



**2023/0138(COD)**

12.10.2023

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## **DRAFT REPORT**

on the 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 (COM2023)0240 – C9-0150/2023 – 2023/0138(COD))

Committee on Economic and Monetary Affairs

Rapporteurs: Esther de Lange, Margarida Marques

Rapporteur for the opinion of the associated committee pursuant to Rule 57 of the Rules of Procedure:  
Gabriele Bischoff. Committee on Employment and Social Affairs

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## **DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION**

**on the 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  
(COM2023)0240 – C9-0150/2023 – 2023/0138(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM2023)0240),
  - having regard to Article 294(2) and Article 121(6) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0150/2023),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Central Bank of 5 July 2023<sup>1</sup>,
  - having regard to the opinion of the European Economic and Social Committee of 21 September 2023<sup>2</sup>,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the opinion of the Committee on Employment and Social Affairs,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0000/2023),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>1</sup> OJ C 290, 18.8.2023, p. 17.

<sup>2</sup> Not yet published in the OJ.

## Amendment 1

### Proposal for a regulation Recital 3

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(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, employment **and relevant social** policies of the Member States, in accordance with Articles 121 and 148 TFEU, **including the European Pillar of Social Rights, and the related country-specific recommendations.**

Or. en

## Amendment 2

### Proposal for a regulation Recital 6

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(6) The economic governance framework of the Union should put debt sustainability, **investments and reforms, the common priorities of the Union** 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, **and ensure consistency within the Union as a whole, including the euro area.**

Or. en

### Amendment 3

#### Proposal for a regulation Recital 8

*Text proposed by the Commission*

(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.

*Amendment*

(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, ***investments and reforms, the common priorities of the Union*** and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits through medium-term planning.

Or. en

### Amendment 4

#### Proposal for a regulation Recital 9

*Text proposed by the Commission*

(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 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

*Amendment*

(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 Union. Each Member State should present a medium-term plan that sets out its ***net expenditure path*** 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 ***European Green Deal, the European Pillar of Social Rights, the Digital Decade Policy Programme 2030 and the Strategic Compass for Security***

of the Recovery and Resilience Facility<sup>25</sup>, commitments undertaken in the national Recovery and Resilience Plans should be duly taken into account.

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<sup>25</sup> 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).

**and Defence.** During the lifetime of the Recovery and Resilience Facility<sup>25</sup>, commitments undertaken in the national Recovery and Resilience Plans should be duly taken into account.

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<sup>25</sup> 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).

Or. en

## Amendment 5

### Proposal for a regulation Recital 10

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(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 ***and, where appropriate, complementarity*** with the expenditure on EU programmes fully matched by EU funds revenue and the relevant national co-financing.

Or. en

## Amendment 6

### Proposal for a regulation Recital 11



*Text proposed by the Commission*

(11) The presentation of the national medium-term fiscal-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.

*Amendment*

(11) The presentation of the national medium-term fiscal-structural plan should be preceded by a technical dialogue with the Commission to ensure compliance with the provisions of this Regulation. ***The technical dialogue should be properly documented for the purpose of transparency and accountability towards the European Parliament.*** On the basis of a recommendation from the Commission ***accompanied by an evaluation of the European Advisory Fiscal Board (EFB) and the national independent fiscal institution of the Member State concerned,*** 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.

Or. en

**Amendment 7**

**Proposal for a regulation  
Recital 12**

*Text proposed by the Commission*

(12) In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a 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.

*Amendment*

(12) In order to simplify the Union fiscal framework and increase transparency, a single operational indicator anchored in debt sustainability should serve as a 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 ***government*** expenditure net of ***interest expenditure,*** discretionary revenue measures, expenditure on programmes ***of the Union*** fully matched by Union funds ***revenue, national expenditure on co-financing of programmes funded by the***

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.

*Union capped with 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.* 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.

Or. en

## Amendment 8

### Proposal for a regulation Recital 13

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(13) To *initiate* the drafting of *its national* medium-term fiscal-structural plan, *each Member State with a public debt above the 60% of GDP reference value or a government deficit above the 3% of GDP reference value* should put forward a *proposal for a reference* trajectory *to the Commission. The trajectory should be* based on the minimum fiscal adjustment that brings the debt trajectory of the Member State on a plausibly downward path *leading to sustainable debt reduction* or maintains debt at a prudent level. It should also ensure that the public debt ratio *stabilises over the adjustment period and is reduced by at least [x] p.p of debt to GDP on average over the projection period (i.e. the adjustment period plus 10 years)*. The sustainability of that debt reduction should result from appropriate fiscal policies.

Or. en

## Amendment 9

### Proposal for a regulation Recital 13 a (new)

*Text proposed by the Commission*

*Amendment*

**(13a) Following the submission of a Member State's reference trajectory, a dialogue with the Commission should take place to assess compliance of its reference trajectory with the provisions of this Regulation. If as a result of the dialogue, the Commission and the Member State concerned disagree, the reference trajectory put forward by the Commission should apply.**

Or. en

## Amendment 10

### Proposal for a regulation Recital 14

*Text proposed by the Commission*

*Amendment*

(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 ***reference*** trajectory should also ensure that the government deficit is brought and maintained below the 3% of gross domestic product (GDP) reference value.

Or. en

## Amendment 11

### Proposal for a regulation Recital 15

*Text proposed by the Commission*

*Amendment*

(15) In order to assess whether further adjustments are required towards the end

(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.

of the four-year implementation period of the national medium-term fiscal-structural plan, ***a new reference trajectory*** should ***be*** put forward 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.

Or. en

## Amendment 12

### Proposal for a regulation

#### Recital 16

*Text proposed by the Commission*

(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.

*Amendment*

(16) ***Prior to the submission of the national medium-term fiscal-structural plan, each Member State should consult relevant stakeholders and its national parliament and annex the result of that consultation to the plan.*** Each national medium-term fiscal-structural plan should ***also*** mention its status in the context of national procedures, notably whether there has been parliamentary approval of the plan ***and*** whether, ***if applicable***, the national parliament had the opportunity to discuss the Council recommendation on the previous plan and any other Council recommendation or decision, or any Commission warning.

