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Answer given by Mr Dombrovskis
on behalf of the European Commission
(30.7.2025)

Protocol No 12 of the Treaty on European Union does not allow the exclusion of any items from the calculation of Member States' deficits, which are defined in the European System of Accounts. The EU fiscal rules have been reformed in 2024 to strengthen the conditions for inclusive growth, and they strike a balance between the need to ensure debt sustainability and the need for investments and reforms to ensure sustainable and inclusive growth. They allow for a more gradual, realistic and growth-friendly reduction in deficits and debts. Reforms and public investment that enhance growth and fiscal sustainability and are in line with EU objectives and relevant country specific recommendations can be presented as part of the set of reforms and investment underpinning an extension of the adjustment period, which allows for a more gradual fiscal adjustment.

The Commission plans to amend rules for services of general economic interest (SGEI) to give Member States a flexible tool to subsidise affordable housing projects without undue distortion in the private housing market or detrimental effect on social housing initiatives.

On 1 April 2025, the Commission put forward a mid-term review proposal to modernise cohesion policy¹ – including flexibilities and incentives to encourage Member States and regions to increase their investments in affordable housing under cohesion policy – and adopted a new financial instrument model for affordable housing^{2 3}.

In addition, the Commission is working with the European Investment Bank, national promotional banks and the international financial institutions towards the pan-European investment platform on affordable and sustainable housing.

¹ Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review (COM (2025) 123).

² Commission Staff Working Document 'Model for Financial instruments and grants with co-financing from the EIBG and others for affordable housing' – SWD(2025) 18 final of 1 April 2025.

³ Including combining cohesion policy funding with resources from the EIB and other financial institutions.