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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	27 November 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2025) 738 final
Subject:	Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors

Delegations will find attached document COM(2025) 738 final.

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EUROPEAN
COMMISSION

Brussels, 27.11.2025
COM(2025) 738 final

2025/0380 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Directive (EU) 2023/959[1] amended Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system and established a market stability reserve (MSR) for the emissions trading system for the buildings, road transport and additional sectors (ETS2). The MSR aims to mitigate the risk of supply and demand imbalances associated with the start of the ETS2 and to make it more resistant to market shocks. Market stability is essential for the ETS2 to function correctly in order for the system to achieve its targets of providing economic incentives to reduce emissions across the sectors covered while avoiding undue price impacts.

Decision (EU) 2015/1814 tasks the Commission to continuously monitor the functioning of the reserve and ensure that it is kept fit for purpose. If necessary, on the basis of this monitoring, the Commission should make a proposal to improve the effectiveness, administration and practical application of emissions trading for those sectors.

Since the entry into force of the ETS2 in June 2023, a number of developments have provided further insights and information on expected future market liquidity, price levels and volatility in the ETS2 market. These developments include the experience gained from implementing the ETS2 by the Commission and national authorities, the start of monitoring and reporting of emissions, the wide range of projections in relation to future ETS2 allowance prices and the complexity to forecast demand-side market indicators. They have also shed light on underlying factors that are expected to influence market stability and long-term predictability. These factors include the speed of implementation of Member States' complementary policies and measures towards the 2030 energy and climate targets, and the invalidation of allowances not released from the reserve by 31 December 2030, which contributes to uncertainty over the long-term intervention capacity of the MSR.

Moreover, on 5 November 2025, the Council reached an agreement on a general approach on the European Climate Law, which introduced a provision to postpone the application of the ETS2 by one year to 2028. The European Parliament adopted a similar position on the postponement of the ETS2 by one year on 13 November 2025. In addition, the Commission confirmed its intention to propose measures on the ETS2 implementation framework by end 2025, following up on proposals from a broad majority of Member States and from many Members of the European Parliament to smoothen the launch of and accelerate investments prior to the start of the ETS2. This proposal is part of the announced measures.

This proposal adjusts some parameters of the MSR for ETS2 on the basis of updated market information and requests from a majority of Member States and from stakeholders, to improve liquidity in the supply-demand balance and enhance predictability of initial price levels, without affecting the overall design of the MSR. The targeted amendments contribute to safeguarding an orderly, smooth and efficient market start and price trajectory for regulated entities, enabling national authorities and fuel consumers to optimally prepare through adequate support and compensation measures. The Commission will also regularly examine and publish market

[1] OJ L 130, 16.5.2023, pp. 134–202.

information to enable consumers and stakeholders to have a clear understanding of market conditions.

- **Consistency with existing policy provisions in the policy area**

The MSR for the ETS2 is a tool to ensure the stability of the market for ETS2 emission allowances. The consistency of the MSR for the ETS2 with other EU policies is mainly ensured through the consistency of the ETS2 with other Union policies. The current proposal only makes targeted changes to the parameters of the MSR for the ETS2 without affecting the overall design of the MSR, and it does not affect other Union policies directly.

- **Consistency with other Union policies**

Consistency with other EU policies is ensured through the consistency of the legislative framework in place for meeting the 2030 climate and energy targets. This is assessed in the impact assessment accompanying Directive (EU) 2023/959 of 10 May 2023 which amended Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 with the remainder of the ‘Fit for 55’ package. This includes the impact assessments related to the Effort Sharing Regulation; the Land Use, Land Use Change and Forestry Regulation; CO2 emissions performance standards for cars and vans; the Renewable Energy Directive; the Energy Efficiency Directive; and the Energy Performance of Buildings Directive. The proposed change to the MSR for ETS2 reflects changes in demand due to these essential complementary policies.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal is Article 192(1) of the Treaty on the Functioning of the European Union (TFEU). In accordance with Articles 191 and 192(1) TFEU, the European Union is required to contribute to the pursuit of several objectives including: preserving, protecting and improving the quality of the environment and promoting measures at international level to deal with regional or worldwide environmental problems, in particular combating climate change. The EU ETS contributes to combating climate change; as a tool for stability of the market for allowances established by the EU ETS Directive, the MSR plays an important role in the operation of the EU ETS.