Or. en

## Amendment 13

### Proposal for a regulation

#### Recital 16 a (new)

*Text proposed by the Commission*

*Amendment*

***(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 no later than 12 months before the end of the current plan.*

Or. en

## Amendment 14

### Proposal for a regulation

#### Recital 17

*Text proposed by the Commission*

(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.

*Amendment*

(17) When Member States use assumptions in their ***reference trajectory*** that differ from the Commission's standard medium-term debt projection framework ***and macroeconomic forecast and assumptions***, they should explain and duly justify the differences in a transparent manner and based on sound economic arguments, ***in the dialogue with the Commission on the reference trajectory.***

Or. en

## Amendment 15

### Proposal for a regulation

#### Recital 20

*Text proposed by the Commission*

(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***

*Amendment*

***deleted***

*particular, the debt projections at unchanged policy to be included in the plan should be consistent and comparable with the Commission projections.*

Or. en

## **Amendment 16**

### **Proposal for a regulation Recital 21**

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(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 *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 these dialogues.*

Or. en

## **Amendment 17**

### **Proposal for a regulation Recital 21 a (new)**

#### *Text proposed by the Commission*

#### *Amendment*

*(21a) The European Parliament should be duly involved in a 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 if they are 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. 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 scoreboard should be operational by June 2024 and should be updated by the Commission twice a year.*

Or. en

## Amendment 18

### Proposal for a regulation Recital 23

*Text proposed by the Commission*

(23) With a view to ensuring an 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

*Amendment*

(23) With a view to ensuring an 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 *should be consistent with the set of reforms and investments* for an

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.

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.

Or. en

## Amendment 19

### Proposal for a regulation Recital 24

#### *Text proposed by the Commission*

(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***.

#### *Amendment*

(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, ***and with the Recovery and Resilience Plans***, during the lifetime of the Recovery and Resilience Facility, ***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***.

Or. en



## Amendment 20

### Proposal for a regulation Recital 26

*Text proposed by the Commission*

(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.

*Amendment*

(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. ***A Member state will be deemed not to be in compliance of its net expenditure path where the cumulated balance of the control account during the adjustment period is higher than [X% of GDP] in the years of positive GDP growth.***

Or. en

## Amendment 21

### Proposal for a regulation Recital 27 a (new)

*Text proposed by the Commission*

*Amendment*

***(27a) The Commission should establish a European Advisory Fiscal Board (EFB) as an independent expert group to advise on the Union's economic policy coordination.***

Or. en

## Amendment 22

### Proposal for a regulation Recital 31

*Text proposed by the Commission*

(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 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.

*Amendment*

(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. ***The assessment of whether fiscal sustainability is not endangered for the application of both the general and country-specific escape clauses, should be based on a quantitative analysis by the Commission.*** The triggering and extension of general and country-specific escape clauses are subject to a Council recommendation.

Or. en

## **Amendment 23**

### **Proposal for a regulation Recital 33**

*Text proposed by the Commission*

(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 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***,

*Amendment*

(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 delegated to the Commission in respect of: the ***methodology for debt sustainability analysis***, the methodology to assess plausibility ***that the projected public debt ratio is on a downward path leading to sustainable debt reduction or remains at a prudent level***, and the ***implementation of a scoreboard***. It is of particular

*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-Making<sup>29</sup>. 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 groups dealing with the preparation of delegated acts.

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<sup>29</sup> OJ L 123, 12.5.2016, p. 1.

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-Making<sup>29</sup>. 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 groups dealing with the preparation of delegated acts.

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<sup>29</sup> OJ L 123, 12.5.2016, p. 1.

Or. en

## Amendment 24

### Proposal for a regulation Recital 33 a (new)

*Text proposed by the Commission*

*Amendment*

***(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 have 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.***

## Amendment 25

### Proposal for a regulation Article 1 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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 ***sustainable and inclusive*** growth and employment.

Or. en

## Amendment 26

### Proposal for a regulation Article 1 – paragraph 2

#### *Text proposed by the Commission*

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.

#### *Amendment*

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, ***with involvement of the European Parliament***, so as to promote debt sustainability, ***investments and reforms, common priorities of the Union***, and sustainable and inclusive growth in the Member States and prevent the occurrence of excessive government deficits, by medium-term planning ***ensuring consistency within the Union, including the euro area***.

Or. en

## Amendment 27

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 2

*Text proposed by the Commission*

(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 out in Annex II, point (a);**

*Amendment*

(2) ‘net expenditure’ means government expenditure net of interest expenditure, discretionary revenue measures, ***expenditure on programmes of the Union fully matched by Union funds revenue, national expenditure on co-financing of programmes funded by the Union capped with 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;***

Or. en

## Amendment 28

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 3

*Text proposed by the Commission*

(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;

*Amendment*

(3) ‘***reference*** trajectory’ means the net expenditure trajectory put forward by ***each Member State and negotiated thereafter*** ***with*** 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;

Or. en

## Amendment 29

### Proposal for a regulation Article 3 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

In order to ensure closer coordination of economic ***and relevant social*** policies and sustained convergence of the economic and social performance of the Member States, the Council and the Commission, ***with the involvement of the European Parliament in accordance with Article 25a***, 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.

Or. en

## Amendment 30

### Proposal for a regulation Article 3 – paragraph 2 – introductory part

#### *Text proposed by the Commission*

The European Semester shall include:

#### *Amendment*

***In order to achieve its overarching aim of ensuring closer coordination of economic, social, budgetary and structural policies and the overall assessment of economic performance***, the European Semester shall include:

Or. en

## Amendment 31

### Proposal for a regulation Article 4 – paragraph 1

#### *Text proposed by the Commission*

1. **Where** necessary, following the assessment pursuant to this Regulation of the medium-term fiscal-structural plans, the annual progress reports 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.

