Proposal for a Regulation on establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 (“NRPP”)

2025/0240 (COD)

1. The role of our institutions

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 6 – Paragraph 1 point e [NEW]** **Partnership and multi-level governance**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
1.For the NRP Plan and each chapter, and the Interreg Plan chapter as referred to in Chapter II of Regulation XX [Regional development, Interreg Plan], each Member State shall organise and implement a comprehensive partnership in accordance with its institutional and legal framework and taking into account the specificities of the chapters concerned. That partnership shall include a balanced representation of the following partners: (a)regional, local, urban, rural and other public authorities or associations representing such authorities; (b)economic and social partners, including farmers, fishers and their organisations; (c)relevant bodies representing civil society, such as environmental partners, non-governmental organisations, youth organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination, national human rights institutions and organisations; (d)research organisations and universities, where appropriate.	1.For the NRP Plan and each chapter, and the Interreg Plan chapter as referred to in Chapter II of Regulation XX [Regional development, Interreg Plan], each Member State shall organise and implement a comprehensive partnership in accordance with its institutional and legal framework and taking into account the specificities of the chapters concerned. That partnership shall include a balanced representation of the following partners: (a)regional, local, urban, rural and other public authorities or associations representing such authorities; (b)economic and social partners, including farmers, fishers and their organisations; (c)relevant bodies representing civil society, such as environmental partners, non-governmental organisations, youth organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination, national human rights institutions and organisations; (d)research organisations and universities, where appropriate.

	(e) National and Regional Promotional Banks and Institutions (NPBIs), Financial Institutions and international financial institutions with a public service mission operating in the Member State, where appropriate.
Justification *The inclusion of National and Regional Promotional Banks and Institutions (NPBIs) as formal partners under the partnership principle would be coherent with their public service mission and their proven experience in maximising the leverage of EU funding as implementing partners.* *NPBIs act as key financial intermediaries between EU funding objectives and national and regional investment needs. Their close cooperation with public authorities, combined with strong territorial presence and sectoral expertise, allows them to translate EU priorities into concrete, high-impact investments on the ground. Excluding them from the partnership framework would weaken the strategic coherence between policy design and implementation.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 21 – Paragraphs 3 and 4 [NEW]** **Preparation and submission of the Plan**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
3.Only measures whose implementation started from 1 January 2028 shall be eligible for financing provided that they comply with the requirements set out in this Regulation and Regulations listed in Article 1 paragraph 1. By way of derogation from the first subparagraph, expenditure related to legal commitments to beneficiaries incurred under the interventions financed under Regulation (EU) 2021/2115 may be eligible for contribution, provided such expenditure is provided in the relevant NRP Plan in accordance with this Regulation and Regulation (EU) 202X/XXXX [CAP Regulation].	3. ***Without prejudice to Article 68 (2) Regulation (EU) No 2021/1060,*** only measures whose implementation started from 1 January 2028 shall be eligible for financing provided that they comply with the requirements set out in this Regulation and Regulations listed in Article 1 paragraph 1. By way of derogation from the first subparagraph, expenditure related to legal commitments to beneficiaries incurred under the interventions financed under Regulation (EU) 2021/2115 may be eligible for contribution, provided such expenditure is provided in the relevant NRP Plan in accordance with this Regulation and Regulation (EU) 202X/XXXX [CAP Regulation]. ***4.National and Regional Promotional Banks and Institutions and financial institutions with a public service mission shall contribute to the preparation of the NRP Plan whenever financial instruments, guarantees or blended finance are foreseen.***

Justification
For paragraph 3, under current Article 68 (2) Regulation (EU) No 2021/1060, flexibility was established for the implementation of financial instruments across consecutive programming periods, if the support based on agreements made under the previous programming period complies with the eligibility rules of the subsequent programming period. The provision setting the starting date for implementation of eligible measures under the proposed framework should accommodate the current provision in force. *For paragraph 4, the formal involvement of National and Regional Promotional Banks and Institutions is essential to ensure effective design of financial instruments, guarantees or blended finance. NPBIs, as recognised implementing partners, possess proven expertise in structuring EU-compliant financial instruments, mobilising private capital alongside public resources, and managing funds in line with strict governance, transparency and reporting standards.* *If involved from the negotiation phase onwards, it would facilitate the alignment of Financial Instruments with national and regional investment ecosystems. It would also ensure realistic deployment pathways, and maximise the leverage and impact of EU funding, allowing to crowd in private capital. Overall, it would improve the effectiveness of EU-supported investments.*

