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NOTICE

Guidance to Member States on the Information Requirements for the Medium-Term Fiscal-Structural Plans and for the Annual Progress Reports

(C/2024/3975)

Regulation (EU) 2024/1263 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (henceforth, 'the Regulation') establishes that, 'in order to ensure the effective implementation and appropriate monitoring of [that] Regulation, the Commission should provide timely guidance, after requesting an opinion from the Economic and Financial Committee, on the information to be provided by Member States in their national medium-term fiscal-structural plans and in their annual progress reports. That guidance should be made public.' This notice contains such a guidance. The opinion from the Economic and Financial Committee (EFC) was delivered on 7 June 2024 and the Commission took note of it.

This guidance is intended to assist Member States in the application of Regulation (EU) 2024/1263. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law.

PART A

INFORMATION REQUIREMENTS FOR THE MEDIUM-TERM FISCAL-STRUCTURAL PLANS

1. Introduction

This guidance concerns the provisions of the Regulation on the content of the national medium-term fiscal-structural plans (henceforth, 'MTP', 'the medium-term plans' or simply 'the plans'). It provides guidance to the Member States for the preparation of their plans, notably on: how to prepare the plans in a manner that ensures the appropriate political commitment and national ownership, while limiting reporting burden; the information needed for the Commission to assess whether the fiscal commitments respect the requirements of the Regulation; the information to be submitted on investment and reform commitments to underpin an extension of the fiscal adjustment paths; and the information to be included on the Member States' response to the country-specific recommendations (CSRs) (including under the Macroeconomic Imbalance Procedure) and EU common priorities.

This guidance on information requirements for the medium-term plans should be read in conjunction with the guidance on annual progress reports. Most of the tables in the medium-term plans and in the annual progress reports are similar, while covering a different number of years, with figures with a different status (outturn, estimate, forecast or policy commitments) and including more or less details.

In the spirit of national ownership, this guidance does not suggest a strict model structure for the plans. Member States are free to decide on the precise outline and the level of detail of their plans — as they may have different needs for their national purposes — provided the plans contain the information required by the Regulation and discussed in this notice. To assist Member States in the preparation of the plans, this guidance provides an overview of the elements that are to be included and are indispensable for the Commission to properly assess compliance with the Regulation, as well as templates for the tables that include the required information. The plans should ultimately contain — in a clear manner — the information that is necessary to enable the Council and the Commission to ascertain whether the plans respect the objectives and requirements set out in the Regulation and to endorse the plan through a Council Recommendation, the implementation of which will be monitored ([1]).

([1]) Member States may request assistance via the Technical Support Instrument to build capacity and expertise in public financial management areas relevant to the preparation of their plans. These could include, *inter alia*, medium-term budgeting practices, spending reviews, debt sustainability analysis, and the production of fiscal and macroeconomic statistics.

The central element in a medium-term plan is the commitment related to the growth rate of net nationally financed primary expenditure (henceforth 'net expenditure'). '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, cyclical elements of unemployment benefit expenditure, and one-offs and other temporary measures ([2]). In the plans, Member States commit to keeping net expenditure in nominal terms below annual (and, consequently, also cumulative ([3])) growth rates that ensure compliance with the requirements for debt sustainability and respect the safeguards. To deliver this commitment, a government may choose between expenditure restraint and/or discretionary revenue increases. The medium-term plan should discuss the economic and fiscal strategy (revenue and/or expenditure measures, investments, structural reforms, etc.) that they intend to implement to ensure the plan commitments are delivered. Typically, Member States are able to provide more detail on this strategy for the earlier years of the plan ([4]). In line with the Member States' practices, the annual budgets will then confirm or modify, as well as quantify, the precise policy instruments that will ensure the commitment is abided by.

Checklist for elements to be covered in the plans

	Legal basis in the Regulation	Covered in Section:	Covered in Table:
A multi-annual net expenditure path (including respect of the deficit resilience and debt sustainability safeguards), as well as …	Articles 7; 8; 13(a)	Sections 2.2; 2.4	MTP Table 1a; MTP Table 4
… the underlying macroeconomic assumptions and …	Article 13(a)	Sections 2.2; 2.3	MTP Table 1b; MTP Table 2
… the planned fiscal-structural measures.	Article 13(a)	Section 2.6	MTP Table 8
The reference trajectory or technical information transmitted by the Commission.	Article 13(b)	Section 2.9	
Where the national medium-term fiscal-structural plan includes a higher net expenditure path than in the reference trajectory issued by the Commission, sound and data-driven economic arguments explaining the difference.	Article 13(b)	Section 2.9	
Investments and reforms responding to the main challenges identified under the European semester – in particular the CSRs – and addressing the common priorities of the Union.	Article 13(c)	Section 2.6	MTP Table 8; MTP Table 9
Actions to address CSRs relevant for the MIP and warnings by the Commission / recommendations by the Council.	Article 13(d)	Section 2.6	MTP Table 8; MTP Table 9
The impact of investments and reforms already implemented.	Article 13(f)	Sections 2.3; 2.4	

([2]) See Article 2(2) of the Regulation.

([3]) In accordance with Article 22(2) of the Regulation, the Commission will set up a control account to keep track of cumulative upward and downward deviations of observed net expenditure from the net expenditure path as set by the Council, which shall be reset after the endorsement by the Council of a new medium-term fiscal-structural plan.

([4]) When a plan is submitted around the same time as the draft annual budget for the upcoming year, the figures reported in the plan should be consistent with the details set out in the draft annual budget.

	Legal basis in the Regulation	Covered in Section:	Covered in Table:
Information related to the main macroeconomic and budgetary assumptions, …	Article 13(g)	Sections 2.2; 2.3; 2.4;	MTP Table 1b
… implicit and contingent liabilities, …	Article 13(g)	Section 2.5; 2.7	MTP Table 7
… forecasted level of nationally-financed public investment, …	Article 13(g)	Section 2.4	MTP Table 4
… public investment needs including those related to the common priorities of the Union, …	Article 13(g)	Section 2.6	MTP Table 10
… consultations of national parliaments and the consultation process organised, ...	Article 13(g); Article 11	Section 2.1	
… the consistency and, where appropriate, complementarity with the cohesion policy funds and the Recovery and Resilience Plan of the Member State concerned.	Article 13(g)	Sections 2.1; 2.6	MTP Table 9
The impact of the set of reforms and investment commitments underpinning an extension on growth and resilience potential, fiscal sustainability, and nationally financed public investment.	Articles 14.2; 13(g)	Section 2.6	
Information on how the reforms and investment commitments underpinning an extension address the common priorities of the Union and relevant CSRs (including those issued under the MIP), and, …	Article 14.2	Section 2.6	MTP Table 8
… for each of these reforms and investments, a clear description, timeline, and, where relevant, indicators.	Article 14.3; 13(e)	Section 2.6	MTP Table 8
Consistency of the set of reforms and investments for an extension with commitments included in the approved RRP and the agreed Partnership Agreement in the Multiannual Financial Framework.	Article 14.4	Section 2.6	MTP Table 8
If the plan serves as a corrective action plan under the EIP/MIP, the specific policy action (to be) implemented and a timetable for those actions.	Article 31	Section 2.8	MTP Table 11
Transitory arrangements: RRP commitments to be taken into account	Article 36	Section 2.6	MTP Table 8; MTP Table 9

2. **Contents of the Plan**

This guidance uses a number of conventions when referring to the time horizon of the plans. The convention in the tables is that year T is the year of submission of the plan (*year of the plan*). Full data for year T-1 (the latest year with outturn data, which serves as *base year*) are always needed ([5]). Year T+1 is the *first full year of the plan's implementation*. A plan of four years thus covers the years until T+4 and sets a fiscal commitment (net expenditure path) until that year ([6]).

While the standard planning horizon of a plan is four years, Member States should submit plans covering five years if that leads to a better alignment with their legislative cycle (Article 2(6)). In the rest of this document, the references to four-year plans shall thus always be understood as covering also five-year plans when appropriate ([7]). A plan with an extended (and therefore more gradual) adjustment path of up to seven years, underpinned by reform and investment commitments, also has a four- or five-year planning horizon.

2.1. *Political endorsement, consultation process and complementarity with EU funds*

The plan shall provide information on the consultation process organised before the submission of the plan (Article 11; Article 13(g)). To strengthen national ownership, Member States should conduct a consultation process of civil society, social partners, regional authorities and other relevant stakeholders, in accordance with the national framework. Before submitting the plan, each Member State may also request an opinion of the independent fiscal institution on the plan ([8]), and/or debate the draft plan with its national parliament. As part of the transitory provisions in Article 36(1)(c), for the first set of medium-term plans, Member States *may* conduct a public consultation of social partners, regional authorities, civil society organisations and other relevant national stakeholders.

The plan should explain the consistency and, where applicable, complementarity with cohesion funds and (during its lifetime) with the Recovery and Resilience Plan (RRP) (Article 13(g)). As the long-term investment policy of the EU budget, cohesion policy investments and reforms should be duly taken into account when drawing up the medium-term plans. The plan could usefully describe which intervention areas are supported from cohesion policy funds, as well as how planned investments and reforms contribute to cohesion objectives. As part of the transitory arrangements during the lifetime of the Recovery and Resilience Facility, the plan should also explain how it is consistent and, where applicable, complementary with the Member State's RRP; new investments and reforms under the medium-term plan could usefully build upon or improve those already implemented with the RRPs.

2.2. *Overview of the fiscal commitment and summary of main macroeconomic and budgetary variables*

Once the plan will have been assessed and endorsed, the net expenditure path set by the Council in its Recommendation constitutes the single operational reference for fiscal surveillance during the implementation phase. The plan's central fiscal commitment is to keep net nationally financed primary expenditure below the annual (and, consequently, cumulative) growth rates that ensure compliance with the requirements for debt sustainability and respect the safeguards. It constitutes the budgetary constraint that frames national fiscal policy over the planning horizon of the plan. MTP Table 1a sets out that commitment (Article 13(a)). When a plan is submitted in year T (year of the plan), the cumulative growth rates are anchored

([5]) If a plan is submitted at the beginning of a year, say between January and March of year T, before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, it is appropriate to anchor the cumulative growth rates on the levels of year T-2. In such cases, the base year of the tables mentioned in this guidance should be T-2 (instead of T-1).

([6]) The plan should state the cut-off date of the data and other information taken into account for the macroeconomic and budgetary projections and should use the most recent published data available at that cut-off date.