- **Subsidiarity (for non-exclusive competence)**

Climate change is a trans-boundary problem. For trans-boundary problems, coordinated EU action can supplement and reinforce national and local action more effectively than uncoordinated action by Member States could achieve. Coordination at the EU level enhances the effectiveness of climate action.

Therefore, the objectives of the EU ETS, which operates as an EU-wide system in a fully harmonised manner, cannot be sufficiently achieved by Member States acting unilaterally. Due to the scale and effects of the system, these objectives can be better achieved at EU level. Similarly, as the MSR is a tool for stability of the market in ETS2 emission allowances established by the EU ETS Directive, its objective also cannot be sufficiently achieved by uncoordinated action by Member States.

Decision (EU) 2015/1814 is an existing EU measure in the area of combating climate change. In accordance with the principle of subsidiarity set out in Article 5 of the TFEU, amending it, as is part of this proposal, cannot be achieved at national or local level, but requires action at EU level.

- **Proportionality**

The proposal complies with the proportionality principle because it does not go beyond what is necessary to achieve the EU's greenhouse gas emission reduction target for 2030 in a cost-effective manner while ensuring the proper functioning of the market in ETS2 emission allowances established by the EU ETS Directive.

- **Choice of the instrument**

A decision is the appropriate instrument to amend the decision that lays down the MSR.

3. RESULTS OF EX POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex post evaluations/fitness checks of existing legislation**

The proposal takes into account the experience gained from implementing the EU ETS Directive for the emissions trading system for road transport, buildings and additional sectors since its entry into force in June 2023. The impact assessment for the 2021 review of the EU ETS and MSR highlights that the ETS2 allowance price will depend on the implementation of complementary policies and measures supporting the decarbonisation of these sectors. The Commission's assessment in 2025 of National Energy and Climate Plans shows significant progress on Member States' complementary policies and measures towards the 2030 energy and climate targets. It also identifies remaining gaps in the road transport and building sectors which need to be addressed to close in on these targets.

- **Stakeholder consultations**

The proposal provides for a targeted amendment to the parameters of the MSR for the ETS2 to improve its functioning by the start of the market for ETS2 emission allowances. It builds on the stakeholder consultation from the 2021 review of the EU ETS and MSR and subsequent feedback from a majority of Member States and regular discussions with national competent authorities and stakeholders on various issues concerning ETS2 implementation with a view to improving its functioning and effectiveness. The diverging representations of complementary policies and measures in external short- and longer-term price projections for ETS2 result in a wide range of expectations in relation to future ETS2 allowance prices. A majority of Member States expressed concerns related to the uncertainty around initial price levels for ETS2 allowances, which complicate preparations of complementary policies and support measures needed to decarbonize these sectors.

To ensure the operational integrity and predictability of the ETS2 system, the targeted amendments to the MSR should enter into force swiftly. The proposal is subject to further time constraints since it is linked with the amendment of Commission Delegated Regulation (EU) 2023/2830 of 17 October 2023 on the timing, administration and other aspects of auctioning of allowances. This brings forward the auctioning of allowances to the second half of 2026, which implies that this proposal should enter into force by this time when the market for ETS2 emission allowances starts.

- **Collection and use of expertise**

Based on these circumstances and the timeline, the Commission has collected feedback from Member States and stakeholders to adopt the best measures to achieve the proposal's objectives to improve market liquidity, stability and predictability of the market for ETS2 emission allowances.

- **Impact assessment**

While a separate impact assessment was not conducted for this proposal, several elements in the impact assessment accompanying Directive (EU) 2023/959 which established the MSR for the ETS2 contribute to the assessment of the targeted changes to the parameters of the MSR in the current proposal.

