



1.3.2024

WORKING DOCUMENT

on Pilot projects and Preparatory actions in budgets 2024 and 2025

Committee on Budgets

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I. Legal and background information on Pilot projects and Preparatory actions

1. Pilot projects (PP) and Preparatory actions (PA) are **important tools** for the formulation of political priorities and the introduction of new initiatives that might develop into standing EU activities and programmes (with their own budget lines). The extent to which a PP-PA produces lasting, sustainable results is therefore a key element in assessing its success. After the initial set-up phase, PP-PAs require constant monitoring over their life cycle.
2. As a general rule, any EU expenditure requires a dual legal basis: entry in the EU budget and prior adoption of an act of secondary legislation authorising the expenditure in question. PP-PAs are an exception to this rule. Article 58(2) of the Financial Regulation¹ provides for a derogation to the principle under which appropriations may only be entered in the EU budget if a legal act has been adopted, enabling PP-PAs to be enacted via a budgetary decision taken *prior* to any legislative decision.
3. The Financial Regulation explicitly defines the nature and the purpose of Pilot projects and Preparatory actions in points (a) and (b) of Article 58(2), according to which:
 - a **pilot project** is an initiative ‘of an experimental nature designed to test the feasibility of an action and its usefulness’. Appropriations may be entered into the EU budget for **not more than two consecutive financial years**;
 - a **preparatory action** - typically though not always the successor of a successful pilot project - is ‘designed to prepare proposals with a view to the adoption of future actions’, such as EU policies and programmes. Appropriations may be entered into the budget for **not more than three consecutive financial years**, after which a legal basis needs to be established if the action is to continue. The procedure for the adoption of the relevant basic act shall be concluded before the end of the third financial year.
4. Furthermore, **the Interinstitutional Agreement (IIA)** of 16 December 2020 contains provisions - first introduced in 2013 - to facilitate the adoption of PP-PAs and provides the basis for the pre-assessment of PP-PA proposals as further detailed below. Part D of Annex I to the IIA states that: *“A trilogue shall be convened in good time before the Council's reading, to allow the institutions to have an exchange of views on the draft budget. In order for the Commission to be able to assess in due time the implementability of amendments envisaged by the European Parliament and the Council, which create new preparatory actions or pilot projects or which prolong existing ones, the European Parliament and the Council shall inform the Commission of their intentions in this regard, so that a first discussion may already take place at that trilogue.”*
5. As regards the **ceilings**, Article 58(3) and (4) of the Financial Regulation limit the total

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

amount of commitment appropriations for pilot projects to EUR **40 million** and for *new* preparatory actions to EUR **50 million** in any financial year. The *total* amount of appropriations actually committed for preparatory actions is limited to EUR **100 million**.

6. As with any other expenditure in the EU budget, PP-PAs also have to **fit within the annual ceiling** in commitments per heading set in the Multiannual Financial Framework for each budgetary year. PP-PAs therefore have to be financed in commitments from the margin left under the ceiling by the Commission in its draft budget. To a certain extent, Parliament is required to weigh up priorities between amending appropriations for existing programmes and actions (e.g. multiannual programmes, decentralised agencies, etc.) and creating or extending PP-PAs under each heading.

II. Pilot projects and preparatory actions in the 2024 budget: facts, figures and implementability

7. For the 2024 budget, of the 187 PP-PAs proposed initially and sent for pre-assessment, the EP compromise package consisted of **46 new and continued PP-PAs** (24 PPs and 22 PAs). The Commission's positive pre-assessment or re-assessment constituted a key factor, alongside others such as political support, in determining the PP-PAs to be included in the compromise package. All had been classified as A or B during the pre- and re-assessment procedures. The Council and the Commission also have the right to propose PP-PAs. Neither the Commission nor the Council proposed any PP-PAs for the 2024 budget.
8. The budgetary allocation of new and extended PP-PAs included in the EP compromise package ranges, for each individual PP-PA, between EUR 9 million and EUR 500 000 in commitment appropriations and between EUR 10,35 million and EUR 125 000 in payment appropriations. Their breakdown by MFF heading is presented below.