([7]) Pursuant to Article 15(1), the plan's time horizon could be shorter in some cases: '*By no later than 12 months before the end of the current national medium-term fiscal structural plan, a Member State may request to submit a revised national medium-term fiscal-structural plan to the Commission before the end of the period covered by the national medium-term fiscal-structural plan if there are objective circumstances preventing its implementation. In this case, the revised national medium-term fiscal-structural plan shall cover the period running until the end of the initial term of the plan.*'

([8]) If available, the opinion of the independent fiscal institution should be attached to the submission of the medium-term plan to the Commission (see Section 2.9).

on the level of net expenditure in year T-1 (base year) — the last year for which there is outturn data published by the national statistical institutes and Eurostat. A plan of four years would then usually commit to annual (and, consequently, cumulative) growth rates for net expenditure for the year the plan is submitted (T) and four subsequent years: T+1, T+2, T+3 and T+4 ([9]). Where the plan includes a higher net expenditure path than the reference trajectory issued by the Commission, the Member State should provide in its plan sound and data-driven economic arguments explaining the difference (also see Section 2.9).

The table with the commitments is complemented with an overview table summarising the projections for the main macroeconomic and budgetary variables (Article 13(a), Article 13(g)). In particular, MTP Table 1b brings together the main variables reported in other tables of the plan (see below), which are needed to assess whether the net expenditure path proposed in the plan achieves the debt sustainability objectives and respects the safeguards.

MTP Table 1a

Fiscal commitment

			T-1	T	T+1	...	T+4
	Commitments						
1	Net nationally financed primary expenditure	(growth rate)		XX.X%	XX.X%	...	XX.X%
2		(cumulative growth rate)		calculated	calculated	...	calculated

Notes: Net nationally financed primary expenditure should be reported in nominal terms.

MTP Table 1b

Main variables

			T-1	T	T+1	...	T+4
			growth rate	growth rate	growth rate		growth rate
1	Potential GDP	Table 2, line 26	XX.X%	XX.X%	XX.X%	...	XX.X%
2	GDP deflator	Table 2, line 2	XX.X%	XX.X%	XX.X%	...	XX.X%
			% GDP	% GDP	% GDP		% GDP
3	Net lending/borrowing	Table 4, line 31	XX.X%	XX.X%	XX.X%	...	XX.X%
4	Structural balance	Table 4, line 33	XX.X%	XX.X%	XX.X%	...	XX.X%
5	Structural primary balance	Table 4, line 34	XX.X%	XX.X%	XX.X%	...	XX.X%
6	Gross debt	Table 4, line 35	XX.X%	XX.X%	XX.X%	...	XX.X%
7	Change in gross debt	Table 4, line 36	XX.X%	XX.X%	XX.X%	...	XX.X%

Notes: The main variables in MTP Table 1b enable the Commission and the Council to monitor whether the net expenditure path proposed in the plan achieves the debt sustainability objectives and safeguards. The single operational reference for a Member State's fiscal commitment is expressed in terms of net nationally financed primary expenditure growth rates (see MTP Table 1a).

2.3. *Macroeconomic assumptions*

The medium-term plan should provide information on the projections and assumptions on key macroeconomic variables, which are needed to assess whether the legal requirements on debt sustainability and safeguards are abided by (Article 13(a)). This includes projections for *potential* GDP growth ([10]), as well as assumptions on the GDP deflator and interest rates.

The plan should further present a central and plausible scenario for GDP growth (real and nominal) and, where possible, may optionally provide further details on the composition of the GDP projections. The central and plausible scenario should be consistent with the plan's assumptions (mentioned above), the economic and fiscal strategy that the plan describes, and in particular, the fiscal adjustment implied by the commitment on net expenditure. The provision of further details on the expected composition of the GDP projections is optional and indicative only, as the composition of growth will depend on the detailed specification of measures, which may not be known in full detail for all years of the plan ([11]).

([9]) If a plan is submitted at the beginning of a year, say between January and March of year T, the year T may also serve as the first year of the fiscal adjustment, and in that case the plan would commit to net expenditure growth rates for T to T+3.

([10]) Acknowledging the exceptional impact of recent economic shocks and current uncertainty on estimates of potential growth, Member States may use more stable series than the ones resulting from the commonly agreed methodology for the first cohort of plans, provided it is duly justified by economic arguments and the cumulated growth over the projection horizon remains broadly in line (Article 36).

([11]) The Commission services may continue to ask for technical details on such variables in the context of other processes, such as the technical exchanges with Member States as part of the Commission forecast.

The macroeconomic assumptions — including on GDP growth, inflation, and interest rates — should be prudent. Real and nominal GDP growth should reflect interactions between fiscal adjustment and economic growth, and the closure of output gaps. In case of deviations from the assumptions used in the Commission's reference trajectory, evidence or solid justification should be provided. In particular, if Member States use more recent, or otherwise different, data to set their interest rates and inflation assumptions, this should be done consistently across all variables in the plan.

The way recently implemented structural reforms are considered in the potential growth projections should be prudent. The related effects may necessitate a detailed discussion in the plans, in particular if potential growth projections deviate significantly from the ones used in the Commission's reference trajectory. In such a case, sound and data-driven evidence needs to support these deviations in order to strengthen the credibility of the plan.

The expected impact on economic activity of not-yet-implemented reforms and investments (*including* those that underpin an extension of the fiscal adjustment period) should not be taken into account in the potential GDP estimates. The Regulation (Article 13 and Recital 34) provides that the impact of investments and reforms, *once implemented* within the medium-term plans, will be duly taken into account in the future, including in the design of subsequent plans. The impact of not-yet-implemented reforms and investments should *not* be taken into account in the potential GDP estimates. While potential GDP is one of the most relevant variables in determining the available fiscal space, those not-yet-implemented reforms and investments will contribute to a more gradual fiscal adjustment when fulfilling the criteria for an extension of the adjustment period under Article 14. Information on the expected impact of reforms and investments underpinning the extension of the adjustment period should, however, be discussed separately (see Section 2.6), while being aware that reliable estimates of the impact of reforms on potential growth are difficult to make in any circumstances, and even more so before the reforms are fully specified (which is typically the case only after the conclusion of the respective legislative process).

MTP Table 2

Macroeconomic scenario

			T-1	T-1	T	T+1	...	T+4
	GDP	ESA Code	bn NAC	growth rate	growth rate	growth rate		growth rate
1	Real GDP	B.1*g		XX.X%	XX.X%	XX.X%	...	XX.X%
2	GDP deflator			XX.X%	XX.X%	XX.X%	...	XX.X%
3	Nominal GDP	B.1*g	XX.X	calculated	calculated	calculated	...	calculated
	Components of real GDP	ESA Code	bn NAC	growth rate	growth rate	growth rate		growth rate
4	Private consumption expenditure	P.3		XX.X%	XX.X%	optional	...	optional
5	Government consumption expenditure	P.3		XX.X%	XX.X%	optional	...	optional
6	Gross fixed capital formation	P.51		XX.X%	XX.X%	optional	...	optional
7	Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53		optional	optional	optional	...	optional
8	Exports of goods and services	P.6		XX.X%	XX.X%	optional	...	optional
9	Imports of goods and services	P.7		XX.X%	XX.X%	optional	...	optional
	Contribution to real GDP growth							
10	Final domestic demand			XX.X	XX.X	optional	...	optional
11	Changes in inventories and net acquisition of value	P.52 + P.53		XX.X	XX.X	optional	...	optional
12	External balance of goods and services	B.11		XX.X	XX.X	optional	...	optional
	Deflators and HICP			growth rate	growth rate	growth rate		growth rate
13	Private consumption deflator			XX.X%	XX.X%	optional	...	optional
14	p.m. HICP			XX.X%	XX.X%	optional	...	optional
15	Government consumption deflator			XX.X%	XX.X%	optional	...	optional
16	Investment deflator			XX.X%	XX.X%	optional	...	optional
17	Export price deflator (goods and services)			XX.X%	XX.X%	optional	...	optional
18	Import price deflator (goods and services)			XX.X%	XX.X%	optional	...	optional
	Labour market	ESA Code	level	growth rate	growth rate	growth rate		growth rate
19	Domestic employment (1000 persons, national accounts)		XX.X	XX.X%	XX.X%	optional	...	optional
20	Average annual hours worked per person employed		XX.X	XX.X%	XX.X%	optional	...	optional
21	Real GDP per person employed			calculated	calculated	calculated	...	calculated
22	Real GDP per hour worked			calculated	calculated	calculated	...	calculated
23	Compensation of employees (bn NAC)	D.1	XX.X	XX.X%	XX.X%	optional	...	optional
24	Compensation per employee (= 23 / 19)		calculated	calculated	calculated	calculated	...	calculated
				%	%	%		%
25	Unemployment rate (%)			XX.X%	XX.X%	optional	...	optional
	Potential GDP and components			growth rate	growth rate	growth rate		growth rate
26	Potential GDP			XX.X%	XX.X%	XX.X%	...	XX.X%
	Contribution to potential growth							
27	Labour			XX.X	XX.X	optional	...	optional
28	Capital			XX.X	XX.X	optional	...	optional
29	Total factor productivity			XX.X	XX.X	optional	...	optional
				% pot. GDP	% pot. GDP	% pot. GDP		% pot. GDP
30	Output gap			XX.X%	XX.X%	XX.X%	...	XX.X%

Note: If a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1). 'bn NAC' refers to national currency in billions.

The medium-term plan should mention the external assumptions that underpin the macroeconomic and budgetary projections (MTP Table 3).

MTP Table 3

External assumptions

			T-1	T	T+1	...	T+4
1	Short-term interest rate	(%, annual average)	XX.X%	XX.X%	XX.X%	...	XX.X%
2	Long-term interest rate	(%, annual average)	XX.X%	XX.X%	XX.X%	...	XX.X%
3	USD/EUR exchange rate	(annual average)	XX.X	XX.X	optional	...	optional
4	NAC/EUR exchange rate (only for non-EA Member States)	(annual average)	XX.X	XX.X	optional	...	optional
5	World real GDP (excluding EU)	(growth rate)	XX.X%	XX.X%	optional	...	optional
6	EU real GDP	(growth rate)	XX.X%	XX.X%	optional	...	optional
7	World import volumes, excluding EU	(growth rate)	XX.X%	XX.X%	optional	...	optional
8	Oil prices	(Brent, USD/barrel)	XX.X	XX.X	optional	...	optional

2.4. *Budgetary projections*

As mentioned above, the plan's central commitment for fiscal policy in the medium term is the growth rate of net expenditure. The annual (and, consequently, cumulative) growth rates to which the government commits in the plan, constitute the budgetary constraint that frames national fiscal policy over the planning horizon of the plan. The growth rate of net expenditure will, therefore, be the single operational reference for assessing implementation and triggering enforcement actions ([12]).

The text of the plan should discuss the economic and fiscal strategy for the plan's horizon, underpinning the related fiscal adjustment. In particular, Member States should outline the overall composition of fiscal adjustment, broad revenue and expenditure policies they intend to pursue to achieve the adjustment and, where possible, provide an indicative set of policy measures, in as much detail as is available at the time of submission ([13]). Member States may or may not be able, to indicate the specific expenditure and revenue measures that will ensure that the net expenditure commitment will be delivered over the plan horizon. Although the assessment of the plan will be based on net expenditure growth and respect of the requirements in the Regulation, details on an indicative set of policy measures would add to a plan's credibility and reduce implementation risks. The plan's economic and fiscal strategy, as well as any details on indicative policy measures, are discussed as part of the technical dialogues with the Commission. The precise specification of the relevant policy measures is then confirmed or adjusted and quantified in the annual budgets.

