

Pilot projects and preparatory actions in the annual EU budgetary procedure

Pilot projects and preparatory actions (PP/PAs) are tools introduced in the European Union (EU) budget that aim at testing new policy initiatives and/or preparing the ground for the adoption of future measures. Such PP/PAs give Members of the European Parliament the possibility to initiate innovative policies and fund them in advance of a legal basis being set. Both new PP/PAs and those continued from previous years must be included in the EU budget through the annual budgetary procedure.

What are pilot projects and preparatory actions (PP/PAs)?

Pilot projects and preparatory actions (PP/PAs) are provided for in the EU [Financial Regulation](#), where Article 58(2), points a) and b) states that 'pilot projects of an experimental nature' are meant to test the feasibility of an action and its usefulness. Preparatory actions, meanwhile, are 'designed to prepare proposals with a view to the adoption of future actions'.

Pilot projects and preparatory actions are exceptions to two rules. First, they are an exception to the rule that no money can be committed from the EU budget unless there is a legal basis justifying the expenditure. Second, pilot projects and preparatory actions are an exception to the exclusive legislative initiative held by the European Commission. Therefore, PP/PAs are an attractive tool for Members of the European Parliament to transform their political ideas into EU policies. The European Parliament is not the only institution that has the right to propose PP/PAs. The Council and the European Commission can also put forward PP/PAs. However, they very rarely do so.

The EU can make a budgetary commitment for a pilot project for no more than two consecutive financial years. Budgets for a preparatory action, which often follows a pilot project, are limited to a maximum of three years. If a preparatory action is successful, a legal basis for that action could be prepared with the aim that the new policy henceforth function under its own legal basis. Moreover, the lessons learnt from the implementation of a PP or a PA might result in the modification of an existing legal basis.

How much money is available for PP/PAs?

According to Article 58(3 and 4) of the Financial Regulation, the total amount of appropriations cannot exceed €40 million in any budgetary year for pilot projects, and €50 million for new preparatory actions. The total amount of appropriations actually committed for preparatory actions must not exceed €100 million. This means that the maximum annual allocation for PP/PAs is €140 million.

Moreover, allocations for PP/PAs cannot exceed the annual ceiling in commitments per heading set under the Multiannual Financial Framework for each budgetary year.

How are PP/PAs adopted in the annual EU budgetary procedure?

Members of the EP can introduce PP/PAs as amendments to the Council's position during the annual EU budgetary procedure.

The Parliament's general budget rapporteur creates a compromise package of PP/PAs, which are usually voted upon by the Committee on Budgets as a block amendment. This compromise package is based on EP priorities, as set in the Parliament's [General guidelines for the preparation of the budget](#); on the results of the Commission's pre-assessment; and last but not least, on political agreement within the European Parliament. During the budgetary negotiations, individual PP/PA allocations can change.

The parallel EPRS briefing on the [Annual EU budgetary procedure](#) explains the steps, deadlines and actors involved in the annual exercise of budget-making in the European Parliament.

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Pre-assessment by the European Commission

As the number of proposals for PP/PAs has grown significantly over the years, a system of pre-assessment was introduced. The European Commission performs this pre-assessment with the assistance of the Secretariat of the EP Committee on Budgets (BUDG).

In line with the [Interinstitutional Agreement](#) on budgetary discipline, on cooperation in budgetary matters and on sound financial management, Members of the European Parliament and the Council can submit proposals for pilot projects and preparatory actions to the Commission for a pre-assessment before trilogue negotiations between Council, Commission and Parliament in July.

The proposals are collected by the BUDG Secretariat. Members of the EP can only submit proposals to the Committee on Budgets if at least one of the authors is a full member or substitute of the BUDG committee. Other Members can submit their proposals to the specialised committee of which they are a member, provided that committee offers this possibility. Pre-assessment participation is exclusively through a dedicated electronic form (downloadable from the BUDG eCommittee website) and, for reasons of efficiency and timeliness, limited to the three working languages of the Commission (English, French and German). Although this pre-assessment is not an obligation, and non-assessed PP/PAs can still be tabled to BUDG as amendments, it can be a useful tool for improving a proposal.

Authors of individual PP/PAs can use the feedback from the Commission to further improve the design of their PP/PA proposal ahead of the deadline for budget amendments in September.

MAIN REFERENCES

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