	Amount (CA in EUR) in 2024 Budget		
MFF HEADING	PP (number)	PA (number)	Total (number)
Heading 1: Single Market, Innovation and Digital	21 420 000 (15)	45 600 000 (17)	67 020 000 (32)
Heading 2: Cohesion, Resilience and Values	9 040 000 (4)	16 787 500 (4)	25 827 500 (8)
Heading 3: Natural Resources and Environment	9 540 000 (5)	5 000 000 (1)	14 540 000 (6)
Heading 4: Migration and Border Management	0 (0)	0 (0)	0 (0)
Heading 5: Security and Defence	0 (0)	0 (0)	0 (0)
Heading 6: Neighbourhood and the World	0 (0)	0 (0)	0 (0)
Heading 7: Administration	0 (0)	0 (0)	0 (0)
TOTAL	40 000 000 (24)	67 387 500 (22)	107 387 500 (46)

9. Considering all PP-PAs - new, extended or in the completion phase (i.e. those with no commitment but only payment appropriations) - the total amount adopted for the PPs in the 2024 budget is EUR 40 million in commitment appropriations (equal to the ceiling set in the Financial Regulation) and EUR 48,966 million in payment appropriations (no limit in the Financial Regulation); PAs have been financed up to EUR 67,388 million in commitments and EUR 68,601 million in payments.
10. Since the 2020 budget, the European Commission has applied a ‘rule of thumb’ whereby payment appropriations for all *new* PP-PAs adopted in the budget are set at 25% of the corresponding commitment appropriations, or at the level proposed by Parliament if lower. Where *existing* PP-PAs are extended, the level of payment appropriations is as defined in the Draft Budget plus 25 % of the corresponding new commitment appropriations, or at the level proposed by Parliament if lower. The rapporteurs recall the need for payment appropriations to ensure adequate financing of PP-PAs.
11. The Parliament received the Commission’s **interim report** on the implementation of PP-PAs on 29 February 2024. The interim report, as well as this Working Document, has been circulated to all interested parties and will serve as the basis for an overview of the progress of new and ongoing PP-PAs.
12. The interim report sets out the key elements for the implementation of the 46 PP-PAs for which commitment appropriations (for a total of EUR 107,3 million) were approved for the 2024 budget, of which 36 are new PP-PAs and 10 existing ones. The Commission considers, in line with the position expressed in the letter of executability of 19 October 2023, that all PP-PAs can be implemented.
13. The Commission’s **Working Document** (Working Document IV, to be transmitted with the Draft Budget 2024) will be more detailed, also providing information on those PP-PAs that are in the completion stage, i.e. for which no new commitments may be provided in 2024, but which still have payment appropriations.

III. Upcoming steps in the 2025 budgetary procedure

14. Members, committees or political groups have until 19 March 2024 at 12.00 to submit proposals for new PP-PAs or proposals to extend existing ones for the **first round of pre-assessment** to the Commission. Proposals may be submitted via specialised committees (respecting the procedure and deadline set by those committees). They may also be submitted directly to the Committee on Budgets provided that one of the authors is a full or substitute BUDG Member. Proposals submitted after the deadline will not be accepted. The Commission evaluates the feasibility of all proposals and publishes the results of its pre-assessment around the middle of June.
15. Due to the elections, a **second round of pre-assessment** will be organised for newly elected Members. The deadline is 25 July 2024 at 17.00. The Commission will publish the results of its pre-assessment in early September.

16. Members, committees and groups should exclusively use the standard form downloadable from the BUDG eCommittee website when sending in their proposals for pre-assessment (<https://budgnet.in.ep.europa.eu/home/welcome/annual-budget/budgetary-procedure-2025/pp-pas.html>).
17. The rapporteurs request the full cooperation of all competent Commission services - both in the Directorate-General for Budget and in the specialised Directorates-General - during the pre-assessment exercise, and after, during the re-assessment exercise, in cases where authors of pre-assessed PP-PAs wish to follow up on the Commission's recommendations with a view to improving the design of their proposed initiatives. In cases where a revised proposal has been re-assessed by the Commission and received a different grade, the Commission will officially communicate that re-assessment to the Committee on Budgets to inform the procedure. The rapporteurs underline the importance of thorough and impartial legal and financial assessments from the Commission. They expect precise and detailed explanations for the categories assigned to proposals, in particular when a project is deemed "covered" by EU programmes and policies, with concrete examples of the EU actions that are deemed to cover the proposals. They also remind the Commission that the authors of proposals are ready to engage with Commission services or clarify any aspects that are unclear.
18. The rapporteurs wish to highlight that careful attention should be given to those PP-PAs in their last year of implementation, since:
- PPs that are in their second year in 2024 (see table in Annex 2.1) can only be extended as a PA in the 2025 budget or be transformed into a new legal basis at the initiative of the Commission.
 - PAs in their third year in 2024 (see table in Annex 2.2) cannot be extended. In such cases, a legislative procedure must be concluded in order for the action to continue.
19. The rapporteurs recall that all PP-PA proposals submitted for pre-assessment in March/July as well as those re-assessed in July **must also be tabled as budgetary amendments** by the deadline set in the respective specialised committee and/or the Committee on Budgets i.e. in September. Failing that, they cannot be entered into the budget.
20. On the basis of all amendments, the general rapporteur for the annual budget drafts a **compromise package** of PP-PAs, taking into account both their evaluation by the Commission in the pre-assessment and re-assessment phase as well as their political support within the Parliament. The rapporteur underlines that only the PP-PAs assessed by the Commission will be included in the proposal for a compromise package. The package aims to ensure a balance between new and ongoing projects and actions, budget headings, thematic issues, supporting committees and political groups. The compromise package is **put to the vote in the BUDG committee** together with the compromise package of other budgetary amendments and then becomes part of the

