German townership for a reform of the EU economic governance framework and provi orientations for the further work, outlining both areas of convergence as well as issues w further clarifications and discussions are needed.

This non-paper follows up on specific elements identified by the ECOFIN Council for fur discussion. In particular, it outlines proposals for common quantitative benchmarks and safeguards which are essential for a reformed fiscal framework to provide for a multilat approach and equal treatment of member states as well as to ensure that it can meet the objective of a realistic, timely and sufficient step-by-step reduction of debt- and deficit ratios as well as safeguarding growth and fostering investment in particular in the green transi

Specifically, regarding the issues of a common methodology, common quantitative benchmarks and common safeguards in the fiscal framework, the ECOFIN Council has referred to:

- **"The Commission trajectory should be based on a common methodology to be agreed that is replicable, predictable and transparent, and should include an analysis of public debt and economic challenges"** (para 5c)
- **"[…] appropriateness and design of common quantitative benchmarks to support the reformed framework" (para 7)**
- **"[...] common safeguard provisions to ensure sufficient debt reduction and prevent back-loading of fiscal efforts should be explored**." (para 5c)

To transpose these parts of the Council Conclusions into the fiscal framework, a simple and transparent expenditure rule as well as a specific safeguard of a sufficient debt ratio reduction and a review clause should be included. Debt Sustainability Analyses alone are not an appropriate instrument especially due to their strong sensitivity to changes in the underlying assumptions and their complexity.

This non-paper outlines possible approaches to specify these elements. Evidently, their specific role and mutual relationship will eventually also be influenced by other aspects of the overall setup of the fiscal framework which are not addressed here.

does not achieve a reduction in the debt ratios, it must be revised after a maximum period of four years.

II. Strengthening ince