#### *Amendment*

1. **Whenever** necessary, following the assessment pursuant to this Regulation of the medium-term fiscal-structural plans, the annual progress reports 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.

Or. en

## Amendment 32

### Proposal for a regulation Article 4 – paragraph 2

#### *Text proposed 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.

#### *Amendment*

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, **social**, employment, **structural** and budgetary policies. Progress shall be monitored by the Commission.

Or. en

### Amendment 33

#### Proposal for a regulation Chapter III – title

*Text proposed by the Commission*

THE **TECHNICAL** TRAJECTORY

*Amendment*

THE **REFERENCE** TRAJECTORY

Or. en

### Amendment 34

#### Proposal for a regulation Article 5 – title

*Text proposed by the Commission*

**Technical** trajectory

*Amendment*

**Reference** trajectory

Or. en

### Amendment 35

#### Proposal for a regulation Article 5 – paragraph 1

*Text proposed by the Commission*

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.**

*Amendment*

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 **European Parliament and the** Economic and Financial Committee, **a reference trajectory for net expenditure, following the submission of a proposal by the Member State concerned and the dialogue referred to in Article 7(1a).**

**The** trajectory for net expenditure **shall cover** 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.

Or. en

## Amendment 36

### Proposal for a regulation Article 6 – title

*Text proposed by the Commission*

*Amendment*

Requirements for the ***technical*** trajectory

Requirements for the ***reference*** trajectory

Or. en

## Amendment 37

### Proposal for a regulation Article 6 – paragraph 1 – introductory part

*Text proposed by the Commission*

*Amendment*

The ***technical*** trajectory shall ensure that:

The ***reference*** trajectory shall ensure that:

Or. en

## Amendment 38

### Proposal for a regulation Article 6 – paragraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(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, ***leading to sustainable debt reduction*** or stays at prudent levels;

Or. en

## Amendment 39

### Proposal for a regulation

#### Article 6 – paragraph 1 – point d

*Text proposed by the Commission*

(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*

*Amendment*

(d) the public debt ratio *stabilises over the adjustment period and is reduced by at least [x] p.p of debt to GDP on average over the projection period (i.e. the adjustment period plus 10 years);*

Or. en

## Amendment 40

### Proposal for a regulation

#### Article 6 – paragraph 1 – point e

*Text proposed by the Commission*

(e) *national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.*

*Amendment*

*deleted*

Or. en

## Amendment 41

### Proposal for a regulation

#### Article 6 – paragraph 2

*Text proposed by the Commission*

The *technical* trajectories shall be differentiated for each Member State. *The criteria for setting the technical trajectories are set out in Annex I.*

*Amendment*

The *reference* trajectories shall be differentiated for each Member State.

Or. en

## Amendment 42

### Proposal for a regulation Article 7 – title

*Text proposed by the Commission*

*Prior guidance by the Commission*

*Amendment*

*The Reference Trajectory Procedure*

Or. en

## Amendment 43

### Proposal for a regulation Article 7 – paragraph 1 – introductory part

*Text proposed by the Commission*

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***:

*Amendment*

1. By [1 **February**] 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, the Commission shall ***provide the following information to the European Parliament and the Council***:

Or. en

## Amendment 44

### Proposal for a regulation Article 7 – paragraph 1 – point a

*Text proposed by the Commission*

(a) the underlying medium-term public debt projection framework and results;

*Amendment*

(a) the underlying medium-term public debt projection framework ***based on the debt sustainability analysis methodology*** and results;

Or. en

## Amendment 45

### Proposal for a regulation

#### Article 7 – paragraph 1 – point c

*Text proposed by the Commission*

*Amendment*

**(c) the technical trajectory, if required under Article 5, and the corresponding structural primary balance.**

**deleted**

Or. en

## Amendment 46

### Proposal for a regulation

#### Article 7 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

**1a. By [1 March] of the year referred in paragraph 1, each Member State shall submit its proposal for a reference trajectory to the Commission. That proposal shall take into account the information referred in paragraph 1. Following the submission of a proposal, the Commission and the Member State shall hold a dialogue with the objective of ensuring that the proposed reference trajectory complies with Articles 5 and 6. In the event of disagreement between the Commission and the Member State following that dialogue, the reference trajectory put forward by the Commission shall apply.**

**The Commission shall provide the reference trajectories to the Council and the European Parliament, including the proposed trajectories put forward by the Member States, data, assumptions and calculations underlying the trajectories in a way that allows for replication.**

Or. en

## Amendment 47

### Proposal for a regulation Article 7 – paragraph 3

*Text proposed by the Commission*

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.

*Amendment*

3. ***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*** in time for the submission of the next cycle of medium-term fiscal-structural plans

Or. en

## Amendment 48

### Proposal for a regulation Article 8 – title

*Text proposed by the Commission*

Assessment of plausibility

*Amendment*

Assessment of plausibility ***and debt sustainability***

Or. en

## Amendment 49

### Proposal for a regulation Article 8 – paragraph 1

*Text proposed by the Commission*

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.***

*Amendment*

To assess plausibility that the projected public debt ratio of the Member State concerned is on a downward path ***which, with appropriate fiscal policies, should lead to sustainable debt reduction*** or remains at a prudent level, the Commission shall use ***a methodology based on the following conditions:***

## **Amendment 50**

### **Proposal for a regulation**

#### **Article 8 – paragraph 1 – point a (new)**

*Text proposed by the Commission*

*Amendment*

***(a) 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, based on debt sustainability analysis methodology;***

Or. en

## **Amendment 51**

### **Proposal for a regulation**

#### **Article 8 – paragraph 1 – point b (new)**

*Text proposed by the Commission*

*Amendment*

***(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.***

Or. en

## **Amendment 52**

### **Proposal for a regulation**

#### **Article 8 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***The Commission shall inform the European Parliament and the Council of***

*its analysis of plausibility and the underlying data, subject to confidentiality arrangements if they are necessary.*

Or. en

## **Amendment 53**

### **Proposal for a regulation Article 8 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

*By ... [12 months after the 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.*