overall budget negotiations in the conciliation committee.

21. Finally, it should be underlined that, in the upcoming budgetary procedure, the rapporteur will propose a package of PP-PAs developed in close cooperation with each of Parliament's committees. His intention is to support only PP-PAs graded 'A' or 'B' by the Commission in the pre-assessments and re-assessment, as well as PP-PAs considered essential by the European Parliament, to ensure that approved PP-PAs can be fully and effectively implemented as certified by the technical evaluation.
22. The various steps are summarised in the following **outline calendar** setting the main milestones for the adoption of PP-PAs in the 2025 budgetary procedure:

29 February	Interim report by the European Commission
4 March	Presentation and discussion of COM interim report and EP working document on PP-PAs in BUDG
19 March - 12.00	Deadline for tabling PP-PA proposals for pre-assessment in BUDG (1st round)
June TBC	Draft Budget and Working Document IV from the European Commission
Mid-June	PPPA proposals back from pre-assessment by the European Commission (1st round)
28 June - cob	Deadline for contacting the Commission to seek re-assessment
25 July - 17.00	Deadline for tabling PP-PA proposals for pre-assessment in BUDG (2nd round)
Early September	PPPA proposals back from pre-assessment by the European Commission (2nd round)
5 September - 12.00	Deadline for tabling budgetary AMs (committees + MEPs)
12 September - 12.00	Deadline for tabling budgetary AMs (political groups)

Annex 1 - Pilot Projects and Preparatory Actions with commitments appropriations in budget 2024

MFF Heading	Budget Line	Type	Status	Title	Commitment appropriations	Payment appropriations
1	PP 01 24 01	Pilot project	New	Chips Diplomacy Support Initiative	990.000	247.500
1	PP 01 24 02	Pilot project	New	Development of a space sector specific environmental footprint methodology	2.450.000	612.500
1	PP 01 24 03	Pilot project	New	Stimulating Local and Regional New European Bauhaus Grassroots Projects	1.450.000	362.500
1	PP 01 24 04	Pilot project	New	Strengthening Research Talent Retention in Europe	500.000	125.000
1	PP 02 24 02	Pilot project	New	The development of cross-border cycling lane infrastructure	800.000	200.000
1	PP 03 24 01	Pilot project	New	Comparative study on best practices for a stronger EU sanction enforcement	500.000	125.000
1	PP 03 24 02	Pilot project	New	Embarking companies and stakeholders into the European sustainability reporting journey	3.240.000	810.000
1	PP 03 24 03	Pilot project	New	EU Substitution Centre - Providing support to businesses to substitute their use of hazardous chemicals through collaboration, innovation, research and direct assistance	1.550.000	387.500
1	PP 03 24 04	Pilot project	New	The promotion of handicraft products and support of craftsmen	970.000	242.500
1	PP 04 24 01	Pilot project	New	EU Space Data integration to support an EU Disaster Management Plan	1.790.000	447.500
1	PP 04 24 02	Pilot project	New	Innovative deployable antennas	1.450.000	362.500
1	PP 04 24 03	Pilot project	New	Mobile Responsive Launch Systems	1.950.000	487.500
1	PP 04 24 04	Pilot project	New	New Vision for resilient and autonomous access to space in Europe	1.800.000	450.000
1	PA 01 24 01	Preparatory action	New	FOSSEPS 2	2.500.000	625.000
1	PA 01 24 02	Preparatory action	New	Implementation of the SDGs in the EU regions – from monitoring to action	1.800.000	450.000
1	PA 01 24 03	Preparatory action	New	Partnerships for Regional Innovation	1.000.000	250.000
1	PA 01 24 04	Preparatory	New	Startup village forum and rural innovation valleys	1.800.000	450.000

