Commission to assess the criteria in points 2.1-2.5, including regarding their implementation, and monitoring;
315	- the reforms will be implemented within the plan period;	- the reforms will be implemented within the plan period;	- the reforms will be implemented within the plan period;
316	- the investments will be implemented at the latest by the end of the adjustment period;	- the investments will be implemented at the latest by the end of the adjustment period;	- the investments will be implemented at the latest by the end of the adjustment period;
317	- the national medium-term fiscal-structural plan includes clear and realistic, relevant, and robust	- the national medium-term fiscal-structural plan includes clear and realistic, relevant, and robust	- the national medium-term fiscal-structural plan includes clear and realistic, relevant, and robust

	Commission Proposal	EP Mandate	Council Mandate
	indicators allowing to verify progress with effective implementation of the reform and investment commitments.	indicators allowing to verify progress with effective implementation of the reform and investment commitments.	indicators allowing to verify progress with effective implementation of the reform and investment commitments.