The Commission is tasked under Decision (EU) 2015/1814 to continuously monitor the functioning of the reserve and, if necessary, to propose a review to improve the effectiveness, administration and practical application on the basis the monitoring.

The impact assessment accompanying the 2021 Commission proposal already noted the complexity of setting the initial parameters of the MSR for the ETS2 and recognised that these parameters would therefore need to be improved at a later stage. An additional complexity is related to the wide range of ETS2 price expectations from stakeholders in relation to diverging representations of complementary policies and measures.

The proposal provides for a targeted amendment to the parameters of the MSR for the ETS2 without changing the overall design of the MSR, in order to further improve its effectiveness on the basis of updated information ahead of the system becoming fully operational.

- **Fundamental rights**

The proposal respects fundamental rights and observes the principles outlined in the Charter of Fundamental Rights of the European Union[2]. In particular, it contributes to the objective of a high level of environmental protection in accordance with the principle of sustainable development laid down in Article 37 of the Charter.

4. BUDGETARY IMPLICATIONS

The ETS2 will generate significant revenue for Member States' budgets that must be used to address issues of social fairness. Most of the auctioning revenue goes to Member States, and the proposal may indirectly affect national budgets primarily because of this link. Improved market liquidity may increase Member States' auction proceeds. However, this is expected to be compensated by the effect on the price of the additional market liquidity. The proposal will also contribute to improving long-term price predictability for Member States by reducing price volatility.

The implementation of this proposal will not require an increase in the Commission's capacity, as set out in the attached legislative financial and digital statement.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposal provides for a targeted amendment to the MSR parameters for the ETS2, while respecting the overall design of the MSR, to improve its functioning by the time the market for ETS2 emission allowances becomes operational. The proposal builds on the conclusions of the

[2] OJ C 326, 26.10.2012, p. 391.

impact assessment of the 2021 EU ETS and MSR review and takes into account feedback from a majority of Member States and from other stakeholders.

In addition to the changes proposed to Decision (EU) 2015/1814, **the Commission states the following relating to the application of Article 30h of Directive 2003/87/EC**:

'*In order to enhance predictability and certainty of the European carbon market for the buildings, road transport and additional sectors, the Commission considers that, if the condition in Article 30h(2) of Directive 2003/87/EC is met again after six months, paragraph 6 of Article 30h should be disapplied in accordance with the procedure set out in paragraph 7.*'

- **Detailed explanation of the specific provisions of the proposal**

The proposal contains three measures to improve market liquidity in order to strengthen market predictability, reduce volatility and further address excessive price increases:

- To improve long-term liquidity and predictability in the market, Article 1(1) deletes the second sentence concerning the invalidation of allowances that have not been released from the reserve by 31 December 2030. Currently, the initial 600 million allowances held in the Market Stability Reserve (MSR) are only valid until 31 December 2030, after which any allowance that has not been released from the reserve will no longer be valid. Removing this clause helps increase market predictability and confidence among financial actors and market participants, thereby promoting price stability over time.
- Article 1(3) modifies the injection rate mechanism to provide a more gradual and responsive release of allowances from the reserve into the market. It proposes an MSR injection when the total number of allowances in circulation (TNAC) is between 210 million and 260 million. In such a case, the injection will be 100 million allowances minus twice the difference between the TNAC and the 210 million threshold. The proposal addresses the 'threshold effect' that would take place when the TNAC is very close to the lower threshold, which determines the injection of allowances from the MSR into the market. In that case, one allowance more or fewer in the TNAC may trigger an injection, depending on whether the TNAC is above or below the threshold. Uncertainty about whether this will happen risks creating price volatility on the market. This amendment helps preventing sudden and sharp supply fluctuations in the market and reducing price volatility, thereby contributing to both enhanced market stability and a stable price signal in the market for ETS2 emission allowances.
- Article 1(4) adds a top-up mechanism of 20 million allowances to the number of allowances to be injected under the excessive price control mechanism in Article 30h(2) of Directive 2003/87/EC. The objective is to further improve the reactivity of this mechanism to unwarranted price fluctuations and enhance market predictability. Directive 2003/87/EC provides a mechanism to ensure price stability in the early years of the ETS2 by releasing 20 million allowances from the MSR if the carbon price exceeds the level of EUR 45 per tonne. In accordance with Article 30h(7), this measure can be applied twice within a period of 12 months. This amendment carefully strengthens this mechanism by making it possible to release a higher number of allowances in the market to further improve market confidence, which is important for planning decarbonisation investments.