The budgetary projections in the plan should focus on the key budgetary parameters (such as the headline deficit and debt) ([14]). These parameters should be consistent with the budgetary commitments and main macroeconomic assumptions (such as potential GDP, GDP, price developments, interest rates, etc.). In addition to the net expenditure growth rate, deficit, and debt, the medium-term plan should report on planned nationally financed public investment (Article 13(g)) and interest expenditure. For years T-1 and T, MTP Table 4 and MTP Table 5 should also specify the estimated budgetary impact of revenue measures ([15]) and of one-off measures (both on revenue and expenditure side). In MTP Table 5, expenditure measures (other than one-offs) can also be included, but this is optional. The plan should also describe the one-off measures in some detail in the text.

Net expenditure excludes national expenditure on co-financing of programmes funded by the Union. The national co-financing of programmes funded by the Union concerns those EU funds which fund programmes co-financed by the Member States, where the respective Regulation establishing the fund includes a national co-financing requirement and whose co-financing requirement leads to general government expenditure as recorded in national accounts. Under the current Multiannual Financial Framework (2021-2027), the national co-financing falling under the above definition and being relevant for the implementation of the Regulation is the national general government expenditure on co-financing of programmes under the eight funds covered by the Common Provisions Regulation (CPR) ([16]), the European Agricultural

([12]) Deviations from the net expenditure path recommended by the Council will be registered in the control account managed by the Commission.

([13]) The Member States requesting an exception to the no back-loading clause (Article 36(1)(e)) should also report on the planned expenditure financed by RRF loans.

([14]) It is important to keep in mind differences in the nature of the headline deficit and debt figures in the plans for the years to T+4, with those in the Commission forecasts, when comparing the respective figures. In the Commission forecast, Commission staff only includes the impact of measures that are sufficiently specified and credibly announced. In the plans, only the quantification of the fiscal adjustments is required (while any quantification of the detailed revenue and expenditure policies is optional). In other words, the budgetary projections in the plans are based on a fiscal adjustment even before detailed measures are specified and announced.

([15]) By construction, data on discretionary expenditure measures is not needed for the calculation of the net expenditure growth indicator. *Net* expenditure is calculated based on total expenditure developments *net of revenue measures*. For that reason, revenue measures are explicitly included in the reporting tables. However, this does not mean that the new framework has an in-built preference for adjustment taken via revenue or expenditure. It simply results from the way net expenditure (i.e. expenditure *net* of discretionary revenue measures) is defined.

([16]) Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

Fund for Rural Development and the Connecting Europe Facility. This does not pre-judge the structure of the future Multannual Financial Frameworks. Those ten funds together represent macro-economically relevant national co-financing expenditure incurred by the general government. The national co-financing provided by the private sector is not relevant for the exclusion from the net expenditure indicator. The level of national co-financing relevant for the Regulation (i.e., the amounts to be deducted from the net expenditure aggregate) should be based on outturn data as validated by Eurostat and be limited to national co-financing obligations fixed in the relevant agreements between Member States and the EU Institutions. The reporting on national co-financing for year T-1 in MTP Table 4 should match the amounts that have been reported to and validated by Eurostat ([17]).

MTP Table 4

Budgetary projections

			T-1	T-1	T	T+1	...	T+4
	Revenue	ESA Code	bn NAC	% GDP	% GDP	% GDP		% GDP
1	Taxes on production and imports	D.2	XX.X	XX.X%	XX.X%		...	
2	Current taxes on income, wealth, etc	D.5	XX.X	XX.X%	XX.X%		...	
3	Social contributions	D.61	XX.X	XX.X%	XX.X%		...	
4	Other current revenue	(P.11+P.12+P.131) + D.39 + D.4 + D.7	XX.X	XX.X%	XX.X%		...	
5	Capital taxes	D.91	XX.X	XX.X%	XX.X%		...	
6	Other capital revenue	D.92+D.99	XX.X	XX.X%	XX.X%		...	
7	Total revenue (= 1+2+3+4+5+6)	TR	calculated	calculated	calculated		...	
8	Of which: Transfers from the EU (**accrued revenue, not cash**)	D.7EU+D.9EU	XX.X	XX.X%	XX.X%		...	
9	Total revenue other than transfers from the EU (= 7-8)		calculated	calculated	calculated		...	
10	p.m. Revenue measures (increments, excluding EU funded measures)		XX.X	XX.X%	XX.X%		...	
11	p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		XX.X	XX.X%	XX.X%		...	
	Expenditure	ESA Code	bn NAC	% GDP	% GDP	% GDP		% GDP
12	Compensation of employees	D.1	XX.X	XX.X%	XX.X%		...	
13	Intermediate consumption	P.2	XX.X	XX.X%	XX.X%		...	
14	Interest expenditure	D.41	XX.X	XX.X%	XX.X%	XX.X%	...	XX.X%
15	Social benefits other than social transfers in kind	D.62	XX.X	XX.X%	XX.X%		...	
16	Social transfers in kind via market producers	D.632	XX.X	XX.X%	XX.X%		...	
17	Subsidies	D.3	XX.X	XX.X%	XX.X%		...	
18	Other current expenditure	D.29 + (D.4-D.41) + D.5 + D.7 + D.8	XX.X	XX.X%	XX.X%		...	
19	Gross fixed capital formation	P.51	XX.X	XX.X%	XX.X%		...	
20	Of which: Nationally financed public investment		XX.X	XX.X%	XX.X%	XX.X%	...	XX.X%
21	Capital transfers	D.9	XX.X	XX.X%	XX.X%		...	
22	Other capital expenditure	P.52+P.53+NP	XX.X	XX.X%	XX.X%		...	
23	Total expenditure (= 12+13+14+15+16+17+18+19+21+22)	TE	calculated	calculated	calculated		...	
24	Of which: Expenditure funded by transfers from the EU (= 8)	D.7EU+D.9EU	calculated	calculated	calculated		...	
25	Nationally financed expenditure (23-24)		calculated	calculated	calculated			
26	p.m. National co-financing of programmes funded by the Union		XX.X	XX.X%	XX.X%		...	
27	p.m. Cyclical component of unemployment benefits		XX.X	XX.X%	XX.X%		...	
28	p.m. One-off expenditure included in the projections (levels, excluding EU funded measures)		XX.X	XX.X%	XX.X%		...	
29	Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)		calculated	calculated	calculated		...	
	Net nationally financed primary expenditure				growth rate	growth rate		growth rate
30	Net nationally financed primary expenditure growth	MTP Table 1a, line 1			repeated	repeated	...	repeated
	Balances	ESA Code	bn NAC	% GDP	% GDP	% GDP		% GDP
31	Net lending/borrowing (= 7-23)	B.9	XX.X	XX.X%	XX.X%	XX.X%	...	XX.X%
32	Primary balance (= 31-14)	B.9-D.41p	calculated	calculated	calculated	calculated	...	calculated
	Cyclical adjustment			% GDP	% GDP	% GDP		% GDP
33	Structural balance			XX.X%	XX.X%	XX.X%	...	XX.X%
34	Structural primary balance			XX.X%	XX.X%	XX.X%	...	XX.X%
	Debt		bn NAC	% GDP	% GDP	% GDP		% GDP
35	Gross debt		XX.X	XX.X%	XX.X%	XX.X%	...	XX.X%
36	Change in gross debt		XX.X	XX.X%	XX.X%	XX.X%	...	XX.X%
37	Contributions to changes in gross debt							
38	Primary balance (= minus 32)			calculated	calculated	calculated	...	calculated
39	Snowball effect			calculated	calculated	calculated	...	calculated
40	Interest expenditure (= 14)			repeated	repeated	repeated	...	repeated
41	Growth			calculated	calculated	calculated	...	calculated
42	Inflation			calculated	calculated	calculated	...	calculated
43	Stock-flow adjustment (= 36-38-39)			calculated	calculated	calculated	...	calculated
				%	%	%		%
44	p.m. Implicit interest rate on debt (= 14 / DEBT(t-1))			XX.X%	XX.X%	XX.X%	...	XX.X%

Note: If a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1). Line 30 'net nationally financed primary expenditure growth' can be computed using the following formula: $e_t = \frac{NE_t - REV_t}{NE_{t-1}} - 1 = \frac{(NE_t / GDP_t) - (REV_t / GDP_t)}{(NE_{t-1} / GDP_{t-1})} * (1 + g_t) - 1$, where e_t is net nationally financed

([17]) Eurostat and the statistical community, in close cooperation with national budgetary authorities, will establish a framework for Member States' reporting of statistical data on national co-financing of programmes funded by the Union, necessary for the implementation of the regulation and which are not yet collected by Eurostat at the time this notice is published. Member States may rely initially on estimates, until the framework for the collection and provision of such data is established.

primary expenditure growth (MTP Table 4, line 30) for year *t*, NE_t / GDP_t and NE_{t-1} / GDP_{t-1} are net nationally financed primary expenditure (before revenue measures) as a share of GDP in years *t* and *t-1*, respectively (MTP Table 4, line 29), REV_t/ GDP_t is the revenue measures as a share of GDP in year *t* (MTP Table 4, line 10), and $g_i$is the growth rate of nominal GDP in year *t* (MTP Table 2, line 3).

MTP Table 5

Estimated impact of discretionary revenue measures

	Title/description measure	One-off	Exp / Rev	Sub-sector		T-1	T	T+1	...	T+4
					ESA Code	% GDP	% GDP	% GDP		% GDP
1	Measure 1	Yes	Expenditure	optional	Code	XX.X%	XX.X%		...	
...	...	...	...	...	...	...	...		...	
X	Measure X	No	Revenue	optional	Code	XX.X%	XX.X%		...	
Z	TOTAL					calculated	calculated		...	

Note: Excluding EU funded measures. Measures should be reported in increments. One-off measures should be always recorded as having an effect of +/-X in the year of the first budgetary impact and -/+ X in the following year, i.e. the overall impact on the level of revenues or expenditures in two consecutive years is zero. Both expenditure and revenue increases (decreases) should be reported with a positive (negative) sign. If a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1).

Member States are also invited to optionally set out the revenue and expenditure measures they intend to pursue — in line with their indicative economic and fiscal strategy — in a table (MTP Table 6). Where available, Member States may also include a quantification of the expected fiscal impacts; these quantifications will be then confirmed or revised in the annual budgets.