2. Creating a social investments and skills policy window under the ECF InvestEU Instrument

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 26 –Paragraph 7** **General provision on the implementation of the EU Facility**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
7. For the purposes of Union actions referred to in paragraph 1, point (c) of Annex XV, the financial envelope of the Facility shall be used for the provisioning of the respective amount of the budgetary guarantee established by the [ECF Regulation].	7. For the purposes of Union actions referred to in paragraph 1, point (c) of Annex XV, ***at least 10% of*** the financial envelope of the Facility shall be used for the provisioning of the respective amount of the budgetary guarantee established by the [ECF Regulation].
Justification *This amendment aims at setting a clear minimum amount of the EU Facility that should be transferred to the ECF InvestEU Instrument to continue and expand the current "social window" of InvestEU.* *Annex XV, paragraph 1 point c) sets out the coverage: support to microfinance, social enterprise finance, social economy and measures to promote gender equality, skills, education, training and related services, social infrastructure, including health and educational infrastructure and social and affordable housing, including for students and young people, health and long-term care, inclusion and accessibility, with a focus on integrating people in vulnerable situations, including people experiencing or at risk of poverty, social exclusion or discrimination.*	

3. Encouraging the use of Financial Instruments

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 22 – Paragraph 2 point c and Second subparagraph 2 point b [NEW]** **Requirements for the NRP Plan**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
2.The NRP Plan shall: (a)support the general objectives laid down in Article 2 and contribute in a comprehensive and adequate manner to all the specific objectives laid down in Article 3, taking into account the specific challenges of the Member State concerned, and provide an intervention strategy demonstrating how those objectives will be addressed and financed by the Plan, what level of financing is needed to ensure achievement of the general objectives, and how that level of financing is justified. The NRP Plan of Member State with a per capita GNI of less than 90 % of the Union average shall in particular demonstrate that it contributes in an adequate manner to the specific objectives set out in Article 3(a), points (vii) and (ix), and Article 3(d), point (v). (b)effectively address all or a significant subset of challenges identified: (…) The Member State shall provide an explanation on how the challenges and country-specific recommendations are addressed by the NRP Plan and what level of financing is envisaged and how the NRP Plan will: (…) b) contribute to the completion of the Single Market, notably by providing for measures with a cross-border, transnational or multi-country dimension, including by taking into account projects located on the core and the extended	2.The NRP Plan shall: (a)support the general objectives laid down in Article 2 and contribute in a comprehensive and adequate manner to all the specific objectives laid down in Article 3, taking into account the specific challenges of the Member State concerned, and provide an intervention strategy demonstrating how those objectives will be addressed and financed by the Plan, what level of financing is needed to ensure achievement of the general objectives, and how that level of financing is justified. The NRP Plan of Member State with a per capita GNI of less than 90 % of the Union average shall in particular demonstrate that it contributes in an adequate manner to the specific objectives set out in Article 3(a), points (vii) and (ix), and Article 3(d), point (v). (b)effectively address all or a significant subset of challenges identified: (…) ***(c) provide a duly justified explanation where financial instruments are not foreseen as the main delivery mechanism, in intervention fields in which financial instruments have proven, or are expected to prove, highly effective, including by derisking investment or generating revolving or leverage effects.*** The Member State shall provide an explanation on how the challenges and country-specific recommendations are addressed by the NRP Plan and what level of financing is envisaged and how the NRP Plan will: (…) b) contribute to the completion of the Single Market, notably by providing for measures with a cross-border, transnational or multi-country dimension, including by taking into account projects located on the core

