Economic and Financial Affairs Council
Brussels, 12 March 2024

Chair: **Vincent Van Peteghem**, Belgian Deputy Prime Minister and Minister of Finance

European Commission's representatives: Commission Executive Vice-President **Valdis Dombrovskis**, Commissioner **Paolo Gentiloni, , Commissioner** Nicolas Schmit

Starting time: 09:00

Press opportunities:

- press conference after the Eurogroup (Monday 11 March at +/- 18:00)
- doorstep by Vincent Van Peteghem, Belgian Deputy Prime Minister and Minister of Finance (Tuesday 12 March at +/- 08:15)
- joint exit doorstep by the Belgian ministers of Finance, Employment and Social Affairs after the joint session on social investments and reforms for resilient economies (Tuesday 12 March at +/- 11.30)
- press conference after the Economic and Financial Affairs Council (Tuesday 12 March at +/- 14:00)

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Ministers of employment and social affairs will join ministers of economic and financial affairs for a debate on **social investments and reforms for resilient economies**.

Ministers will exchange views on the state of play of the implementation of the **Recovery and Resilience Facility** (RRF).

Ministers will take note of the state of play of the economic and financial impact of **Russia's aggression against Ukraine**.

The Presidency and the Commission will inform ministers on the main results of the **G20 meeting of Finance Ministers and Central Bank Governors** of 28-29 February 2024.

The Council will seek to approve its **guidelines for the 2025 EU budget**. The approved guidelines will provide political guidance to the Commission in preparing the budget for next year.

The Council will also aim to adopt its recommendation on the **discharge** to be given to the Commission for the implementation of the **EU budget for 2022**.

The Presidency will present the state of play of legislative proposals in the field of **financial services**. The Commission will inform ministers on the state of play of implementation of legislation in this field.

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[1] This note was drawn up under the responsibility of the press office.

The **Eurogroup** will meet at 15:00 on Monday 11 March.

The Eurogroup will discuss:

In regular format:

- macroeconomic developments and fiscal policy in the euro area in 2025
- miscellaneous

In inclusive format:

- statement on the future of the Capital Markets Union
- preparation of the March Euro Summit

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Eurogroup - meeting page

Economic and Financial Affairs Council - meeting page

Eurogroup - video coverage in broadcast quality (MPEG4) and photo gallery

Economic and Financial Affairs Council - video coverage in broadcast quality (MPEG4) and photo gallery

Press conferences and public events by video streaming

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Recovery and Resilience Facility

Ministers will exchange views on the state of play of the implementation of the Recovery and Resilience Facility (RRF). The Commission will take stock of the implementation of the Facility based on its mid-term evaluation report. The Council plans to approve conclusions on implementation of the RRF in April.

The Commission presented the mid-term evaluation of the RRF on 21 February 2024, taking stock of progress achieved in implementing the RRF. The mid-term evaluation is a requirement under the RRF Regulation and will be followed by an 'ex post evaluation' in 2028, with a global assessment of the Facility and its impact, once the measures included in the recovery plans are fully implemented.

The RRF is the EU's large-scale financial support programme in response to the challenges the pandemic has posed to the European economy. It is the centrepiece of NextGenerationEU, a temporary recovery instrument that allows the Commission to raise funds to help repair the immediate economic and social damage caused by the COVID-19 pandemic.

To benefit from the Facility, member states submit recovery and resilience plans (RRPs) to the Commission, setting out the reforms and investments they intend to implement by the end of 2026.

So far, €648 billion have been committed to this end. To date, all RRPs have been approved, 57 payment requests have been received and €224 billion have been disbursed.

Regulation 2023/241 as regards REPowerEU chapters, in force since 1 March 2023, increases the RRF financial envelope by €20 billion in new grants. In addition, member states are able to voluntarily transfer up to €5.4 billion from the Brexit Adjustment Reserve to the RRF to finance REPowerEU measures. This comes on top of the existing transfer possibilities of 5% from the cohesion policy funds (up to €17.9 billion).

- Commission mid-term evaluation of the RRF (external link)
- A recovery plan for Europe (background information)
- REPowerEU: energy policy in EU countries' recovery and resilience plans (background information)

Russia's aggression against Ukraine

The Council will take note of the state of play of the economic and financial impact of Russia's aggression against Ukraine. Ministers will receive an update from the Commission on the economic and budgetary situation in Ukraine.

EU solidarity with Ukraine (background information)

EU response to Russia's invasion of Ukraine (background information)

G20 follow-up

The Presidency and the Commission will inform ministers on the main results of the G20 meeting of Finance Ministers and Central Bank Governors of 28-29 February 2024 in São Paulo, Brazil.

The meeting was the first under the Brazilian G20 Presidency. It featured discussions on the role of economic policies in addressing inequalities, global economy, international taxation, global debt and financing for sustainable development.

G20 website (external link)

EU budget guidelines for 2025

The Council will seek to approve its guidelines for the 2025 EU budget. The approved guidelines will provide political guidance to the Commission in preparing the budget for next year.

The Commission usually endeavours to present its draft budget in June of the previous year.

The EU's annual budget (background information)

EU budget discharge

The Council will aim to adopt its recommendation on the discharge to be given to the Commission for the implementation of the EU budget for 2022. The Council is expected to recommend that the European Parliament grant the discharge.

In accordance with Article 319 of the TFEU, the European Parliament, on a recommendation from the Council, grants discharge to the Commission in respect of the implementation of the budget. The Court of Auditors' annual report, which includes a statement of assurance (DAS) regarding the reliability of the EU accounts, as well as the legality and regularity of the underlying transactions, is examined in detail by the Budget Committee in order to draft a Council recommendation.

Other EU bodies established under the TFEU and the Euratom Treaty (decentralised agencies), executive agencies and public-private partnership bodies (joint undertakings) are also subject to discharge for the execution of their budget. The Council aims to adopt individual recommendations for each organisation.

The Court concluded that the 2022 EU accounts present a true and fair view of the EU's financial situation and that the revenue is free from material error. However, for the fourth time in a row, the Court of Auditors has issued an unfavourable opinion on the regularity of EU budget expenditure in 2022. The overall estimated level of error in payments increased compared to the previous year.

Draft Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2022

Statements

Draft Council recommendations on the discharge to be given to the bodies set up under the TFEU and the Euratom Treaty in respect of the implementation of the budget for the financial year 2022

Draft Council recommendations on the discharge to be given to the joint undertakings in respect of the implementation of the budget for the financial year 2022

Draft Council recommendations on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2022

Financial services

The Presidency will present the state of play of negotiations on current legislative proposals in the field of financial services. The Commission will inform ministers on the state of play of implementation of legislation in this field.

Progress on current legislative proposals in the field of financial services

Digital finance (background information)

Capital markets union (background information)

Social investments and reforms

Ministers of economic and financial affairs will take part in a debate with employment and social affairs ministers on social investments and reforms for resilient economies.

In order to structure the debate, ministers will be asked to intervene on the following questions:

- How do you see the positive effects of social reforms and investments on economic growth and on fiscal sustainability? What recent employment and social reforms in your Member State proved to contribute to higher growth potential?
- How can the cooperation between the ECOFIN and EPSCO work streams be further enhanced to better assess the impact of social investments and reforms on economic growth, fiscal sustainability and social cohesion in the European Semester context?

Presidency note