MTP Table 6

Indicative revenue and expenditure measures envisaged in the plan

	Title/description measure	Impact on revenue or expenditure	Planned implementation date
1	Measure 1	optional	QX 20XX
...	...	....	...
X	Measure X	optional	QX 20XX

2.5. *Debt projections*

When assessing the plans the Commission should examine *for all Member States* whether the net expenditure commitment complies with the requirements and safeguards included in the legislation, or that it ensures that the debt and the deficit remain at prudent levels over the medium-term (Article 16). In this context (and in line with Article 13), debt and deficit projections and key underlying macroeconomic assumptions until ten years after the end of the adjustment period (T+14 for four-year plans; up to T+17 in case of extension) should be reported in the plans (MTP Table 7a).

MTP Table 7a

Debt and headline balance projections and key underlying assumptions (*under the planned fiscal path*)

For all Member States

				T-1	...	T+4	T+5	...	T+14/17
1	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
2	General government balance	MTP Table 4, line 31	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
3	Structural primary balance	MTP Table 4, line 34	(% pot. GDP)	repeated	...	repeated	XX.X%	...	XX.X%
4	Cyclical component		(% pot. GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%
5	One-off measures		(% GDP)	calculated	...	calculated	calculated	...	calculated
6	Interest expenditure	MTP Table 4, line 14	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
7	Long-term interest rate	MTP Table 3, line 1	(%)	repeated	...	repeated	XX.X%	...	XX.X%
8	Short-term interest rate	MTP Table 3, line 2	(%)	repeated	...	repeated	XX.X%	...	XX.X%
9	Implicit average interest rate	MTP Table 4, line 44	(%)	repeated	...	calculated	calculated	...	calculated
10	Stock-flow adjustment	MTP Table 4, line 43	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
11	Potential GDP	MTP Table 2, line 26	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
12	Real GDP	MTP Table 2, line 1	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
13	GDP deflator	MTP Table 2, line 2	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
14	Nominal GDP	MTP Table 2, line 3	(growth rate)	calculated	...	calculated	calculated	...	calculated

Note: If a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1).

For Member States for which a reference trajectory is prepared by the Commission, plans should also include a sensitivity analysis demonstrating that projected debt is *plausibly* on a downward path or remains at a prudent level. This sensitivity analysis should be based on the common methodology (*i.e.*, the standard deterministic stress tests and stochastic analysis – Article 10) (MTP Table 7b) ([18]).

MTP Table 7b

Debt projections and key stressed variables, deterministic scenarios and stochastic simulations

Only for Member States for which the Commission prepares a reference trajectory

	Financial stress scenario			**T-1**	**...**	**T+4**	**T+5**	**...**	**T+14/17**
1	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
2	Long-term interest rate	MTP Table 3, line 1	(%)	repeated	...	repeated	XX.X%	...	XX.X%
3	Short-term interest rate	MTP Table 3, line 2	(%)	repeated	...	repeated	XX.X%	...	XX.X%
	Lower SPB scenario			**T-1**	**...**	**T+4**	**T+5**	**...**	**T+14/17**
4	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
5	Structural primary balance	MTP Table 4, line 34	(% pot. GDP)	repeated	...	repeated	XX.X%	...	XX.X%
	Adverse 'r-g' scenario			**T-1**	**...**	**T+4**	**T+5**	**...**	**T+14/17**
6	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
7	Long-term interest rate	MTP Table 3, line 1	(%)	repeated	...	repeated	XX.X%	...	XX.X%
8	Short-term interest rate	MTP Table 3, line 2	(%)	repeated	...	repeated	XX.X%	...	XX.X%
9	Real GDP	MTP Table 2, line 1	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
10	Potential GDP	MTP Table 2, line 26	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
	Stochastic simulations								
11	Probability of debt being below its value in T+4/7		(%)	XX.X%					

Note: If a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1).

If the plan presents higher net expenditure growth rates than in the reference trajectory, or the technical information, or if the underlying assumptions are more favourable than the common assumptions ([19]), Member States should provide a more detailed description of the underlying macroeconomic assumptions. This additional reporting is necessary for the Commission to verify whether sound and data-driven economic arguments can explain the difference with the reference trajectory (Article 13) or from the medium-term government debt projection framework more in general (Recital 25), and for the Commission to be able to properly examine whether the requirements are fulfilled (Article 16). This includes (i) information on the 'no-fiscal-policy-change' baseline underlying the plan (MTP Table 7c), *i.e.* the baseline trajectory

([18]) The projections and assumptions underlying the reference trajectories are communicated by the Commission together with the reference trajectories.

([19]) As per Article 9(1) (a) and (b), the Commission transmits its underlying assumptions to *all Member States* – as part of its prior guidance.

without adjustment, specifically meaning a constant structural primary balance net of changes in ageing costs as from the first full year of the plan's implementation ([20]), as well as (ii) information on the underlying assumptions concerning debt maturity structure, redemption rate, and the maturities for new debt issuance (MTP Table 7d) ([21]).This additional reporting is necessary for replicability of the Member States' projections, enabling the Commission to assess whether the requirements laid down in Article 15 are complied with, and whether the differences with the reference trajectories, or deviations from the common assumptions, are justified.

MTP Table 7c

Debt and headline balance projections and underlying assumptions (*under 'no-fiscal-policy-change' baseline*)

Only for Member States with a higher net expenditure path than in the reference trajectory, or in the technical information, or in cases the underlying assumptions are more favourable than the common assumptions.

				T-1	...	T+4	T+5	...	T+14/17
1	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	XX.X%	XX.X%	...	XX.X%
2	General government balance	MTP Table 4, line 31	(% GDP)	repeated	...	XX.X%	XX.X%	...	XX.X%
3	Structural primary balance	MTP Table 4, line 34	(% pot. GDP)	repeated	...	XX.X%	XX.X%	...	XX.X%
4	Cyclical component		(% pot. GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%
5	Interest expenditure	MTP Table 4, line 14	(% GDP)	repeated	...	XX.X%	XX.X%	...	XX.X%
6	Long-term interest rate	MTP Table 3, line 1	(%)	repeated	...	repeated	XX.X%	...	XX.X%
7	Short-term interest rate	MTP Table 3, line 2	(%)	repeated	...	repeated	XX.X%	...	XX.X%
8	Implicit average interest rate	MTP Table 4, line 44	(%)	repeated	...	repeated	XX.X%	...	XX.X%
9	Potential GDP	MTP Table 2, line 26	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
10	Real GDP	MTP Table 2, line 1	(growth rate)	repeated	...	XX.X%	XX.X%	...	XX.X%
11	GDP deflator	MTP Table 2, line 2	(growth rate)	repeated	...	repeated	XX.X%	...	XX.X%
12	Nominal GDP	MTP Table 2, line 3	(growth rate)	calculated	...	calculated	calculated	...	calculated
13	Fiscal multiplier		(%)	XX.X% *(should be constant)*					

Note: if a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1).

MTP Table 7d

Debt projections and additional assumptions (*under the projected fiscal path*)

Only for Member States with a higher net expenditure path than in the reference trajectory, or in the technical information, or in cases the underlying assumptions are more favourable than the common assumptions.

				T-1	...	T+4	T+5	...	T+14/17
1	Gross debt	MTP Table 4, line 35	(% GDP)	repeated	...	repeated	XX.X%	...	XX.X%
2	Rolled over long-term debt		(% GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%
3	Rolled over short-term debt		(% GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%
4	New long-term debt		(% GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%
5	New short-term debt		(% GDP)	XX.X%	...	XX.X%	XX.X%	...	XX.X%

Note: if a plan is submitted before outturn data for year T-1 have been published by Eurostat and the national statistical institutes, the base year should be T-2 (instead of T-1).

([20]) See the convention at the beginning of Section 2

([21]) These projections and assumptions are included in the spreadsheets provided by the Commission.

2.6. *Information on reforms and investments*

For all Member States, the plan should provide information on key reforms and investments for the years ahead (Article. 13). The plan should explain how it will ensure the delivery of investments and reforms responding to the relevant ([22]) country-specific recommendations addressed to the Member State concerned (including, where applicable, recommendations issued under the Macroeconomic Imbalance Procedure), investments and reforms addressing the common priorities of the Union ([23]), and, where applicable, warnings by the Commission or recommendations by the Council pursuant to Article 121(4) TFEU. These include, for example, measures in the social, health, education and training, pension, and labour market domains, product market reforms, tax reforms, research and development, promoting policies, or major investments in the green and digital transitions ([24]), in particular those that Member States have outlined in their National Energy and Climate Plans (NECPs) and National Digital Decade strategic roadmaps. The plan should discuss the ways in which these reforms and investments respond to the relevant country-specific recommendations and address the relevant common priorities of the Union. To complement this, the plan should describe public investment needs, including those related to the common priorities of the Union (Article 13(g)). Member States are also encouraged to discuss the impact on economic activity, resilience and sustainability of the reforms and investments in a specific part of the plan ([25]).

If applicable, the plan should include additional detail on the key reforms and investments that underpin an extension of the adjustment period, including fiscal structural measures (Article 13) ([26]). These can be additional to, or a subset of, the reforms and investments presented in compliance with Article 13. They should also meet the specific additional criteria for an extension, as covered in Article 14. For instance, health, pension, labour market and skills measures, competition-enhancing reforms, tax shifts or measures improving tax compliance, research and development, promoting policies or investments in the green and digital transitions are among those that could be included. The text of the plan should cover the following elements to demonstrate compliance with Article 14:

i. an assessment of the impact of the set of reforms and investments underpinning the request for an extension (a) on improving growth and resilience potential of the economy of the Member State concerned in a sustainable manner, based on credible and prudent assumptions; (b) on supporting fiscal sustainability, with a structural improvement of public finances over the medium-term, such as reducing public expenditure to GDP ratio or increasing the public revenue to GDP ratio; and (c) on ensuring that the planned overall level of nationally financed public investment over the lifetime of the medium-term plan is no lower than the medium-term level before the period of that plan, taking into account the scope and scale of the country-specific challenges, including data and projections where appropriate ([27]);

ii. an explanation of how the planned set of reforms and investments will contribute to addressing the common priorities of the Union and the country-specific recommendations (including, where applicable, recommendations issued under the Macroeconomic Imbalance Procedure);

iii. information on the main objective of each measure, the key steps that should be taken to reach the objective, the associated timelines, and, where relevant, indicators or other elements that can support the assessment of implementation;

([22]) Country-specific recommendations should be considered 'relevant' as long as the Member State has not yet made 'full' or 'substantial' progress in addressing them in the meaning of the European Semester surveillance exercise.

([23]) Pursuant to Article 13(c) of the Regulation, the plan should explain how it will address the following common priorities of the Union: (i) a fair green and digital transition, including consistency with the European Climate Law; (ii) social and economic resilience, including the European Pillar of Social Rights; (iii) energy security; and (iv) where necessary, the build-up of defence capabilities.

([24]) All of which Member States may request design and implementation assistance for via the Technical Support Instrument.

([25]) See above Sections 2.3 and 2.4, on how the impact of reforms and investments should, or should not, be incorporated into the potential GDP projections.