Or. en

## **Amendment 54**

### **Proposal for a regulation Article 8 – paragraph 1 c (new)**

*Text proposed by the Commission*

*Amendment*

*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 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.*

## Amendment 55

### Proposal for a regulation Article 9 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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. ***The European Parliament shall, without undue delay be informed in writing about each extension and its underlying reasons.***

## Amendment 56

### Proposal for a regulation Article 9 – paragraph 1 a (new)

#### *Text proposed by the Commission*

#### *Amendment*

***Prior to the submission to the Council and Commission, each Member State shall establish a structured cooperation mechanism to receive contributions to their national medium term fiscal plans from civil society, social partners and other relevant stakeholders. The recommendations and suggestions of the consultation and cooperation shall be included as an Annex in the medium term fiscal-structural plans.***



## Amendment 57

### Proposal for a regulation

#### Article 9 – paragraph 1 b (new)

*Text proposed by the Commission*

*Amendment*

***Prior to submission Member States shall discuss the draft national medium term fiscal structural plans with respective parliaments.***

Or. en

## Amendment 58

### Proposal for a regulation

#### Article 9 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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, ***including all the data and documents related to the negotiations and assumptions used for the reference trajectory.***

Or. en

## Amendment 59

### Proposal for a regulation

#### Article 10 – paragraph 1

*Text proposed by the Commission*

*Amendment*

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 the national medium-term fiscal-structural plan complies with Articles 11, 12 and 14.

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 the national medium-term fiscal-structural plan complies with Articles 11, 12, ***13*** and 14.  
***To ensure transparency and***

*accountability, the Commission shall retain the minutes and all the 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 Commission, the European Parliament shall have access to these documents upon request, subject to any confidentiality arrangements, if they are necessary.*

Or. en

## Amendment 60

### Proposal for a regulation

#### Article 11 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

*The* national medium-term fiscal-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.

*Amendment*

*A* national medium-term fiscal-structural plan shall provide the information listed in Annex II. In particular, it shall present a net expenditure ***path, set in the form of nominal targets***, 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.

Or. en

## Amendment 61

### Proposal for a regulation

#### Article 11 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

*The national medium-term fiscal-structural plan shall also describe the actions of the Member State concerned to*

*Amendment*

*deleted*

*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.*

Or. en

## **Amendment 62**

### **Proposal for a regulation Article 11 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**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 verifiable economic arguments explaining the difference.* **deleted**

Or. en

## **Amendment 63**

### **Proposal for a regulation Article 12 – title**

*Text proposed by the Commission*

*Amendment*

Requirements

Requirements *of the national medium-term fiscal-structural plans*

Or. en

## Amendment 64

### Proposal for a regulation

#### Article 12 – paragraph 1 – point a

*Text proposed by the Commission*

(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;

*Amendment*

(a) ensure the fiscal adjustment necessary to put or keep public debt on a plausibly downward path ***leading to sustainable debt reduction***, 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;

Or. en

## Amendment 65

### Proposal for a regulation

#### Article 12 – paragraph 1 – point b

*Text proposed by the Commission*

(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges 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***;

*Amendment*

(b) explain how it will ensure the delivery of investment and reforms responding to the main challenges identified within the European Semester, in the country-specific recommendations ***and correct, if applicable***, the identified macroeconomic imbalances under the Macroeconomic Imbalances Procedure, ***the warnings by the Commission or the recommendations by the Council made pursuant to Article 121(4) TFEU***;

Or. en

## Amendment 66

### Proposal for a regulation

#### Article 12 – paragraph 1 – point b a (new)

*Text proposed by the Commission*

*Amendment*

**(ba) explain how it will address the following common priorities of the Union:**

**(a) The European Green Deal<sup>1a</sup>, including the transition to climate neutrality by 2050<sup>1b</sup> and the translation at national level through the National Energy and Climate Plans;**

**(b) The European Pillar of Social Rights<sup>1c</sup> including the related targets on employment, skills and poverty reduction by 2030;**

**(c) The Digital Decade Policy Programme 2030<sup>1d</sup>, and reflected at national level through the National Digital Decade Strategic Roadmaps;**

**(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<sup>1e</sup>.**

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<sup>1a</sup> 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).

<sup>1b</sup> 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’).

<sup>1c</sup> (2017/C 428/09) Interinstitutional Proclamation on the European Pillar of

*Social Rights (OJ C 428, 13.12.2017, p. 10)*

*<sup>1d</sup> 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)*

*<sup>1e</sup> Council of the European Union, COPS 130.*

Or. en

## Amendment 67

### Proposal for a regulation

#### Article 12 – paragraph 1 – point b b (new)

*Text proposed by the Commission*

*Amendment*

*(bb) explain how it will ensure consistency with the updated National Energy and Climate Plans and the National Digital Decade Roadmaps;*

Or. en

## Amendment 68

### Proposal for a regulation

#### Article 12 – paragraph 1 – point d

*Text proposed by the Commission*

*Amendment*

(d) explain how it will ensure consistency with the Recovery and Resilience Plan of the Member State concerned during the period of availability of the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241.

(d) explain how it will ensure consistency, *and, where appropriate, complementarity*, with the Recovery and Resilience Plan of the Member State concerned during the period of availability of the Recovery and Resilience Facility in accordance with Regulation (EU) 2021/241 *and with any Union investment instruments that address the Union's common priorities or serve the same purpose as the Recovery and Resilience*

*Facility;*

Or. en

**Amendment 69**

**Proposal for a regulation**

**Article 12 – paragraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

*(da) explain how it will ensure consistency and, where appropriate, complementarity with Union funds, namely the cohesion policy funds the Member State concerned benefits from;*

Or. en

**Amendment 70**

**Proposal for a regulation**

**Article 12 – paragraph 1 – point d b (new)**

*Text proposed by the Commission*

*Amendment*

*(db) provide the information listed in Annex II.*

Or. en

**Amendment 71**

**Proposal for a regulation**

**Article 13 – title**

*Text proposed by the Commission*

*Amendment*

**Conditions** for an extension of the adjustment period

**Requirements** for an extension of the adjustment period

Or. en

## Amendment 72

### Proposal for a regulation

#### Article 13 – paragraph 2 – subparagraph 2 – point i

*Text proposed by the Commission*

*Amendment*

(i) be growth enhancing;