core network as defined in Regulation (EU) 2024/1679 of the European Parliament and of the Council 20 by taking into account and enabling, through national network developments, projects of common interest as defined in Regulation (EU) 2022/869 of the European Parliament and of the Council 21 , and by supporting Important Projects of Common European Interest (IPCEIs) and operations that have been awarded a Competitiveness Seal, and by implementing measures underpinning the Savings and Investments Union;	and the extended core network as defined in Regulation (EU) 2024/1679 of the European Parliament and of the Council 20 by taking into account and enabling, through national network developments, projects of common interest as defined in Regulation (EU) 2022/869 of the European Parliament and of the Council 21 , and by supporting Important Projects of Common European Interest (IPCEIs) and operations that have been awarded a Competitiveness Seal, and by implementing measures underpinning the Savings and Investments Union***, including measures for strengthening the capacity of national or regional promotional banks and institutions for the development of market-based funding options***;
Justification *As a general principle, financial instruments should be encouraged alongside, and where appropriate in preference to, grants. Under the current regulatory framework, the use of financial instruments, particularly in comparison to grants, requires repeated justification, whereas the choice of grants does not entail a comparable obligation. This creates an imbalance that is difficult to justify.* *Financial instruments typically represent a more proportionate form of public intervention than grants, as they are repayable, leverage additional resources, and can correct market failures with a lower risk of market distortion. Requiring a higher level of justification for financial instruments than for grants therefore risks discouraging their use, despite their proven effectiveness in many policy areas.* *Therefore, this amendment seeks to rebalance the framework by introducing the principle that, where financial instruments have demonstrated - or are likely to demonstrate - effectiveness in a given field, the decision not to use them should be duly justified.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 71 – Paragraph 2 & 2a and 2b [NEW]** **Financial instruments**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
12.The use of financial instruments and their possible combination with grant support shall be justified with regard to the corresponding market needs and their capacity to de-risk and leverage private capital. The estimated costs of a financial instrument shall be established in accordance with paragraph 11.	~~1~~2.The use of financial instruments and their possible combination with grant support shall be justified with regard to the corresponding market needs and their capacity to de-risk and leverage private capital. The estimated costs of a financial instrument shall be established in accordance with paragraph 11. ***Where financial instruments are envisaged, the decision to use them, including any possible combination with grant support, shall be justified at the level of the NRP Plan. Such justification and the associated costing shall be***

	limited to a description of the identified market failure. No additional or separate justification shall be required at the level of the individual financial instrument. ***2a. Financial instruments shall be included at the programming stage, prior to the approval of the NRP Plan. To this end, a preliminary assessment of investment needs and of the appropriateness of financial instruments shall be carried out before the finalisation of the Plan. If needs arise during the implementation period, new financial instruments may be included in the Plan.*** ***2b. National Promotional Banks and Institutions and financial institutions with a public service mission shall be involved from the outset of the programming process to ensure that financial instruments are effectively tailored to market needs and maximise their impact.***

Justification

The proposed amendments aim to make Financial Instruments more effective in the future Multiannual Financial Framework, increasing legal certainty and reducing unnecessary administrative burdens.
First, clarifying that the justification for the use of financial instruments and their possible combination with grants should take place at the level of the National and Regional Partnership Plan (NRPP) aims to reduce reporting burden. While the removal of presentation of ex-ante assessments in the new MFF is a positive development, a justification is still required for Financial Instruments, and under the current wording of the regulation it remains unclear wherever this justification should be done at the Plan level or once for each Financial Instruments. Requiring separate justifications for each individual financial instrument would create an unnecessary administrative burden and place financial instruments at a structural disadvantage compared to grants. Therefore, justification should be done at the Plan level and should be as simpler as possible in order to encourage the use of Financial Instrument.
Second, explicitly requiring the inclusion of financial instruments at the programming stage helps bridge the gap between programming and delivery. This approach ensures that financial instruments are designed in line with real market needs from the outset.
Third, the formal involvement of National Promotional Banks and Institutions (NPBIs) from the beginning of the programming process reflects their unique public-policy service and technical expertise in designing, implementing and managing financial instruments. NPBIs have a well-established track record under Cohesion Policy and InvestEU, and their early involvement reduces the risk of instruments being poorly aligned with market realities, thereby improving absorption capacity, delivery speed and policy effectiveness.