([26]) Each of the reform and investment commitments underpinning the extension of the adjustment period should meet the criteria of Article 14(3), including being sufficiently detailed, front-loaded, time-bound and verifiable.

([27]) The length of the reference period for the medium-term level of investment should be the last 4 years before the start of the medium-term plan, unless the plan argues to use a different time span based on a sound justification. The text of the plan should therefore report this figure.

iv. an explanation of how the set of reforms and investments underpinning an extension is consistent with commitments included in programmes under the agreed Partnership Agreements in the Multiannual Financial Framework ([28]).

The relevant reforms and investments should be reported in one of two tables. Reforms and investments that underpin an extension of the adjustment period in compliance with Article 14 should be reported in MTP Table 8. Any other reforms and investments — presented in compliance with Article 13 — should be reported in MTP Table 9 ([29]). MTP Table 8 and MTP Table 9 should include a dedicated column indicating whether a reform or investment is supported under the umbrella of its Partnership Agreements.

The plan should describe the action the Member State is taking to address country-specific recommendations issued under the Macroeconomic Imbalance Procedure (Article 13(d)). If applicable, the plan should describe the action that the Member State is taking or is planning to take to address its imbalances or excessive imbalances in a clear, integrated and easily identifiable way.

The plan should include information on the links between planned reforms and investments and those already included in the RRPs. In order to ensure consistency and complementarity with the RRPs, the plan should explain connections between planned reforms and investments and those already included in national RRPs.

For the lifetime of the Recovery and Resilience Facility (RRF), commitments included in RRPs are taken into account for an extension of the adjustment period, under certain conditions (Article 36(1)(d)). In particular, the plan should also explain how the set of reforms and investments underpinning an extension is consistent with commitments included in the approved RRP (Article 14(4)). The medium-term plans may also be an opportunity to further strengthen the reform and investment commitments in the RRP. For the lifetime of the RRF, MTP Table 8 and MTP Table 9 should additionally report whether a reform or investment is included in the RRP (as part of the dedicated column on Partnership Agreements).

MTP Table 8

Reforms and investments underpinning an extension of the adjustment period

		RRF / PA	Key steps	CSR	Common priorities	Main objective	Implementation date	Indicator(s) on objective
1	Investment/reform A	"XX"	Step 1 ... Step Z	CSRX.X; MIP recommendation X	"XX"	"XX"	QX 20XX ... QX 20XX	"XX" ... "XX"
...	...	...	...	...	...	...	...	...
X	Investment/reform X	"XX"	Step 1 ... Step Z	CSRX.X	"XX"	"XX"	QX 20XX ... QX 20XX	"XX" ... "XX"

Note: the 'RRF/PA' column should say 'RRF' if the reform/investment is also part of the Member State's RRP; 'PA' if the reform/investment is supported under the umbrella of the Member State's partnership agreement and remain empty otherwise. For reforms and investments stemming from the RRF, the 'RRF/PA' column should additionally include a reference to the measures in the respective Council Implementing Decision.

([28]) For the purpose of this guidance, the reference to Partnerships Agreements encompasses the *programmes* under the Partnerships Agreements, as these provide a more detailed and updated overview of reforms and investments.

([29]) To avoid double-reporting, reforms and investments covered in MTP Table 8 should not be included in MTP Table 9.

MTP Table 9

Other reforms and investments

		RRF / PA	CSR	Common priorities
1	Investment/reform A	"XX"	CSRX.X; MIP recommen-dation X	"XX"
...	...	...	...	...
X	Investment/reform X	"XX"	CSRX.X	"XX"

Note: the 'RRF/PA' column should say 'RRF' if the reform/investment is also part of the Member State's RRP; 'PA' if the reform/investment is supported under the umbrella of the Member State's partnership agreement and remain empty otherwise. For reforms and investments stemming from the RRF, the 'RRF/PA' column should additionally include a reference to the measures in the respective Council Implementing Decision.

In addition, the medium-term plan should contain information on investment needs related to the common priorities of the Union in a table (Article 13(g)(v)) (MTP Table 10). The methodology to identify and quantify the investment needs under each of the common priorities will require further elaboration in due time.

MTP Table 10

Investment needs

	Common priorities	Description of investment needs
1	A fair green and digital transition, including consistency with the European Climate Law	"XX"
2	Social and economic resilience, including the European Pillar of Social Rights	"XX"
3	Energy security	"XX"
4	Where necessary, the build-up of defence capabilities	"XX"

2.7. *Information on implicit and contingent liabilities*

The plan should include information on implicit and contingent liabilities with a potentially large impact on government budgets (Article 13(g)). These could include in particular government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof, and, to the extent possible, information on disaster, climate and nature contingent liabilities. Given the heterogeneity of situations, this guidance is not suggesting a standard table for this purpose.

2.8. *Reporting in case of an Excessive Imbalance Procedure*

Member State for which an excessive imbalance procedure is opened in accordance with Article 7(2) of Regulation (EU) No 1176/2011 shall submit a revised plan, which will also serve as the corrective action plan (Article 31) ([30]). The plan should then set out the specific policy actions aiming to address excessive imbalances — based on a Council recommendation, which will include a timetable for those actions. In such a case, the plan should include an additional table (MTP Table 11), which outlines the specific policy actions to address excessive imbalances and the timeline for the implementation of those actions, as requested under Regulation (EU) No 1176/2011. When the medium-term plan also serves as the corrective action plan, it is essential that it identifies clearly which measures of the plan address excessive imbalances, and how — in the Member State's view — the plan meets the Council Recommendation under the Excessive Imbalance Procedure (Article 7(2) of Regulation (EU) No 1176/2011).

([30]) Further guidance on the requirements of such corrective action plans may be needed at a later stage.

MTP Table 11

Reforms and investments to address excessive imbalances (corrective action plan)

		Timeline for policy actions
1	Investment/reform A	"XX"
...	...	...
X	Investment/reform X	"XX"

2.9. *Annexes to be included with the medium-term plans*

If applicable, the plan should include — in an annex — the reference trajectory, or the technical information, transmitted by the Commission (Article 13(b)). As elaborated above, where the plan includes a higher net expenditure path than the reference trajectory issued by the Commission, the Member State should provide in its plan sound and data-driven economic arguments explaining the difference.

Where available, the plan should also include an annex with the opinion of the national independent fiscal institutions (IFIs) on the macroeconomic projections and assumptions underpinning the net expenditure path (Article 11(2)). Member States may ask the relevant IFI to deliver this opinion, providing sufficient time for the IFI to do so. As of 1 May 2032, the relevant IFI should issue such an opinion — provided it has sufficient capacity.

PART B

INFORMATION REQUIREMENTS FOR THE ANNUAL PROGRESS REPORTS

3. **Introduction**

The Annual Progress Reports (APRs) are crucial documents in monitoring the implementation of the Council Recommendations that endorse the medium-term fiscal-structural plans. They should present outturn data and describe implementation steps that have been, or are being, taken. The APRs should report on net expenditure and whether the net expenditure path set by the Council in its recommendation was respected, on the implementation of the reforms and investment that the Council listed as underpinning an extension of the adjustment period, as well as on the broader reform and investment implementation and policy initiatives by the Member States ([31]). They also provide updated information on measures that have been included in the annual budgets, such as details on discretionary revenue measures and their estimated budgetary impact. In addition, the APRs update some macroeconomic forecasts. The tables in the APRs are aligned as much as possible with the tables in the medium-term plans.

The APRs do not revisit the central policy commitments in the medium-term plans. The central policy commitments are endorsed by the Council and are specifically mentioned in the Council Recommendation. While the APRs are fundamentally backward-looking *administrative* and *factual* documents, the Member States may also use them to announce new relevant policy initiatives, in particular in the area of structural reforms and investments.

The APR are an essential input for the several processes under the European Semester of economic policy coordination. Continuing the practice of the national reform programmes, the APRs should report on progress in implementing the country-specific recommendations and addressing macroeconomic imbalances, progress in delivering on the European Pillar of Social Rights (including the 2030 national targets on employment, skills and poverty reduction), the Sustainable Development Goals, and progress in responding to the other EU common priorities ([32]). For the lifetime of the Recovery and Resilience Facility, the APRs should also include reporting on progress in implementing any of the RRP reforms and investments included in the medium-term plans (see Section 4.6).

([31]) For the euro area Member States, the Commission Opinions on draft budgetary plans (Article 7 of Regulation (EU) 473/2013) will also contribute to monitor the implementation of the Council Recommendations that endorse the medium-term plans.

([32]) Member States are also encouraged to report on progress in implementing green budgeting.

In the spirit of national ownership, this guidance does not suggest a strict model structure for the APRs. Member States are free to decide on the precise outline and the level of detail of their APR (Member States may have different needs for their national purposes), provided the APRs contain the information required by the Regulation. To assist Member States in the preparation of the APRs, this guidance provides an overview of the elements that are to be included and are indispensable for the Commission to properly assess compliance with the Regulation, as well as templates for the tables that report the required information.

4. **Information to be included in the Annual Progress Reports**

The APR should present outturn data and describe implementation steps that have been, or are being, taken. In principle the focus of the APR should be on the previous year, covering the time period since the previous APR or since the submission of the medium-term plan ([33]). At the same time, given the possibility of revisions in data and other information, the tables in the APR should cover the full period since the submission of the medium-term plan. Accordingly, in this part of the guidance, the convention in the tables is that year T is the year of submission of the APR (*year of the APR*). The number of years of implementation being reported on by the APR is captured in the tables by T-X, with 'T-X' representing *the base year used in the Council Recommendation* ([34]). For example, if the medium-term plan is submitted in autumn 2024, then the APRs of the coming years will always report data since 2023.

The APR should provide information about the progress of implementation of the net expenditure path set by the Council in its recommendation (Section 4.2). It should also report further detail on macroeconomic and external developments (Section 4.3), as well as budgetary developments (Section 4.4).

Moreover, the APR should report on the implementation of policy action delivering on CSRs, common priorities of the Union, including the European Pillar of Social Rights, and Sustainable Development Goals. In particular, it should report on the implementation of the reform and investment commitments underpinning an extension of the fiscal adjustment period, if applicable; and the implementation of any other reforms and investments in the medium-term plan to address the common priorities of the Union and the CSRs (Section 4.6). Comprehensive annexes should provide further detail on the implementation of policy actions to deliver on the principles of the European Pillar of Social Rights and the common priorities of the Union, as well as on policy action in delivering on Sustainable Development Goals (Section 4.8).

When appropriate, the APR should also report on how the Member State has responded to recommendations and decisions under other processes — in line with applicable requirements. In practice, this means various reporting streams are integrated into a single document — the APR — whenever the timing sufficiently aligns. Such reporting may concern, among others, the way the Member State is responding to recommendations or decisions under the Excessive Deficit Procedure (EDP) ([35]), recommendations under the Macroeconomic Imbalance Procedure, or warnings by the Commission or recommendations by the Council pursuant to Article 121(4) TFEU. In case of an Excessive Deficit Procedure, the APR should explain how the budgetary developments reported in the standard tables relate to the adjustment path under the Excessive Deficit Procedure. In case of an excessive imbalance procedure, the APR should include an additional table constituting the progress report of the corrective action plan (see Section 4.7).

