

## Economic governance: common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit in the euro area. 'Two pack'

2011/0386(COD) - 28/10/2014 - Follow-up document

This Communication replaces the Communication from the Commission [COM\(2013\)490](#) entitled Harmonized framework for draft budgetary plans and debt issuance reports within the euro area.

The Commission proposes to amend the abovementioned Communication in light of experience built since the implementation of Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area entered into force on 30 May 2013.

The harmonised frameworks for the draft budgetary plans and for the debt issuance reports, as adopted by the Commission in Communication COM(2013) 490 final and contained in a Code of Conduct, set out all commonly agreed guidelines. Experience has proven that some elements of the reporting process deserve additional clarity and require modification, as laid down in this Communication.

The Commission Communication contains:

(1) Specifications on the form and content of draft budgetary plans: the guidelines should be considered as a code of good practice and checklist to be used by Member States in preparing draft budgetary plans (DBPs). Member States are expected to follow the guidelines, and to justify any departure from them.

According to the Commission:

- the draft budgetary plans essentially should present an update of some of the standardized set of tables from the Stability Programmes, complemented by detailed information on the measures presented in the DBP;
- in line with existing guidelines provided for Stability and Convergence Programmes, the concepts used should be consistent with the standards established at European level, notably in the context of the European system of accounts (ESA);
- the DBP should allow the identification of sources of possible discrepancies from the budgetary strategy in the most recent Stability Programme.

(2) Guidelines on the form and content of debt issuance reports: this section provides a harmonised form and content for euro area Member States to report on their national debt issuance plans.

In order to place the national debt issuance plans in a fiscal surveillance framework they should be accompanied by general information on the overall financing needs of the central budget. Therefore, two reports are to be submitted: an annual and a quarterly report.

The annual report should contain:

- general information on the overall financing needs of the central budget, such as (i) redemptions of securities with an original maturity of one year or more; (ii) stock of securities with an original maturity of less than one year; (iii) net cash financing; and (iv) cash deficit/surplus,
- the issuance plans for the next year including the break-down into short-term and medium- to long-term securities,
- the central government ESA based deficit/surplus for the year to come following the template provided in the Communication.

The quarterly report should present the issuance plans, per quarter (non-cumulative) including the breakdown into short-term and medium- to long-term securities.

The reports should in principle not be disseminated to the public, given the potential sensitivity of this information.