(i) be growth enhancing ***and boost resilience***;

Or. en

## Amendment 73

### Proposal for a regulation

#### Article 13 – paragraph 2 – subparagraph 2 – point iii

*Text proposed by the Commission*

*Amendment*

(iii) address the common priorities of the Union referred to in ***Annex VI***;

(iii) address the common priorities of the Union referred to in ***Article 12, first paragraph, point (ba)***;

Or. en

## Amendment 74

### Proposal for a regulation

#### Article 13 – paragraph 2 – subparagraph 2 – point v

*Text proposed by the Commission*

*Amendment*

(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.***

***deleted***

Or. en



## Amendment 75

### Proposal for a regulation Article 13 – paragraph 3

*Text proposed by the Commission*

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.

*Amendment*

3. Each of the reform and investment commitments underpinning an extension of the adjustment period shall be sufficiently detailed, time-bound and verifiable.

Or. en

## Amendment 76

### Proposal for a regulation Article 13 – paragraph 4

*Text proposed by the Commission*

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.

*Amendment*

4. **Commitments included in the approved Recovery and Resilience Plan** during the lifetime of the Recovery and Resilience Facility, in accordance with Regulation (EU) 2021/241, **and the Partnership Agreement in Multiannual Financial Framework** of the Member State concerned **shall be consistent with the set of reforms and investments** for an extension of the adjustment period.

Or. en

## Amendment 77

### Proposal for a regulation Article 14 – paragraph 1

*Text proposed by the Commission*

1. A Member State may request to submit a revised national medium-term fiscal-structural plan to the Commission

*Amendment*

1. **By no later than 12 months before the end of the current national medium-term fiscal structural plan**, a Member

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.***

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. ***The ambition of the reform and investments in the revised plan shall not be lower than the original plan.***

Or. en

## Amendment 78

### Proposal for a regulation

#### Article 14 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***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 ambition level of the previous plan.***

Or. en

## Amendment 79

### Proposal for a regulation

#### Article 14 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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, ***a new reference trajectory*** shall ***be*** put forward ***in accordance with Article 5.***

Or. en

## Amendment 80

### Proposal for a regulation Article 14 – paragraph 3

#### *Text proposed by the Commission*

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.

#### *Amendment*

3. Taking into account the past adjustment of the Member State concerned or the lack thereof, the new ***reference*** trajectory shall not allow backloading of the fiscal adjustment effort and shall not lead to a lower fiscal adjustment effort.

Or. en

## Amendment 81

### Proposal for a regulation Article 15 – paragraph 1

#### *Text proposed by the Commission*

1. The Commission shall assess each national medium-term fiscal-structural plan within 2 months of its submission. The Member State concerned and the Commission may agree to extend the period of assessment by a reasonable period ***if necessary***.

#### *Amendment*

1. The Commission shall assess each national medium-term fiscal-structural plan within 2 months of its submission. The Member State concerned and the Commission may, ***if necessary***, agree to extend the period of assessment by a reasonable period, ***not exceeding 2 months***.

Or. en

## Amendment 82

### Proposal for a regulation Article 15 – paragraph 2 – point a

#### *Text proposed by the Commission*

(a) whether the national medium-term fiscal-structural plan ensures that public debt is put or kept on a plausibly

#### *Amendment*

(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;

downward path *leading to sustainable debt reduction* or stays at prudent levels;

Or. en

### Amendment 83

#### Proposal for a regulation Article 15 – paragraph 2 – point e

*Text proposed by the Commission*

*Amendment*

*(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*

*deleted*

Or. en

### Amendment 84

#### Proposal for a regulation Article 15 – paragraph 2 – point f

*Text proposed by the Commission*

*Amendment*

*(f) whether 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.*

*(f) whether the public debt ratio stabilises over the adjustment period and is reduced by at least [x] p.p of debt to GDP on average over the projection period (i.e. the adjustment period plus 10 years);*

Or. en

## Amendment 85

### Proposal for a regulation

#### Article 15 – paragraph 3 – point b

##### *Text proposed by the Commission*

(b) whether the other reform and investment commitments contained in the plan comply with the requirements of Article 12, **letter b**.

##### *Amendment*

(b) whether the other reform and investment commitments contained in the plan comply with the requirements of Article 12, **first paragraph, points (b) and (ba)**.

Or. en

## Amendment 86

### Proposal for a regulation

#### Article 16 – paragraph 1

##### *Text proposed by the Commission*

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.

##### *Amendment*

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 Commission recommendation shall be accompanied by an evaluation of the EFB and the national independent fiscal institution regarding the fulfilment of the criteria in Article 15 and the assumptions used in the reference trajectory.***

Or. en

## Amendment 87

### Proposal for a regulation

#### Article 18 – paragraph 1 – introductory part

##### *Text proposed by the Commission*

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:

##### *Amendment*

The Council shall, on a recommendation from the Commission, recommend to the Member State concerned that the **reference** trajectory issued by the Commission **in accordance with Article 5, second subparagraph**, be the net expenditure path of the Member State where:

Or. en

## Amendment 88

### Proposal for a regulation

#### Article 18 – paragraph 1 – point a

##### *Text proposed by the Commission*

(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;

##### *Amendment*

(a) the Member State concerned fails to submit a revised national medium-term fiscal-structural plan within **two months** of the recommendation by the Council;

Or. en

## Amendment 89

### Proposal for a regulation

#### Article 18 – paragraph 1 – point c

##### *Text proposed by the Commission*

(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.

##### *Amendment*

(c) the Member State fails to submit **an initial national medium term fiscal-structural plan or** a new national medium-term fiscal-structural plan at the end of the period covered by the previous national medium-term fiscal-structural plan.