4.1. *Consultation process*

Where applicable, the APR should provide information on the discussions about the progress report held with relevant stakeholders (Article 21(5)). The APR should provide information in case the Member State requested the independent fiscal institution to provide an assessment of compliance of the budgetary outturns data in the APR with the net expenditure path (Article 23). APR should also, where applicable, provide information on the involvement of the key institutional actors and other relevant stakeholders (National Parliament, regional/local authorities, social partners and civil society stakeholders) in the preparation and implementation of reforms and investments.

([33]) For the first vintage of APRs, which are to be submitted by 30 April 2025, Member States are encouraged to report policy implementation that has taken place since the 2023 National Reform Programme, including compliance with the 2024 country-specific recommendations.

([34]) The base year in the Council Recommendation is the last year for which there are outcome data available at the time of the recommendation.

([35]) For example, if the timing allows, the APR could usefully integrate the report on effective action under the Excessive Deficit Procedure.

4.2. *Information on respect of the net expenditure path*

The APRs should report on the progress of implementation of the net expenditure path set by the Council recommendation. APR Table 1a recalls that recommendation, as well as outturn data for the past year(s), and projections for the current year and subsequent year. APR Table 1a contains the basic information to assess whether the net expenditure path set by the Council in its recommendation is being abided by. The APR should quantify and explain any upward deviations (actual or in the projections) ([36]) from the net expenditure path set by the Council in its recommendation. The data on net expenditure in APR Table 1a is complemented by an overview table summarising the outturns and projections for the main budgetary variables (APR Table 1b). In particular, the table brings together the main variables which are reported in APR Table 4. The data in the APR, and in particular APR Table 1a, is an input for the control account set up, and managed, by the Commission to keep track of cumulative downward deviations of observed net expenditure from the net expenditure path as set by the Council (Article 22(2)). The Commission regularly (at least annually) makes the control account for each Member State public.

APR Table 1a

Single operational reference for fiscal surveillance

			Council recommendation			Outturn/projection		
			T-X	...	T	T-X	...	T
			growth rate		growth rate	growth rate		growth rate
1	Net nationally financed primary expenditure	(annual)	XX.X%	...	XX.X%	Calculated	...	Calculated
2		(cumulative)	XX.X%	...	XX.X%	Calculated	...	Calculated

APR Table 1b

Main variables

			Outturn/projection		
			T-X	...	T
			% GDP		% GDP
1	Net lending/borrowing	APR Table 4, line 31	XX.X%	...	XX.X%
2	Structural balance	APR Table 4, line 33	XX.X%	...	XX.X%
3	Structural primary balance	APR Table 4, line 34	XX.X%	...	XX.X%
4	Gross debt	APR Table 4, line 35	XX.X%	...	XX.X%
5	Change in gross debt	APR Table 4, line 36	XX.X%	...	XX.X%

Note: The main variables shown in APR Table 1b do not constitute the central element of the medium-term plan. The single operational reference for fiscal surveillance is expressed in terms of net nationally financed primary expenditure growth rates (see APR Table 1a).

4.3. *Macroeconomic developments*

The APRs should report on macroeconomic and external developments over the course of the implementation of the plan. The tables should include data up until year T, while projections for year T+1 are optional. The tables on macroeconomic developments and external developments should contain the latest available forecast ([37]).

([36]) The projection figures for T and T+1 in APR Table 1are not normative. They should be forecasts taking into account the policies credibly announced in sufficient detail at the moment of the submission of the APR, and not policy targets.

([37]) The cut-off date of the forecast should be provided.

APR Table 2

Macroeconomic developments

			T-X	T-X	...	T	T+1
	GDP	ESA Code	bn NAC	growth rate		growth rate	growth rate
1	Real GDP	B.1*g		XX.X%	...	XX.X%	optional
2	GDP deflator			XX.X%	...	XX.X%	optional
3	Nominal GDP	B.1*g	XX.X	XX.X%	...	XX.X%	optional
	Components of real GDP		bn NAC	growth rate		growth rate	growth rate
4	Private consumption expenditure	P.3		XX.X%	...	XX.X%	optional
5	Government consumption expenditure	P.3		XX.X%	...	XX.X%	optional
6	Gross fixed capital formation	P.51		XX.X%	...	XX.X%	optional
7	Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53		optional	...	optional	optional
8	Exports of goods and services	P.6		XX.X%	...	XX.X%	optional
9	Imports of goods and services	P.7		XX.X%	...	XX.X%	optional
	Contribution to real GDP growth						
10	Final domestic demand			XX.X	...	XX.X	optional
11	Changes in inventories and net acquisition of valu	P.52 + P.53		XX.X	...	XX.X	optional
12	External balance of goods and services	B.11		XX.X	...	XX.X	optional
	Deflators and HICP			growth rate		growth rate	growth rate
13	Private consumption deflator			XX.X%	...	XX.X%	optional
14	p.m. HICP			XX.X%	...	XX.X%	optional
15	Government consumption deflator			XX.X%	...	XX.X%	optional
16	Investment deflator			XX.X%	...	XX.X%	optional
17	Export price deflator (goods and services)			XX.X%	...	XX.X%	optional
18	Import price deflator (goods and services)			XX.X%	...	XX.X%	optional
	Labour market		level	growth rate	growth rate	growth rate	growth rate
19	Domestic employment (1000 persons, national accounts)		XX.X	XX.X%	...	XX.X%	optional
20	Average annual hours worked per person employed		XX.X	XX.X%	...	XX.X%	optional
21	Real GDP per person employed			calculated	...	calculated	optional
22	Real GDP per hour worked			calculated	...	calculated	optional
23	Compensation of employees (bn NAC)		XX.X	XX.X%	...	XX.X%	optional
24	Compensation per employee (= 23 / 19)		calculated	calculated	...	calculated	optional
				%		%	%
25	Unemployment rate (%)			XX.X%		XX.X%	optional
	Potential GDP and components			growth rate		growth rate	growth rate
26	Potential GDP			XX.X%	...	XX.X%	optional
	Contribution to potential growth						
27	Labour			XX.X	...	XX.X	optional
28	Capital			XX.X	...	XX.X	optional
29	Total factor productivity			XX.X	...	XX.X	optional
				% pot. GDP		% pot. GDP	% pot. GDP
30	Output gap (% pot. GDP)			XX.X%	...	XX.X%	optional

APR Table 3

External developments

			T-X	...	T	T+1
1	Short-term interest rate	(%, annual average)	XX.X%	...	XX.X%	optional
2	Long-term interest rate	(%, annual average)	XX.X%	...	XX.X%	optional
3	USD/EUR exchange rate	(annual average)	XX.X	...	XX.X	optional
4	NAC/EUR exchange rate (only for non-EA Member States)	(annual average)	XX.X	...	XX.X	optional
5	World real GDP (excluding EU)	(growth rate)	XX.X%	...	XX.X%	optional
6	EU real GDP	(growth rate)	XX.X%	...	XX.X%	optional
7	World import volumes, excluding EU	(growth rate)	XX.X%	...	XX.X%	optional
8	Oil prices	(Brent, USD/barrel)	XX.X	...	XX.X	optional

4.4. *Budgetary developments*

The net expenditure path set by the Council in its recommendation constitutes the single operational reference for fiscal surveillance during the implementation phase. The recommended annual (and, consequently, cumulative) rates constitute the budgetary constraint that frames national fiscal policy over the time horizon of the plan. Net expenditure growth therefore is the single operational reference for assessing the existence of a deviation and triggering enforcement actions. The APR could report on any contingent liabilities that have materialised, as well as on any new contingent liabilities deemed relevant, including on climate and nature.

The APR should include budgetary projections for T and, optionally, for T+1. The figures for T and T+1 are not normative — they are forecasts taking into account the policies credibly announced in sufficient detail, at the moment of the submission of the APR, and not policy targets. These figures for T and T+1 may contribute to an early identification of deviations from the net expenditure path set by the Council.

The APR should report on the discretionary revenue measures and one-off measures that have contributed to the budgetary outcomes and projections. Reporting on expenditure measures is optional. Unlike for the medium-term plans, the reporting of discretionary revenue measures and one-off measures needs to be exhaustive for the time horizon until year T (APR Table 5) because such information is indispensable to calculate net expenditure and respective growth rates. Moreover,

for an accurate calculation of the cumulative deviations in the control account, Member States should provide a complete and up-to-date picture in successive APR vintages. In particular, this implies that Member States should also provide revised estimates for the impact of policy measures previously reported in their draft budgetary plans (for euro area Member States) or previous APRs. Reporting on expenditure measures (other than one-offs) can also be included, but is optional, as such information is not necessary to calculate net expenditure. Measures with an estimated budgetary impact above 0.1 % of GDP should be described in detail, whereas those with a budgetary impact below this threshold need to be identified and their aggregated budgetary impact indicated. In addition, any one-offs (both revenue and expenditure) included in the APR should be identified and explained. Underlying assumptions used to estimate the budgetary impact of each measure (*e.g.* elasticities or evolution of the tax base) should also be appropriately described. Each measure with an incremental impact on the year T accounts should be reported in autumn T-1 when the budget is prepared, and revised as needed in spring T and autumn T during the budget implementation and in spring T+1. After the reporting in spring T+1, the Commission services will consider the assessment of discretionary revenue measures (and one-offs) affecting year T as stable, unless there are specific reasons for a further revision (this may happen e.g., in case of significant revisions of national accounts data affecting several years).

Note that expenditure and revenue measures are treated in a different manner. As indicated above, the economic governance framework has no bias toward revenue measures over expenditure measures, or vice versa. However, while the outcome of expenditure-related policy actions (increasing or reducing expenditure or shifting budgetary credits from some spending categories to others) is ultimately reflected in the several expenditure variables that the national statistical institutes and Eurostat compile, the discretionary revenue measures have to be estimated *ex ante* when the national budgets are prepared (and in the draft budgetary plans for euro area Member States), during implementation and *ex post* . The APR should also report on national expenditure on co-financing of programmes funded by the Union and cyclical elements of unemployment benefit (in APR Table 4) ([38]).

([38]) For the definition of national co-financing of programmes funded by the Union, please see Section 2.4.