2025/0380 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 ('the Paris Agreement'). The Parties to the Paris Agreement have agreed to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

(2) Decision (EU) 2015/1814 of the European Parliament and of the Council[3] established a market stability reserve in order to mitigate the risk of supply and demand imbalances associated with the start of emissions trading for the buildings, road transport and additional sectors, as well as to make it more resistant to market shocks.

(3) The analysis carried out of the expected functioning of the reserve, taking into account recent information, indicates that targeted amendments to some parameters would contribute to improving market predictability and to the stability of price movements in the early years of the new system.

(4) In order to increase long-term market predictability, the allowances placed in the reserve for the buildings, road transport and additional sectors that have not been released should remain valid beyond 31 December 2030.

[1] OJ C , , p. .
[2] OJ C , , p. .
[3] Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1, ELI: http://data.europa.eu/eli/dec/2015/1814/oj).

(5) In the event that the total number of allowances in circulation reaches a level below 260 million allowances, a more gradual and responsive release of allowances would contribute to further improving market stability and predictability for market participants. Therefore, the injection mechanism should take into account the difference between the total number of allowances in circulation and the lower threshold.

(6) In order to further improve its reactivity to unwarranted price fluctuations and increase market predictability, the mechanism to enhance price stability in the first three years of the emissions trading system for buildings, road transport and additional sectors should be strengthened in a careful manner. This could involve releasing a higher volume of allowances in the market. If the measure is applied twice during the same 12 months period, the additional release should occur twice.

(7) Decision (EU) 2015/1814 should therefore be amended accordingly,

HAVE ADOPTED THIS DECISION:

Article 1

Article 1a of Decision (EU) 2015/1814 is amended as follows:

(1) In paragraph 3, the second sentence is deleted;

(2) In paragraph 4, the second sentence is replaced by the following: ‘The total number of allowances in circulation under this Article in a given year shall be the cumulative number of allowances covered by that Chapter that were issued, minus the cumulative tonnes of verified emissions covered by that Chapter for the period between 1 January [2027] and 31 December of that same given year and any allowances covered by that Chapter that were cancelled in accordance with Article 12(4) of Directive 2003/87/EC.’;

(3) In paragraph 5, the following subparagraph is added: ‘In any given year, if the total number of allowances in circulation is between 210 million and 260 million, additional allowances shall be released from the reserve. The additional amount shall be calculated by taking 100 million and subtracting twice the difference between the total number of allowances in circulation and 210 million. This additional amount shall be added to the quantity of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC beginning on 1 September of that year.’;

(4) In paragraph 7, the following sentence is inserted between the first and second sentence: ‘In the event that allowances are released from the reserve in accordance with Article 30h(2) of Directive 2003/87/EC, 20 million more allowances shall be added to the amount to be released from the reserve.’.

Article 2

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

Contents

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the operation of the market stability reserve for the buildings, road transport and additional sectors.

1.2. Policy area(s) concerned

Climate action

Heading 3 – Natural resources and environment

Title 9 – Environment and climate action

1.3. Objective(s)

1.3.1. General objective(s)

The proposal aims to enhance the effectiveness of the market stability reserve for the buildings, road transport and additional sectors in relation to the balance of supply and demand.

1.3.2. Specific objective(s)

The proposal provides for targeted amendments to the parameters of the market stability reserve for the buildings, road transport and additional sectors to improve its functioning by the time the ETS2 is fully operational.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The proposal is expected to improve market liquidity, stability and predictability by the time the ETS2 is fully operational.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

The reserve addresses the structural balance of supply and demand for allowances in the market.