**Amendment 90****Proposal for a regulation  
Article 19 – paragraph 1***Text proposed by the Commission*

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.

*Amendment*

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 ***is expected to, as a rule, follow the*** recommendation from the Commission, ***and*** recommend a revised net expenditure path with a shorter adjustment period.

**Amendment 91****Proposal for a regulation  
Article 19 a (new)***Text proposed by the Commission**Amendment****Article 19a******Medium-term fiscal-structural plans  
scoreboard***

***1. The Commission shall establish a medium-term fiscal-structural plans scoreboard (the ‘Scoreboard’), which shall display the progress of the implementation of the national medium-term fiscal-structural plans of the Member States, including 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.***

***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.*

*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.*

Or. en

## Amendment 92

### Proposal for a regulation Article 20 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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 **30** April each year at the latest.

Or. en

## Amendment 93

### Proposal for a regulation Article 21 – paragraph 2

#### *Text proposed by the Commission*

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.

#### *Amendment*

The Commission shall set up a control account and shall keep track of cumulative upward *(debit)* and downward *(credit)* deviations of actual net expenditures from the net expenditure path.



## **Amendment 94**

### **Proposal for a regulation**

#### **Article 21 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.***

Or. en

## **Amendment 95**

### **Proposal for a regulation**

#### **Article 21 – paragraph 2 b (new)**

*Text proposed by the Commission*

*Amendment*

***A Member State will be deemed not to be in compliance of its net expenditure path where the cumulated balance of the control account during the adjustment period is higher than [X% of GDP] in the years of positive GDP growth.***

Or. en

## **Amendment 96**

### **Proposal for a regulation**

#### **Article 22 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

Each national independent fiscal institution referred to in Article 8 of Council Directive [...] <sup>32</sup> [on the national budgetary frameworks] shall provide an assessment of compliance of the budgetary outturns

Each national independent fiscal institution referred to in Article 8 of Council Directive [...] <sup>32</sup> [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.

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<sup>32</sup> Council Directive [...] of [...] [amending Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States] (OJ ....., ..., p,...)

data reported in the progress report referred to in Article 20 with the net expenditure path, ***including of non quantifiable targets***. Where applicable, each national independent fiscal institution shall also analyse the factors underlying a deviation from the net expenditure path.

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<sup>32</sup> Council Directive [...] of [...] [amending Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States] (OJ ....., ..., p,...)

Or. en

## Amendment 97

### Proposal for a regulation Article 22 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***The Commission shall establish the European Advisory 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 have no voting rights.***

Or. en

## Amendment 98

### Proposal for a regulation Article 23 – paragraph 1

*Text proposed by the Commission*

*Amendment*

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

1. In the event of a significant risk of deviation from the net expenditure path ***as monitored by the control account*** or a risk that the government deficit may exceed the 3% of GDP reference value, the

Member State concerned in accordance with Article 121(4) TFEU.

Commission may address a warning to the Member State concerned in accordance with Article 121(4) TFEU.

Or. en

## Amendment 99

### Proposal for a regulation Article 24 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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 ***that, according to a quantitative analysis by the Commission,*** it does not endanger fiscal sustainability in the medium term. The Council shall specify a time-limit for such deviation.

Or. en

## Amendment 100

### Proposal for a regulation Article 25 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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 ***that, according to a quantitative analysis by the Commission,*** it does not endanger fiscal sustainability in the medium term. The

Council shall specify a time-limit for such a deviation.

Or. en

## **Amendment 101**

### **Proposal for a regulation Chapter VI – title**

*Text proposed by the Commission*

***ECONOMIC DIALOGUE***

*Amendment*

***DEMOCRATIC ACCOUNTABILITY  
AND TRANSPARENCY***

Or. en

## **Amendment 102**

### **Proposal for a regulation Article 25 a (new)**

*Text proposed by the Commission*

*Amendment*

#### ***Article 25a***

##### ***Role of the European Parliament***

***1. The European Parliament shall be duly involved in a regular and structured way in the European Semester in order to increase the transparency, democratic accountability and ownership for the decisions taken, in particular by means of an economic dialogue.***

***2. The Commission shall transmit to the European Parliament the national medium-term fiscal-structural plans officially 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 which occasion the Commission shall be invited to present its assessment of medium-term fiscal-structural plans and the relevant stakeholders to comment thereon.*

*3. The Council and the Commission shall regularly inform the European Parliament of the application of this Regulation.*

*4. 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.*

*5. 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.*

*6. 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 its application and shall be made available to the European Parliament simultaneously and on equal terms without undue delay, subject to confidentiality arrangements if they are necessary. Such information shall include, but shall not be limited to:*

*(a) the debt sustainability assessments and its methodological framework;*

*(b) the reference trajectories;*

*(c) the national medium-term fiscal-structural plans submitted by the Member States and the proposed net expenditure path;*

*(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;*

*(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;*

*(f) the revisions of national medium-term fiscal-structural plans;*

*(g) the outcome of missions to Member States under Articles 34 and 35 of this Regulation;*

*(h) the Commission's warning under Article 23 of this Regulation;*

*(i) the risk of non-compliance with the net expenditure paths;*

*(j) the Commission's quantitative analysis that, in case of activation of the escape clauses pursuant to Article 24 and Article 25, medium-term sustainability shall not be endangered;*

*(k) 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.*

*7. Relevant outcomes of discussions held in Council preparatory bodies shall be shared with the competent committee of the European Parliament.*

*8. 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 Article 26a.*

*9. The Commission shall take into account in its policy guidance any elements arising from the views expressed through European Semester and Medium-term Fiscal-Structural Plan Dialogues as referred to in Articles 26 and 26a, including the resolutions from the European Parliament, if provided.*

*Article 25a is inserted in Chapter VI before Article 26.*

## Amendment 103

### Proposal for a regulation Article 26 – paragraph 1

#### *Text proposed by the Commission*

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 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.