Legal reference

Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation)

Article 71 – Paragraph 12

Financial Instruments

Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
22. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside for guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Fund, shall be re-used in the same or other financial instruments for further investments in final recipients to cover the losses in the nominal amount of the Fund contribution to the financial instrument resulting from negative interest, if such losses occur despite active treasury management, or for any management fees associated to such further investments, taking into account the principle of sound financial management. Member States shall adopt the necessary measures to ensure that during a period of eight years after the end of the eligibility period the resources returned are re-used in accordance with the objectives of the Plan, either within the same or in other financial instruments or in other forms of support.	~~2~~12. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside for guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Fund, shall be re-used in the same or other financial instruments for further investments in final recipients to cover the losses in the nominal amount of the Fund contribution to the financial instrument resulting from negative interest, if such losses occur despite active treasury management, or for any management fees ~~associated to such further investments~~, taking into account the principle of sound financial management. Member States shall adopt the necessary measures to ensure that ~~during a period of eight years after the end of the eligibility period~~ the resources returned are re-used in accordance with the general objectives of the Fund, either within the same or in other financial instruments or in other forms of support.

Justification

The use of returned funds for covering management fees should not be restricted solely to cases where new investments are made in final beneficiaries. Financial instruments such as loans, guarantees and venture capital investments are long-term commitments, with durations of up to 15 years. Therefore, the fund manager will incur management costs not only for investments made during the eligibility period but also for the ongoing administration of already implemented instruments.

The current wording imposes a limitation that prevents compensating the Fund Manager for managing these measures beyond the eligibility period, which could hinder the effective administration of the fund.

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 72 – Paragraph 1** **Management verifications and audits of financial instruments**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
1.The managing authority shall carry out on-the-spot management verifications in accordance with Article 51 [functions of the managing authority] only at the level of bodies implementing the financial instrument. The managing authority may rely on verifications carried out by external bodies and may not carry out on-the-spot management verifications, provided that it has sufficient evidence of the competence of these external bodies. In the context of guarantee funds, the managing authority may carry out on-the-spot management verifications at the level of the bodies providing support to final recipients if the evidence of functioning of the management and controls is not available at the level of the body implementing the financial instrument or of the managing authority.	1.The managing authority shall carry out on-the-spot management verifications in accordance with Article 51 [functions of the managing authority] only at the level of bodies implementing the financial instrument. The managing authority may rely on verifications carried out by external bodies and may not carry out on-the-spot management verifications, provided that it has sufficient evidence of the competence of these external bodies. In the context of guarantee funds, the managing authority may carry out on-the-spot management verifications at the level of the bodies providing support to final recipients if the evidence of functioning of the management and controls is not available at the level of the body implementing the financial instrument or of the managing authority. ***National audit authorities shall not impose requirements exceeding those applicable to equivalent national financial instruments.***
Justification *National audit authorities often impose documentary and verification requirements that go beyond those applied to comparable national financial instruments. This is known as gold-plating, and results in additional administrative burden for implementing partners, and a disincentive to use EU-supported financial instruments.* *Clarifying that national audit authorities may not impose documentary requirements exceeding those applicable to equivalent national instruments aims to combat this practice that reduces the effectiveness of financial instruments and respects existing national control systems.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **_Recital 42_**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
With a view to ensuring consistency, the budgetary guarantee and financial instruments, including when combined with non-repayable support in blending operations under the EU Facility should be implemented in accordance with Title X of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council11 and the [ECF Regulation] and with technical arrangements, terms and conditions established by the Commission for the purposes of its application. Support under the EU Facility in the form of a budgetary guarantee or financial instruments, including when combined with non-repayable support in a blending operation, should be provided exclusively through the [ECF InvestEU Instrument]. To provide broader access to implementing partners for budgetary guarantees and financial instruments, the Commission should be able to conclude agreements in indirect management with all the categories of entities listed under Article 62(1), first subparagraph, point (c) of Regulation (EU, Euratom) 2024/2509. To ensure sound financial management and budgetary discipline and to limit outstanding payments, the provisioning for the budgetary guarantee implemented under the EU Facility should not be committed after the end of the last year of the multiannual financial framework (MFF) and should be constituted by the end of the third year after the end of the MFF. Budgetary commitments for that provisioning should take into account the progress in granting the budgetary guarantee. The constitution of the provisioning should take into account the progress in the approval and signature of the financing and investment operations supporting the objectives of the EU Facility.	With a view to ensuring consistency, the budgetary guarantee and financial instruments, including when combined with non-repayable support in blending operations under the EU Facility should be implemented in accordance with Title X of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council11 and the [ECF Regulation] and with technical arrangements, terms and conditions established by the Commission for the purposes of its application. Support under the EU Facility in the form of a budgetary guarantee or financial instruments, including when combined with non-repayable support in a blending operation, should be provided ~~exclusively~~, ***where appropriate,*** through the [ECF InvestEU Instrument]. To provide broader access to implementing partners for budgetary guarantees and financial instruments, the Commission should be able to conclude agreements in indirect management with all the categories of entities listed under Article 62(1), first subparagraph, point (c) of Regulation (EU, Euratom) 2024/2509. To ensure sound financial management and budgetary discipline and to limit outstanding payments, the provisioning for the budgetary guarantee implemented under the EU Facility should not be committed after the end of the last year of the multiannual financial framework (MFF) and should be constituted by the end of the third year after the end of the MFF. Budgetary commitments for that provisioning should take into account the progress in granting the budgetary guarantee. The constitution of the provisioning should take into account the progress in the approval and signature of the financing and investment operations supporting the objectives of the EU Facility. ***A simplified application of the performance framework will be used for the budgetary guarantee and financial instruments, whereby the application of such rules should be proportionate, feasible and appropriate for such instruments.***