APR Table 4

Budgetary developments

			T-X	T-X	...	T	T+1
	Revenue	ESA Code	bn NAC	% GDP		% GDP	% GDP
1	Taxes on production and imports	D.2	XX.X	XX.X%	...	XX.X%	optional
2	Current taxes on income, wealth, etc	D.5	XX.X	XX.X%	...	XX.X%	optional
3	Social contributions	D.61	XX.X	XX.X%	...	XX.X%	optional
4	Other current revenue	(P.11+P.12+P.131) + D.39 + D.4 + D.7	XX.X	XX.X%	...	XX.X%	optional
5	Capital taxes	D.91	XX.X	XX.X%	...	XX.X%	optional
6	Other capital revenue	D.92+D.99	XX.X	XX.X%	...	XX.X%	optional
7	Total revenue (= 1+2+3+4+5+6)	TR	calculated	calculated	...	calculated	optional
8	Of which: Transfers from the EU (**accrued revenue, not cash**)	D.7EU+D.9EU	XX.X	XX.X%	...	XX.X%	optional
9	Total revenue other than transfers from the EU (= 7-8)		calculated	calculated	...	calculated	optional
10	p.m. Revenue measures (increments, excluding EU funded measures)		XX.X	XX.X%	...	XX.X%	optional
11	p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		XX.X	XX.X%	...	XX.X%	optional
	Expenditure		bn NAC	% GDP		% GDP	% GDP
12	Compensation of employees	D.1	XX.X	XX.X%	...	XX.X%	optional
13	Intermediate consumption	P.2	XX.X	XX.X%	...	XX.X%	optional
14	Interest expenditure	D.41	XX.X	XX.X%	...	XX.X%	optional
15	Social benefits other than social transfers in kind	D.62	XX.X	XX.X%	...	XX.X%	optional
16	Social transfers in kind via market producers	D.632	XX.X	XX.X%	...	XX.X%	optional
17	Subsidies	D.3	XX.X	XX.X%	...	XX.X%	optional
18	Other current expenditure	D.29 + (D.4-D.41) + D.5 + D.7 + D.8	XX.X	XX.X%	...	XX.X%	optional
19	Gross fixed capital formation	P.51	XX.X	XX.X%	...	XX.X%	optional
20	Of which: Nationally financed public investment		XX.X	XX.X%	...	XX.X%	optional
21	Capital transfers	D.9	XX.X	XX.X%	...	XX.X%	optional
22	Other capital expenditure	P.52+P.53+NP	XX.X	XX.X%	...	XX.X%	optional
23	Total expenditure (= 12+13+14+15+16+17+18+19+21+22)	TE	calculated	calculated	...	calculated	optional
24	Of which: Expenditure funded by transfers from the EU (= 8)	D.7EU+D.9EU	calculated	calculated	...	calculated	optional
25	Nationally financed expenditure (23-24)		calculated	calculated	...	calculated	optional
26	p.m. National co-financing of programmes funded by the Union		XX.X	XX.X%	...	XX.X%	optional
27	p.m. Cyclical component of unemployment benefits		XX.X	XX.X%	...	XX.X%	optional
28	p.m. One-off expenditure included in the projections (levels, excluding EU funded measures)		XX.X	XX.X	...	XX.X	optional
29	Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)		calculated	calculated	...	calculated	optional
	Net nationally financed primary expenditure			growth rate		growth rate	growth rate
30	Net nationally financed primary expenditure growth	APR Table 1a, line 1		calculated	...	calculated	optional
	Balances		bn NAC	% GDP		% GDP	% GDP
31	Net lending/borrowing (= 7-23)	B.9	calculated	calculated	...	calculated	optional
32	Primary balance (= 31-14)	B.9-D.41p	calculated	calculated	...	calculated	optional
	Cyclical adjustment			% GDP		% GDP	% GDP
33	Structural balance			XX.X%	...	XX.X%	optional
34	Structural primary balance			XX.X%	...	XX.X%	optional
	Debt		bn NAC	% GDP		% GDP	% GDP
35	Gross debt		XX.X	XX.X%	...	XX.X%	optional
36	Change in gross debt		XX.X	XX.X%	...	XX.X%	optional
37	Contributions to changes in gross debt						
38	Primary balance (= minus 32)			calculated	...	calculated	optional
39	Snowball effect			calculated	...	calculated	optional
40	Interest expenditure (= 14)			repeated	...	repeated	optional
41	Growth			calculated	...	calculated	optional
42	Inflation			calculated	...	calculated	optional
43	Stock-flow adjustment (= 36-38-39)			calculated	...	calculated	optional
				%		%	%
44	p.m. Implicit interest rate on debt (= 14 / DEBT(t-1))			XX.X%	...	XX.X%	optional

Notes: Line 30 'net nationally financed primary expenditure growth' can be computed using the following formula: $e_t = \frac{NE_t - REV_t}{NE_{t-1}} - 1 = \frac{(NE_t \ / \ GDP_t) \ - \ (REV_t / \ GDP_t)}{(NE_{t-1} \ / \ GDP_{t-1})} * (1 + g_t) - 1$, where e_t is net nationally financed primary expenditure growth (APR Table 4, line 30) for year *t*, $NE_t \ / \ GDP_t$ and $NE_{t-1} \ / \ GDP_{t-1}$ are net nationally financed primary expenditure (before revenue measures) as a share of GDP in years *t* and *t-1*, respectively (APR Table 4, line 29), $REV_t / \ GDP_t$ is the revenue measures as a share of GDP in year *t* (APR Table 4, line 10), and $g_t$is the growth rate of nominal GDP in year *t* (APR Table 2, line 3).

APR Table 5

Estimated impact of discretionary expenditure and revenue measures

	Title/description measure	One-off	Exp / Rev	Sub-sector	T-X		...	T
					ESA Code	% GDP		% GDP
1	Measure 1	Yes	Expenditure	optional	Code	XX.X%	...	XX.X%
...	...	...	...	...	...	...	...	...
X	Measure X	No	Revenue	optional	Code	XX.X%	...	XX.X%
Z	TOTAL					calculated	...	calculated

Note: excluding EU funded measures. Measures should be reported in increments. One-off measures should be always recorded as having an effect of +/-X in the year of the first budgetary impact and -/+ X in the following year, i.e. the overall impact on the level of revenues or expenditures in two consecutive years must be zero. Both expenditure and revenue increases (decreases) should be reported with a positive (negative) sign.

4.5. *RRF grants and loans*

During the lifetime of the RRF, the APRs should continue reporting on expenditure and other costs financed by RRF grants and loans.

APR Table 6

RRF grants

		2020	...	2026
	Revenue from RRF grants	% GDP		% GDP
1	RRF grants as included in the revenue projections	XX.X%	...	XX.X%
2	Cash disbursements of RRF grands from EU	XX.X%	...	XX.X%
	Expenditure financed by RRF grants			
3	Total current expenditure	XX.X%	...	XX.X%
4	Gross fixed capital formation	XX.X%	...	XX.X%
5	Capital transfers	XX.X%	...	XX.X%
6	Total capital expenditure (4+5)	calculated	...	calculated
	Other costs financed by RRF grants			
7	Reduction in tax revenue	XX.X%	...	XX.X%
8	Other costs with impact on revenue	XX.X%	...	XX.X%
9	Financial transactions	XX.X%	...	XX.X%

APR Table 7

RRF loans

		2020	...	2026
	Revenue from RRF loans	% GDP		% GDP
1	RRF loans as included in the revenue projections	XX.X%	...	XX.X%
2	Cash disbursements of RRF loans from EU	XX.X%	...	XX.X%
	Expenditure financed by RRF loans			
3	Total current expenditure	XX.X%	...	XX.X%
4	Gross fixed capital formation	XX.X%	...	XX.X%
5	Capital transfers	XX.X%	...	XX.X%
6	Total capital expenditure (4+5)	calculated	...	calculated
	Other costs financed by RRF loans			
7	Reduction in tax revenue	XX.X%	...	XX.X%
8	Other costs with impact on revenue	XX.X%	...	XX.X%
9	Financial transactions	XX.X%	...	XX.X%

4.6. *Information on reforms and investments*

For countries with an extended adjustment period up to seven years, the APRs should specifically report on the implementation of the reform and investment commitments underpinning the extension, as listed in the Council recommendation. The Member State must satisfactorily comply with the set of reforms and investment commitments underpinning the extension, failing which the Council may recommend a revised net expenditure path with a shorter adjustment period based on a recommendation by the Commission (Article 20). In APR Table 8, Member States should report on the state of implementation of each of the implementation steps (on-track, delayed, completed or not completed). For each step that is completed, the text of the APR should explain why the Member State considers this step to be completed — in line with its indicators and objective. For each step that is not yet completed, the text of the APR should explain the state of play against the timeline laid down in the Council recommendation. Any delays need to be reported with detailed explanations, including whether there are objective circumstances preventing implementation by the deadline foreseen in the Council Recommendation. Similarly, in case any reform or investment has been adjusted from its originally agreed design, as well as in case of any backtracking, reversal or non-completion, the APR should contain detailed explanations ([39]). The Commission will assess the explanation provided and could ask for further explanation and/or take further action.

([39]) In case of doubt, Member States are encouraged to discuss with the Commission at technical level before submitting the progress report.

APR Table 8

Progress with reforms and investments underpinning an extension of the adjustment period

		RRF / PA	CSR	Common priorities	Main objective	Key steps	Planned implementation date	Indicator(s)	On-track status step
1	Investment/reform A	"XX"	CSRX.X; MIP recommendation X	"XX"	"XX"	Step 1 ... Step Z	QX 20XX ... QX 20XX	"XX" ... "XX"	Completed ... Delayed
...	...	...	...	...	...	...	...	...	...
X	Investment/reform X	"XX"	CSRX.X	"XX"	"XX"	Step 1 ... Step Z	QX 20XX ... QX 20XX	"XX" ... "XX"	Completed .... On-track

Notes: Except for the 'on-track status step' column, the columns should repeat the information included in the Council recommendation. The 'RRF/PA' column should say 'RRF' if the reform/investment is supported under the umbrella of the Member State's RRP, 'PA' if the reform/investment is also part of the Member State's partnership agreement and remain empty otherwise. For reforms and investments stemming from the RRF, the 'RRF/PA' column should additionally include a reference to the measures in the respective Council Implementing Decision. 'Planned implementation date' should correspond to the 'planned implementation date' for each step, as included in the Council recommendation endorsing the medium-term plan. In line with the reporting categories in FENIX, the 'on-track status step' for each step should indicate whether the step is 'on-track' (the step is on-track to be completed by the planned implementation date), 'delayed' (step will be completed later than the planned implementation date, which has not yet passed at the time of reporting), 'completed' (the step has been completed), or 'not completed' (the planned implementation date has passed by the time of reporting, but the step is experiencing delays or can/will not be completed).