		action				
1	PA 02 24 01	Preparatory action	New	Environmental Labelling for Aviation II	3.000.000	750.000
1	PA 02 24 02	Preparatory action	New	Establishing book and claim system for SAF	3.000.000	750.000
1	PA 02 24 03	Preparatory action	New	Preparation of the EU regulatory framework for Higher Airspace Operations	2.000.000	500.000
1	PA 02 24 04	Preparatory action	New	Sustainable Innovative Air Mobility (IAM) Hub II	2.000.000	500.000
1	PA 02 24 05	Preparatory action	New	The European Green Digital Coalition moves to Action	2.000.000	500.000
1	PA 03 24 01	Preparatory action	New	Creation of the European Capital of Small Retail (ECSR)	3.000.000	750.000
1	PA 03 24 02	Preparatory action	New	Harmonized fire statistics as a tool for enhancing pan-European fire safety efforts	1.500.000	375.000
1	PA 03 24 03	Preparatory action	New	Upskilling and reskilling the Tourism Ecosystem I Tourism Knowledge hub and Tourism Data Space	1.000.000	250.000
1	PA 04 24 01	Preparatory action	New	Game-changing innovation for European launch solutions	5.000.000	1.250.000
1	PA 04 24 02	Preparatory action	New	Innovative user terminals for European secure satellite communication service	5.000.000	1.250.000
1	PP 02 23 05	Pilot project	Ongoing	European body for jet fuel standards and safety certification	990.000	247.500
1	PP 01 23 05	Pilot project	Ongoing	Search and Rescue operations for Aviation and Maritime	990.000	1.247.500
1	PA 01 23 02	Preparatory action	Ongoing	European Fellowship Scheme for Researchers at Risk	6.000.000	1.500.000
1	PA 01 23 01	Preparatory action	Ongoing	Energy Prosumers Repository - Monitoring the development of prosumer actions across the Union	2.500.000	3.125.000
1	PA 01 23 04	Preparatory action	Ongoing	Support Service for citizens led renovation projects	2.500.000	3.125.000
2B	PP 07 24 01	Pilot project	New	Technical means to provide Russian households with trustworthy information	2.600.000	650.000

2B	PA 07 24 01	Preparatory action	New	European Festival of Journalism and Media Freedom	3.000.000	750.000
2B	PA 07 24 02	Preparatory action	New	European Narratives Observatory to fight disinformation	3.150.000	787.500
2B	PP 07 23 02	Pilot project	Ongoing	Documenting the best practices from experiences concerning the organisation and reduction of working time in Europe	1.500.000	375.000
2B	PP 07 23 03	Pilot project	Ongoing	Sport Supports' - emergency sport actions for youth	2.000.000	1.760.000
2B	PP 07 23 04	Pilot project	Ongoing	The European Union - the media freedom hub	2.940.000	2.235.000
2B	PA 07 22 01	Preparatory action	Ongoing	A European public sphere: a new online media offer for young Europeans	9.000.000	10.350.000
2B	PA 07 23 01	Preparatory action	Ongoing	Network of European fact-checkers to fight disinformation	1.637.500	409.375
3	PP 08 24 01	Pilot project	New	Farm Structures and organisations: Trends, definition and protection of the EU agricultural model	750.000	187.500
3	PP 08 24 02	Pilot project	New	Fostering energy transition in the fisheries sector	2.200.000	550.000
3	PP 08 24 03	Pilot project	New	Saving our Seas – Reducing Danger of Munitions dumped in European seas	5.590.000	1.397.500
3	PP 09 24 01	Pilot project	New	EU CCUS Observatory	500.000	125.000
3	PP 09 24 02	Pilot project	New	Feasibility study to develop a model to tax comprehensively the environmental harm of goods and services in the European Union	500.000	125.000
3	PA 09 24 01	Preparatory action	New	EU Biodiversity Observation Centre	5.000.000	1.250.000

Annex 2 - List of all Pilot Projects and Preparatory Actions with commitment and/or payment appropriations in EU budget 2024

See the [EU 2024 official budget](#):

- For Pilot Projects: pages 1073 - 1216

For Preparatory Actions: pages 1217 - 1314