Justification
This amendment proposes the application of a simplified performance framework when the EU Facility is implemented through budgetary guarantees and financial instruments under the ECF InvestEU Instrument. Such an approach would ensure consistency and coherence in the reporting framework for financial instruments and budgetary guarantees across all MFF.

4. Reliance on Pillar Assessment

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 72 – paragraph 3** **Management verifications and audits of financial instruments**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
3. Managing authorities and audit authorities may rely on the results of the Pillar Assessment conducted in accordance with Article 157 of Regulation (EU, Euratom) 2024/2059.	3. Managing authorities and audit authorities ~~may~~ ***shall*** rely on the results of the Pillar Assessment conducted in accordance with Article 157 of Regulation (EU, Euratom) 2024/2059.
Justification *The pillar assessment is a robust procedure. Entities which are "pillar assessed" undergo comprehensive verifications on the functioning/quality/solidity of their internal systems, rules and procedures (internal control, accounting, external audit, etc.). Managing authorities and audit authorities shall rely on the information provided by pilar assessed entities and shall not request further elements. This is an important point of simplification, efficiency and proportionality: the Pillar Assessment procedure should be fully recognised for the NRPPs, as it is recognised for other programmes of the EU budget. Otherwise, the Regulation will lead to inefficiencies and duplications in the control systems.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 73 – paragraph 2** **Management verifications and audits for ex-ante assessed entities as beneficiaries**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
2. Managing authorities and audit authorities may rely on the results of the ex-ante pillar assessment carried out by the Commission in accordance with Article 157 of Regulation (EU, Euratom) 2024/2059, taking into account supervisory measures referred to in the third paragraph of that Article.	2. Managing authorities and audit authorities ~~may~~ ***shall*** rely on the results of the ex-ante pillar assessment carried out by the Commission in accordance with Article 157 of Regulation (EU, Euratom) 2024/2059, taking into account supervisory measures referred to in the third paragraph of that Article

Justification

The pillar assessment is a robust procedure. Entities which are "pillar assessed" undergo comprehensive verifications on the functioning/quality/solidity of their internal systems, rules and procedures (internal control, accounting, external audit, etc.). Managing authorities and audit authorities shall rely on the information provided by pilar assessed entities and shall not request further elements. This is an important point of simplification, efficiency and proportionality: the Pillar Assessment procedure should be fully recognised for the NRPPs, as it is recognised for other programmes of the EU budget. Otherwise, the Regulation will lead to inefficiencies and duplications in the control systems.