#### *Amendment*

***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 President of the Council, the 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.***

The Economic and Financial Committee, the Economic Policy Committee, the Employment Committee and the Social Protection Committee ***may*** be consulted ***by the European Parliament*** within the framework of the European Semester where 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.

## **Amendment 104**

### **Proposal for a regulation Article 26 – paragraph 2**

*Text proposed by the Commission*

*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.*

*Amendment*

*deleted*

Or. en

## **Amendment 105**

### **Proposal for a regulation Article 26 a (new)**

*Text proposed by the Commission*

*Amendment*

#### *Article 26a*

#### *Medium-term structural-fiscal plan dialogue*

*1. 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 every two months to discuss the content, submission, assessment and monitoring of its medium-term fiscal-structural plans as part of multilateral*



*budgetary surveillance, including the information listed in Article 25a(7).*

*2. 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 appear [at least twice a year] before its competent committee to discuss the matters referred to in paragraph 1.*

Or. en

#### **Amendment 106**

##### **Proposal for a regulation Article 28 – title**

*Text proposed by the Commission*

Dialogue with a Member State

*Amendment*

*Economic* Dialogue with a Member State

Or. en

#### **Amendment 107**

##### **Proposal for a regulation Article 28 – paragraph 1**

*Text proposed by the Commission*

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.*

*Amendment*

*Upon invitation, a Member State shall appear before the competent committee of the European Parliament in an exchange of views in the following cases:*

- (a) where a Member State indicates willingness to discuss the content, submission, assessment and monitoring of its medium-term fiscal-structural plans as part of multilateral budgetary surveillance;*
- (b) where the Council makes a recommendation to a Member State pursuant to Article 18 that the reference trajectory issued by the Commission be the net expenditure path of the Member State;*
- (c) where a Member State requests to submit pursuant to Article 14 a revised national medium-term fiscal-structural plan to the Commission before the end of its adjustment period;*
- (d) where the Council makes a recommendation to a Member State pursuant to Article 19 for a revised net expenditure path with a shorter adjustment period;*
- (e) 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.*

Or. en

## **Amendment 108**

### **Proposal for a regulation Article 29**

*Text proposed by the Commission*

*Amendment*

#### **Article 29**

**deleted**

#### **Regular information of the European Parliament**

**1. The Council and the Commission shall regularly inform the European Parliament of the application of 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.***

Or. en

#### **Amendment 109**

**Proposal for a regulation  
Article 30 – paragraph 3 – subparagraph -1 (new)**

*Text proposed by the Commission*

*Amendment*

***Where the Council decides against opening 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, it shall publicly explain its position.***

Or. en

#### **Amendment 110**

**Proposal for a regulation  
Article 31 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***Where a Member State has an active medium-term fiscal-structural plan, and that Member States becomes subject to a macroeconomic adjustment programme in accordance with 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.***

## Amendment 111

### Proposal for a regulation Article 32

*Text proposed by the Commission*

*Amendment*

#### *Article 32*

*deleted*

#### *Amendment of the annexes*

*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 V), regarding the common priorities of the Union (Annex VI) or regarding the assessment framework (Annex VII).*

## Amendment 112

### Proposal for a regulation Article 33 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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 *Articles 8 and 19a* shall be conferred *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 period. The delegation of power shall be*

*tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.*

Or. en

## **Amendment 113**

### **Proposal for a regulation Article 33 – paragraph 3**

#### *Text proposed by the Commission*

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.

#### *Amendment*

3. The delegations of power referred to in **Articles 8 and 19a** 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.

Or. en

## **Amendment 114**

### **Proposal for a regulation Article 33 – paragraph 6**

#### *Text proposed by the Commission*

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 month** of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European

#### *Amendment*

6. 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 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.

Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by ***three months*** at the initiative of the European Parliament or of the Council.

Or. en

## Amendment 115

### Proposal for a regulation Article 35 – title

*Text proposed by the Commission*

***In-depth surveillance*** missions

*Amendment*

***Monitoring*** missions

Or. en

## Amendment 116

### Proposal for a regulation Article 35 – paragraph 1

*Text proposed by the Commission*

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.

*Amendment*

1. The Commission ***shall*** undertake ***monitoring*** missions in Member States which are the subject of recommendations issued pursuant to Article 23 for the purposes of on-site monitoring.

Or. en

## Amendment 117

### Proposal for a regulation Article 35 – paragraph 2

*Text proposed by the Commission*

2. When the Member State concerned

*Amendment*

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.

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 *monitoring* missions.

Or. en

## **Amendment 118**

### **Proposal for a regulation Article 36 – title**

*Text proposed by the Commission*

*Amendment*

***Report***

***Review***

Or. en

## **Amendment 119**

### **Proposal for a regulation Article 36 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

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 **2028**] 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.

Or. en

## **Amendment 120**

### **Proposal for a regulation Article 36 – paragraph 2 – introductory part**

*Text proposed by the Commission*

2. The report referred to in paragraph 1 shall review:

*Amendment*

2. The report referred to in paragraph 1 shall ***assess and*** review:

Or. en

## **Amendment 121**

### **Proposal for a regulation**

#### **Article 36 – paragraph 2 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(aa) the use of the delegated powers laid down in Article 33;***

Or. en

## **Amendment 122**

### **Proposal for a regulation**

#### **Article 36 – paragraph 2 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(ba) the progress in the implementation of the country-specific recommendations, the common priorities of the Union as referred to in Article 12, first paragraph, point (ba); the reforms and overall level of investments in the Union;***

Or. en

## **Amendment 123**

### **Proposal for a regulation**

#### **Article 36 – paragraph 2 – point b b (new)**



*Text proposed by the Commission*

*Amendment*

**(bb) whether Communication  
COM(2015)361 is still fit for purpose.**

Or. en

## **Amendment 124**

### **Proposal for a regulation Article 36 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. The report ***shall be forwarded*** to the European Parliament and the Council.

3. ***The Commission shall submit*** the report to the European Parliament and ***to*** the Council.