APR should report on the implementation of other reforms and investments included in the medium-term plan. APRs should include APR Table 9, which covers the reforms and investments listed in the medium-term plans that are intended to contribute to addressing the common priorities of the Union and the CSRs ([40]). Since the medium-term plan describes the action of the Member State concerned to correct imbalances under the Macroeconomic Imbalance Procedure by addressing the relevant CSRs, the APR should also report on progress in tackling those imbalances ([41]). Reporting on all measures addressing the CSRs should also continue to take place through the CeSaR interface ([42]). For transparency, the summary report on CSR implementation that is generated by CeSaR on CSR implementation should be attached to the APR (see Table I of the Annex to this guidance). Reporting in the text should focus on those measures where new policy actions were undertaken since the submission of the latest APR — avoiding repetition of developments already previously reported. In particular, when an investment or reform is newly marked as 'completed,' 'delayed,' or 'not completed' in APR Table 9, the text of the APR should include a *brief* self-standing explanation for the change in status. Further relevant details only need to be included in the text to the degree these are not already reported in the CeSaR database. In case of delays, adjustments, or non-completion, the text of the APR should also explain how the Member State intends to still achieve the objectives to be addressed by the reforms and investments.

([40]) For Member States with an extension of the fiscal adjustment period, APR Table 9 includes reforms and investments other than those underpinning the extension as listed in the Council recommendation endorsing the medium-term plan, which are covered in APR Table 8.

([41]) In case of excessive imbalances, see the next section.

([42]) The CeSaR interface can be accessed at: https://webgate.ec.europa.eu/csr. For the lifetime of the RRF, reporting on CeSaR should focus on addressing those CSRs not covered by the RRPs.

APR Table 9

Progress with reforms and investments

		RRF / PA	CSR	Common priorities	On-track status
1	Investment/reform A	"XX"	CSRX.X; MIP recommendation X	"XX"	Completed
...	...	...	...	...	...
X	Investment/reform X	"XX"	CSRX.X	"XX"	Delayed

Notes: The 'RRF/PA' column should say 'RRF' if the reform/investment is also part of the Member State's RRP, 'PA' if the reform/investment is supported under the umbrella of the Member State's partnership agreement and remain empty otherwise. For reforms and investments stemming from the RRF, the 'RRF/PA' column should additionally include a reference to the measures in the respective Council Implementing Decision. In line with the reporting categories in FENIX, the 'on-track status' for should indicate whether the investment or reform is 'on-track' (the reform/investment is on-track to be completed as planned), 'delayed' (the reform/investment will be completed later than planned and the planned date of completion has not yet passed at the time of reporting), 'completed' (the reform/investment has been completed), or 'not completed' (the planned date of completion has passed by the time of reporting, but the reform/investment is experiencing delays and can/will not be completed), with Member States selecting the category that - in their view - corresponds most closely to the state of play.

For the lifetime of the RRF, implementation of any RRP reforms and investments included in the medium-term plans should also be reported in the APRs (Article 36) ([43]). The monitoring of those reform and investment commitments will, in any case, continue to take place in the context of the RRF. More detailed reporting on the implementation of the RRP reforms and investments than included in APR Table 8 and APR Table 9 should be provided through the FENIX interface, as part of the payment requests and bi-annual reporting under Article 27 of the RRF Regulation. Member States are invited to include a summary report extracted from the FENIX interface — including the most recent RRF bi-annual reporting information (see Table II of the Annex to this guidance), as an attachment to the APR ([44]). For the reforms and investments covered in APR Table 8 and APR Table 9, reporting in the text should focus on those measures where new policy actions were undertaken since the submission of the latest APR (or, in case of the first APR, since the submission of the medium-term plan) — avoiding unnecessary repetitions of developments already previously reported. When an investment or reform is marked as 'completed,' 'delayed,' or 'not completed' in the APR, the text should include a self-standing, but brief, explanation. Beyond the brief explanation, the text of the APR only needs to cover further details (on completed, delayed, or not completed reforms or investments underpinning an extension) to the extent such information is not already provided through the FENIX interface — in line with the approach taken for CeSaR reporting above.

4.7. *Reporting in case of an excessive imbalance procedure*

In case of an excessive imbalance procedure under the Macroeconomic Imbalance Procedure, the APR should report on the implementation of policy actions aiming to address excessive imbalances (APR Table 10). In case of opening of the excessive imbalance procedure, the revised medium-term plan also serves as the corrective action plan foreseen under the excessive imbalance procedure (Article 31(3)). The plan should then set out the specific policy actions aiming to address excessive imbalances — based on a Council recommendation, which includes a timetable for those actions. For each of those actions, the APR should report on progress achieved, in particular since last APR (or, in case of the first APR, since the submission of the medium-term plan), and explain whether they are on-track, delayed, completed, or not completed.

([43]) The information provided in the APRs does not prejudice the Commission's assessment of compliance with specific requirements under the RRF. In case the APR reports on changes to measures that have already been positively assessed under the RRF, Member States are invited to inform the Commission of such changes ahead of submitting their APR.

([44]) The standard summary report extracted from the FENIX interface, which includes all RRP reforms and investments (not only those included in the medium-term fiscal structural plans), should be attached.

For each action that is completed, the text of the APR should justify why the Member State considers this reform or investment to be completed — in line with its objective. For each action that is delayed or not completed, the text of the APR should explain (i) why the delay or non-completion has happened, (ii) whether there have been objective circumstances that can explain these delays, (iii) what the plans are for catching up on the delay or making up for the non completion, as well as what the relevant timeline is, and (iv) describe any other efforts undertaken that sufficiently contribute to the objective of the problematic action. While the APR would provide an annual stock-take, monitoring and related reporting related to the excessive imbalance procedure may also take place outside the context of the APR.

APR Table 10

Progress with reforms and investments to address excessive imbalances (corrective action plan)

		Due date	On-track status
1	Investment/reform A	QX 20XX	Completed
...	...	...	...
X	Investment/reform X	QX 20XX	On-track

4.8. *Annexes to be included with the APR*

The APR should include sufficiently comprehensive reporting on the implementation of policy action in delivering on Sustainable Development Goals, the European Pillar of Social Rights, and in response to the other common EU priorities ([45]). It is recommended to include this information in annexes, but Member States may also choose to integrate this information into the APR itself. This information should complement the reporting on implementation of reforms and investments that was discussed above. It should provide a sufficiently comprehensive overview of the Member State's policy response to the main employment, education, skills and social challenges (as identified in the latest Country Report and the Joint Employment Report, including in the Commission analysis on risks to upward social convergence), which contribute to delivering on the principles of the European Pillar of Social Rights. This overview should be complemented with information to be provided in Table III of the Annex to this guidance. Likewise, the annexes should include a sufficiently comprehensive overview of implemented investments and reforms from Member States' NECPs, distinguished by the five Energy Union dimensions (decarbonisation, energy efficiency, energy security, internal energy market, research, innovation, and competitiveness), and their (estimated) impact on decarbonisation, where applicable. To minimise administrative burden, a cross-reference to the biennial progress reports of the NECPs — given their relevance to the EU common priority on green and energy transition and to the National Digital Decade Strategic Roadmaps — or any more recent document reporting on relevant policies and measures should be included in these annexes to the APR. In these annexes, Member States are also encouraged to report on the specific impact of the climate policy measures and of the measures taken for achieving Digital Decade targets and objectives taken as part of the commitments under the medium-term fiscal structural plans. Regarding the reporting on progress achieved towards digital transition, Member States should ensure consistency with their reporting of digital progress to the Commission for the purposes of the Digital Economy and Society Index (DESI) and for monitoring of the Digital Decade. In addition, Member States are encouraged to cross-reference the latest data transmitted to the Commission on the implementation of cohesion policy funds, as well as report on progress in addressing the main disparities highlighted in the context of the European Semester, in these annexes.

CeSaR will continue to be used to monitor the Member States' implementation of the CSRs in the context of the European Semester. The summary report which is generated by CeSaR on CSR implementation (see Table I of the Annex to the guidance) should be attached to the APR. Similarly, during the lifetime of the RRF, Member States are invited to attach to the APR the summary report extracted from FENIX (see Table II of the Annex to this guidance).

([45]) These refer to the following priorities: (i) a fair green and digital transition, including consistency with the European Climate Law; (ii) social and economic resilience, including the European Pillar of Social Rights; (iii) energy security; and (iv) where necessary, the build-up of defence capabilities.

ANNEX

Table I

MEMBER STATE REPORTING EXTRACTED FROM CeSaR

CSR.Year.Nr

CSR Year Subpart Nr: Text of CSR

Measures	
Entry 1	
Entry 2	
Comments	
Entry 1	
Entry 2	
State of play	
Entry 1	
Entry 2	

Table II

MEMBER STATE REPORTING EXTRACTED FROM FENIX

(to be downloaded from FENIX - optional)

CSR Subpart	Measure name	Milestone/target name	Due date (Quarter)	Status in FENIX

Table III

REPORTING ON THE IMPLEMENTATION OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS: MAIN MEASURES AND THEIR ESTIMATED IMPACT

Pillar principle	List of main contributing measures	Estimated impact of the measures (qualitative and/or quantitative)
1. Education, training and life-long learning	1. 2. 3.	
2. Gender equality	1. 2. 3.	
3. Equal opportunities	1. 2. 3.	

4.	Active support to employment	1. 2. 3.	
5.	Secure and adaptable employment	1. 2. 3.	
6.	Wages	1. 2. 3.	
7.	Information about employment conditions and protection in case of dismissals	1. 2. 3.	
8.	Social dialogue and involvement of workers	1. 2. 3.	
9.	Work-life balance	1. 2. 3.	
10.	Healthy, safe and well-adapted work environment and data protection	1. 2. 3.	
11.	Childcare and support to children	1. 2. 3.	
12.	Social protection	1. 2. 3.	
13.	Unemployment benefits	1. 2. 3.	
14.	Minimum income	1. 2. 3.	
15.	Old age income and pensions	1. 2. 3.	
16.	Health care	1. 2. 3.	
17.	Inclusion of people with disabilities	1. 2. 3.	
18.	Long-term care	1. 2. 3.	

19. Housing and assistance for the homeless	1. 2. 3.	
20. Access to essential services	1. 2. 3.	

Table IV

REPORTING ON SDGs: DESCRIPTION OF MAIN MEASURES AND THEIR ESTIMATED IMPACT

SDG	List of main contributing measures	Estimated impact of the measures (qualitative and/or quantitative)
1. No poverty	1. 2. 3.	
2. Zero hunger	1. 2. 3.	
3. Good health and well-being	1. 2. 3.	
4. Quality education	1. 2. 3.	
5. Gender equality	1. 2. 3.	
6. Clean water and sanitation	1. 2. 3.	
7. Affordable and clean energy	1. 2. 3.	
8. Decent work and economic growth	1. 2. 3.	
9. Industry, innovation and infrastructure	1. 2. 3.	
10. Reduced inequalities	1. 2. 3.	
11. Sustainable cities and communities	1. 2. 3.	
12. Responsible consumption and production	1. 2. 3.	

13. Climate action	1. 2. 3.	
14. Life below water	1. 2. 3.	
15. Life on land	1. 2. 3.	
16. Peace, justice and strong institutions	1. 2. 3.	
17. Partnerships for the goals	1. 2. 3.	