5. Other amendments

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 63 – Paragraph 1 point c** **Data Collection and Recording**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
1.For the purposes of audit and controls, transparency and performance monitoring and evaluation, Member States shall collect, record and store electronically the information referred to in points (a) to (g), while ensuring the security, integrity and confidentiality of data and the authentication of users and allowing automated data exchange with the electronic system identified by the Commission: (…) (c) on the Contractor: (i) the name and VAT registration or tax identification number; (ii) information on all beneficial owners of the contractor, if any, as defined in Article 3(6) of Directive (EU) 2015/849, namely first name(s) and last name(s), date(s) of birth and VAT registration number(s) or tax identification number(s) where available or another unique identifier at country level; (iii) information on all contracts, namely name, date, reference, contract amount and any relevant identifier or identification number; (iv) indication of the associated measure under the Plan with the measure's sequence number and operation's identifier. (d) on the subcontractor: (i) the name, VAT registration or tax identification number;	1.For the purposes of audit and controls, transparency and performance monitoring and evaluation, Member States shall collect, record and store electronically the information referred to in points (a) to (g), while ensuring the security, integrity and confidentiality of data and the authentication of users and allowing automated data exchange with the electronic system identified by the Commission: (…) (c) on the Contractor~~:~~***, if beneficiaries implement the action in accordance with Union procurement rules, once the relevant contracts have been signed*** (i) the name and VAT registration or tax identification number; (ii) information on all beneficial owners of the contractor, if any, as defined in Article 3(6) of Directive (EU) 2015/849, namely first name(s) and last name(s), date(s) of birth and VAT registration number(s) or tax identification number(s) where available or another unique identifier at country level; (iii) information on all contracts, namely name, date, reference, contract amount and any relevant identifier or identification number;

(ii) information on the sub-contract, namely name, date, reference, contract amount and any relevant identifier or identification number; (iii) indication of the associated measure and operation under the Plan with the measure's sequence number and operation's identifier.	(iv) indication of the associated measure under the Plan with the measure's sequence number and operation's identifier. (d) on the subcontractor, (i) the name, VAT registration or tax identification number; (ii) information on the sub-contract, namely name, date, reference, contract amount and any relevant identifier or identification number; (iii) indication of the associated measure and operation under the Plan with the measure's sequence number and operation's identifier~~.~~***;*** ***(iv) Information is only required at the first level of sub-contracting, only where information is recorded on a contractor Point (c) of this Paragraph and only for subcontracts above EUR 50 000 total value.***
Justification *Limiting reporting obligations to cases where contracts are awarded in accordance with Union public procurement rules is consistent with the rules applicable for the 2021-2027 funding period (see Annex XVII, fields 23 and 24 of Regulation (EU) 2021/1060.). Extending these reporting obligations to all contract awards and subcontracts is not justified from the point of view of efficiency and reduction of administrative burden and would in many cases be impossible in practice.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) **Article 63 – Paragraph 4a [NEW]** **Data Collection and Recording**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
4.Member States shall set up their systems for collection of data in a digital-ready and interoperable way based on the principle that data is collected only once and re-used. Member States shall ensure that beneficiaries, recipients, final recipients, contractors and sub-contractors are to the extent possible not confronted with duplication of data requests, have access to all relevant data related to them and can easily reuse these data to complete and submit	4.Member States shall set up their systems for collection of data in a digital-ready and interoperable way based on the principle that data is collected only once and re-used. Member States shall ensure that beneficiaries, recipients, final recipients, contractors and sub-contractors are to the extent possible not confronted with duplication of data requests, have access to all relevant data related to them and can easily

applications. Whenever possible, Member States shall re-use existing registers and databases.	reuse these data to complete and submit applications. Whenever possible, Member States shall re-use existing registers and databases. ***4a. Additional reporting requirements may only be introduced where they replace existing obligations. Financial intermediaries shall be allowed to rely on national reporting systems and templates.***
Justification *Limiting the introduction of additional reporting requirements to cases where they replace or consolidate existing obligations is justified in terms of efficiency and the reduction of administrative burden.* *Implementing partners, including national promotional banks, already operate under heavy national and EU reporting frameworks. Allowing them to rely on national reporting systems and templates avoids unnecessary duplication, reduces administrative burden and facilitates smoother implementation without compromising transparency or control.*	