Or. en

## **Amendment 125**

### **Proposal for a regulation Annex I**

*Text proposed by the Commission*

*Amendment*

#### ***Annex I***

***deleted***

***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***

***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:***

***(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;***

- (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;*
- (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];*
- (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;*
- (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*
- (f) national net expenditure growth remains below medium-term output growth, on average, as a rule over the horizon of the plan.*

Or. en

## Amendment 126

### Proposal for a regulation Annex II – paragraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(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***

(a) The national net expenditure path referred to in Article 11.

*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.*

Or. en

## Amendment 127

### Proposal for a regulation Annex II – paragraph 1 – point d

#### *Text proposed by the Commission*

(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.

#### *Amendment*

(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, ***science-based*** information on disaster and climate contingent liabilities.

Or. en

## Amendment 128

### Proposal for a regulation Annex II – paragraph 1 – point f

#### *Text proposed by the Commission*

(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

#### *Amendment*

(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, if applicable, the reference trajectory proposed by the Member State deviates from the reference trajectory put***

justifications based on sound economic arguments of these differences.

*forward by the Commission in accordance with Article 5*, due explanations and justifications based on sound economic arguments of these differences.

Or. en

## **Amendment 129**

### **Proposal for a regulation Annex II – paragraph 1 – point h**

*Text proposed by the Commission*

*(h) If applicable, the duly substantiated reasons (with relevant sound and verifiable economic arguments) for deviating from the technical trajectory put forward by the Commission.*

*Amendment*

*deleted*

Or. en

## **Amendment 130**

### **Proposal for a regulation Annex II – paragraph 1 – point i**

*Text proposed by the Commission*

(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.

*Amendment*

(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 *and the progress on the reduction of the investment gaps.*

Or. en

## Amendment 131

### Proposal for a regulation

#### Annex II – paragraph 1 – point j

*Text proposed by the Commission*

(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***.

*Amendment*

(j) Reforms and public investment expenditure, addressing ***each of*** the common priorities of the Union referred to ***Article 12, first paragraph, point (ba)***.

Or. en

## Amendment 132

### Proposal for a regulation

#### Annex II – paragraph 1 – point m

*Text proposed by the Commission*

(m) The medium-term budgetary and potential medium-term growth impact of those reform and investment commitments referred to under point (k) where possible.

*Amendment*

(m) The medium-term budgetary and potential medium-term growth ***and resilience*** impact of those reform and investment commitments referred to under point (k) where possible.

Or. en

## Amendment 133

### Proposal for a regulation

#### Annex II – paragraph 1 – point n

*Text proposed by the Commission*

(n) If applicable, reforms and investment to correct the identified macroeconomic imbalances under the Macroeconomic Imbalance Procedure.

*Amendment*

(n) If applicable, reforms and investment to correct the identified macroeconomic imbalances under the Macroeconomic Imbalance Procedure, ***the warnings by the Commission or the recommendations by the Council pursuant to Article 121(4) TFEU***.

## Amendment 134

### Proposal for a regulation Annex II – paragraph 1 – point o

*Text proposed by the Commission*

(o) The planned overall level of nationally financed public investment covering the period of the national medium-term fiscal-structural plan.

*Amendment*

(o) The planned overall level of ***reforms and*** nationally financed public investment covering the period of the national medium-term fiscal-structural plan.

Or. en

## Amendment 135

### Proposal for a regulation Annex II – paragraph 1 – point q

*Text proposed by the Commission*

(q) Information on the consultations of social partners, civil society organisations and other relevant stakeholders in view of the preparation of the plan.

*Amendment*

(q) Information on the ***public*** consultations of social partners, civil society organisations and other relevant stakeholders in view of the preparation of the plan ***and a summary of their contributions to the plan.***

Or. en

## Amendment 136

### Proposal for a regulation Annex II – paragraph 1 – point q a (new)

*Text proposed by the Commission*

*Amendment*

***(qa) Information, data and documents used during the technical dialogue as referred in Article 10 and assumptions used for the definition of reference***

*trajectory as proposed by the Member States and as assessed by the Commission.*

Or. en

## **Amendment 137**

### **Proposal for a regulation Annex III – paragraph 1 – point f**

*Text proposed by the Commission*

(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.

*Amendment*

(f) During the lifetime of the Recovery and Resilience Facility ***or any Union investment instrument that would serve a similar purpose***, 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.

Or. en

## **Amendment 138**

### **Proposal for a regulation Annex IV**

*Text proposed by the Commission*

***Annex IV***

#### ***Functioning of the Control Account***

***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 will record a credit when the actual net expenditure in the Member State in a given year is below the***

*Amendment*

***deleted***

*net expenditure path set by the Council.*

*The cumulated balance of the control account in a given period is the sum of the yearly debits and credits registered during that period.*

Or. en

## **Amendment 139**

### **Proposal for a regulation Annex V**

*Text proposed by the Commission*

*Amendment*

*Annex V*

*deleted*

*Methodology to assess plausibility by the  
Commission*

*The methodology for the assessment of plausibility pursuant to Article 8 is based on the following conditions:*

— *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;*

— *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. The risk is assessed with the help of the Commission's stochastic analysis.*

Or. en

## **Amendment 140**

### **Proposal for a regulation Annex VI**



***Annex VI***

***deleted***

***Common priorities of the Union***

***The common priorities of the Union referred to in Article 12, point (b) are:***

- (a) The European Green Deal<sup>34</sup>, including the transition to climate neutrality by 2050<sup>35</sup> and the translation at national level through the National Energy and Climate Plans;***
- (b) The European Pillar of Social Rights<sup>36</sup> including the related targets on employment, skills and poverty reduction by 2030;***
- (c) The Digital Decade Policy Programme 2030<sup>37</sup>, and reflected at national level through the National Digital Decade Strategic Roadmaps;***
- (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.<sup>38</sup>***

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<sup>34</sup> ***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).***

<sup>35</sup> ***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’).***

<sup>36</sup> ***(2017/C 428/09) Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p.***

10).

<sup>37</sup> *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).*

<sup>38</sup> *Council of the European Union, COPS 130.*

Or. en