1.4. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project / preparatory action[6]

✓the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

[6] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The targeted amendments to the parameters of the market stability reserve for the buildings, road transport and additional sectors aim to improve its functioning by the time the ETS2 is fully operational.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

The emissions trading system for the buildings, road transport and additional sectors is an EU-wide instrument.

1.5.3. Lessons learned from similar experiences in the past

Given the emission reduction target for 2030 and the climate neutrality objective to be achieved by 2050, stronger EU action is needed, including by ensuring a more effective, well-functioning and resilient carbon market.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

The proposal aims to complement the existing policy framework. It is compatible with the 2021-2027 multiannual financial framework.

1.5.5. Assessment of the different available financing options, including scope for redeployment

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1.6. **Duration of the proposal/initiative and of its financial impact**

☐ **limited duration**

– ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

✓**unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. **Method(s) of budget implementation planned**

✓**Direct management** by the Commission

– ✓ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☐ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐·bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

The current team will continue managing the initiative. No additional staff are required.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The proposal builds on the European Climate Law, including the same assessments carried by the Commission (as is already the case). The European Climate Law builds on the robust transparency framework for greenhouse gas emissions and other climate information set out in the Regulation on the Governance of the Energy Union and Climate Action, rather than creating additional reporting streams by Member States.

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

Not applicable. The proposal does not implement a financial programme but designs a long-term policy. Management mode, funding implementation mechanisms, payment arrangements modalities and control strategies in relation to error rates are not applicable.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

Under the ETS Directive, the Commission carries out regular assessment of progress with possible recommendations and additional measures.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

This initiative does not bring about new significant controls/risks that would not be covered be an existing internal control framework. No specific measures beyond the application of the Financial Regulation have been envisaged.

2.3. Measures to prevent fraud and irregularities

No specific measures beyond the application of the Financial Regulation have been envisaged.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[7]	from EFTA countries[8]	from candidate countries and potential candidates[9]	From other third countries	other assigned revenue
3	09.02.03.00	Diff.	YES	YES	NO	YES
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

7 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
8 EFTA: European Free Trade Association.
9 Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ✓ The proposal/initiative does not require the use of operational appropriations

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

DG: <…….>			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					0.000
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**

TOTAL operational appropriations	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2024**		Year **2025**		Year **2026**		Year **2027**		Enter as many years as necessary to show the duration of the impact (see Section1.6)						**TOTAL**	
	OUTPUTS																	
	Type[10]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[11]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		

10 Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).
11 As described in Section 1.3.2. ‘Specific objective(s)’

- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

3.2.3. *Summary of estimated impact on administrative appropriations*

- ✓ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.4. *Estimated requirements of human resources*

- ✓ The proposal/initiative does not require the use of human resources
- ☐ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS		Year 2024	Year 2025	Year 2026	Year 2027
• Establishment plan posts (officials and temporary staff)					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (inFTEs)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0

Other budget lines (specify) - Outside Heading 7	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

3.2.5. *Overview of estimated impact on digital technology-related investments*

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as "Policy IT expenditure on operational programmes". This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 "Digital dimensions".

TOTAL Digital and IT appropriations	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021 - 2027**
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.6. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

– ✓ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

No additional resources required. The current team will continue managing the initiative.

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

– ☐ requires a revision of the MFF

3.2.7. *Third-party contributions*

The proposal/initiative:

– ✓ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

3.3. Estimated impact on revenue

- ✓ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
  - ☐ on own resources
  - ☐ on other revenue
  - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[12]			
		Year **2024**	Year **2025**	Year **2026**	Year **2027**
Article ………….					

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

No requirements of digital relevance.

4.2. Data

No requirements of digital relevance identified.

4.3. Digital solutions

No requirements of digital relevance identified.

4.4. Interoperability assessment

No requirements of digital relevance identified.

4.5. Measures to support digital implementation

No requirements of digital relevance identified.

[12] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.