Legal reference Proposal for a Regulation (EU) 2025/0240 (COD) (NRPP Regulation) ***Article 68 – paragraph 1 point (e)*** **Financial corrections by the Commission**	
Current text **Interinstitutional File: 2025/0240 (COD)**	**Proposed Amendment**
(e) a milestone or target, for which a payment has been disbursed, has been found to be reversed after the last payment made under the Plan and corrective measures were not taken by the end of the Plan.	~~(e) a milestone or target, for which a payment has been disbursed, has been found to be reversed after the last payment made under the Plan and corrective measures were not taken by the end of the Plan.~~
Justification *This provision would create a lot of uncertainty for managing authorities and beneficiaries. If a milestone is not directly linked to the individual operations supported by the funds (payments do not have to be linked to costs) the fact that a milestone can be reversed, and that this can lead to a situation where a Member State has to recover the payments made to beneficiaries for a given measure, this could create a situation where beneficiaries had engaged rightfully the expenses of a project, but could be asked later on to reimburse the support received for that project. This could have a deterring and discouraging effect on beneficiaries, and create a reputational risk on EU funds. Also, as this happens ex post (after projects have been financed), it could lead to legally complicated cases.* *Alternatively, the text could be clarified as follows:* *a milestone or target, for which a payment has been disbursed, has been found to be reversed after the last payment made under the Plan and corrective measures were not taken by the end of the Plan,* ***provided that such reversal is attributable to the Member State and not to the final beneficiaries or implementing entities acting in compliance with the applicable legal and contractual framework.***	

About AECM: The European Association of Guarantee Institutions (AECM) represents 50 members operating in 32 countries in Europe, and 6 international partners (including the European Investment Fund). 32 members are public promotional institutions/banks, 8 are public-private mixed, and 10 are private/mutual guarantee institutions. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing loans for these enterprises, guarantee institutions help to address this market failure and facilitate SMEs' access to finance in a budget-efficient way. At the end of 2024, AECM members had EUR 218 billion of guarantees in portfolio, supporting more 6 million SMEs across Europe.

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About EAPB: The European Association of Public Banks (EAPB) gathers member organisations (financial institutions, funding agencies, promotional and public banks, associations of public banks and banks with similar interests) from 17 European Member States and countries, representing directly and indirectly the interests of over 90 financial institutions towards the EU and other European stakeholders. With a combined balance sheet total of about EUR 3.4 trillion and a market share of around 15%, EAPB members constitute an essential part of the European financial sector.

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About ELTI: The European Association of Long-Term Investors (ELTI) represents a European-wide network of National Promotional Banks and Institutions (NPBIs) who offer financial solutions tailored to the specific needs of their respective country and economy. The association gathers 33 European long-term investors from 23 Member States across the European Union as well as candidate countries. With a combined balance sheet of € 2.9 trillion, ELTI's goal is to promote long-term investment in close alignment with the objectives and initiatives developed by the European Union in order to foster sustainable, smart and inclusive growth and job creation.

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About NEFI: The Network of European Financial Institutions for Small and Medium Sized Enterprises (NEFI) represent 19 financial institutions from 18 European Union member states as well as the UK. NEFI pursues the objective of following the financial, political and legal developments in the fields of European economic and financial policies and all measures adopted by the EU institutions which are relevant for promotional financial institutions focusing on the facilitation of SMEs' access to finance. NEFI members act complementary to and in cooperation with the national banking system through co-financing, risk-sharing, expertise and advisory services in order to address shortcomings in the SME financial markets. In 2024, NEFI members actively supported and financed more than 220.000 SMEs all over Europe with more than EUR 64,6 billion of financing, mainly in the form of loans and guarantees.

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