



**2017/0334(COD)**

8.6.2018

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2017/825 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective (COM(2017)0825 – C8-0433/2017 – 2017/0334(COD))

Rapporteur for opinion: Csaba Sógor

PA\_Legam

## **SHORT JUSTIFICATION**

The Structural Reform Support Programme (the Programme) for the period 2017 to 2020, set up last year with a large support in the European Parliament has been running since 20 May 2017 with a budget of EUR 142.8 million. Its objective is to contribute to institutional, administrative and growth-sustaining structural reforms in the Member States by providing expert support to national authorities that request it.

The support provided can cover a wide range of policy areas, among which many are of direct social importance, such as education and training, labour market policies for the creation of jobs, fight against poverty, promotion of social inclusion, social security and social welfare systems, public health and healthcare systems. Other areas of support also have strong impact on economic and social cohesion in the EU.

The significantly higher than initially expected take-up of the programme by Member States has led to a demand of support that exceeds several times the available budget. According to Commission data, in the 2018 cycle 444 requests for support were submitted by 24 Member States and while the total annual allocation was EUR 30.5 million, the estimated cost of all requests was around five times higher, standing at approximately EUR 152 million.

This led the Commission to propose the reinforcement of the Programme by EUR 80 million through the use of the Flexibility Instrument under Article 11 of the current Multiannual Financial Framework. Additionally, the Commission intends to make explicit reference among the objectives of the Programme to finance actions and activities in support of reforms that may help Member States in their preparation to join the Euro area.

The Commission further invites Member States to make use of the possibility, under Article 11 of the Structural Reform Support Programme Regulation, of transferring part of their resources from the technical assistance component of the European Structural and Investment Funds to the Programme.

Considering the disparities among Member States in the availability of high quality expertise for the design and implementation of growth inducing, sustainable and inclusive policies as well as the popularity of the Programme among them, the reinforcement of the Programme's budget is very welcome.

However, beside fully acknowledging the relevance of expressly including support towards the adoption of the Euro among the objectives of the Programme, your rapporteur would also like to highlight the need to additionally stress the EU strategic priorities outlined in the Annual Growth Survey such as supporting high quality education, training, labour productivity and active labour market policies. Structural reforms related to social and employment policies should be further emphasised, taking into account the fact that the Europe 2020 targets on employment and social inclusion are furthest from being achieved.

## **AMENDMENTS**

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to take into account the following amendments:

## Amendment 1

### Proposal for a regulation Recital -1 (new)

*Text proposed by the Commission*

*Amendment*

***(-1) In accordance with Article 9 of the Treaty on the Functioning of the European Union (TFEU), in defining and implementing its policies and activities, the Union needs to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health. In addition, and as set out in Article 11 TFEU, environmental protection requirements need to be integrated into the Union policies and activities, in particular with a view to promoting sustainable development.***

## Amendment 2

### Proposal for a regulation Recital 1

*Text proposed by the Commission*

*Amendment*

(1) The Structural Reform Support Programme ('the Programme') was established with the objective of strengthening the capacity of Member States to prepare and implement growth-sustaining administrative and structural reforms, including through assistance for the efficient and effective use of the Union funds. Support under the Programme is provided by the Commission, upon request by a Member State, and can cover a wide range of policy areas. Developing resilient economies built on strong economic and

(1) The Structural Reform Support Programme ('the Programme') was established with the objective of strengthening the capacity of Member States to prepare and implement ***inclusive*** growth sustaining administrative and structural reforms ***with European added value and to promote, inter alia, solidarity***, including through assistance for the efficient and effective use of the Union funds, ***in the field of, inter alia, social inclusion. The Programme can thus also be an important tool in contributing to***

social structures, which allow Member States to efficiently absorb shocks and swiftly recover from them, contributes to economic and social cohesion. The implementation of institutional, administrative and **growth-sustaining** structural reforms is an appropriate tool for achieving such a development.

***achieving the goals and principles of the European Pillar of Social Rights.*** Support under the Programme is provided by the Commission, upon request by a Member State, and can cover a wide range of policy areas. Developing resilient economies built on strong economic and social structures, which allow Member States to efficiently absorb shocks and swiftly recover from them, contributes to ***achieving the Union's objectives of economic and social cohesion and full employment.*** The implementation of institutional, administrative and ***sustainable*** structural reforms ***that support inclusive growth, job creation and social cohesion*** is an appropriate tool for achieving such a development. ***The Programme is well placed to complement and further strengthen the implementation of the European Semester cycle, particularly its Annual Growth Survey and Country Specific Recommendations, and make progress towards the long-term Europe 2020 targets.***

### Amendment 3

#### Proposal for a regulation Recital 1 a (new)

*Text proposed by the Commission*

*Amendment*

***(1a) The increase of the financial envelope dedicated to the Programme should be linked to a revision of the Programme's objectives as it is necessary in many Member States to strengthen public social security systems as well as collective bargaining and real wage growth.***

### Amendment 4

#### Proposal for a regulation Recital 2

(2) Member States have increasingly taken up support under the Programme, beyond the initial expectations. The requests for support received by the Commission during the 2017 cycle have, based on their estimated value, significantly exceeded the available annual allocation. During the 2018 cycle, the estimated value of requests received was five times the financial resources available for that year. Almost all Member States have requested support under the Programme and requests are distributed across all policy areas covered by the Programme.

(2) Member States have increasingly taken up support under the Programme, beyond the initial expectations. The requests for support received by the Commission during the 2017 cycle have, based on their estimated value, significantly exceeded the available annual allocation. During the 2018 cycle, the estimated value of requests received was five times the financial resources available for that year. Almost all Member States have requested support under the Programme and requests are distributed across all policy areas covered by the Programme. ***It is anticipated that the Programme continues to be significantly oversubscribed and therefore will require a selection to be made of requests for support, without prejudice to the necessity of equal treatment of Member States. When assessing requests, a strong focus should be kept on priorities outlined in the Annual Growth Survey (AGS), on strategic Union priorities and on requests with both positive social impact and partner involvement. In line with the AGS 2018, the difference in the recovery of the economies and the employment situation in Member States requires further targeted investments on high quality education, training, labour productivity and active labour market policies. Structural reforms related to social and employment policies should be further emphasised, taking into account the fact that the Europe 2020 targets on employment and social inclusion are furthest from being achieved. In the assessment of requests, due consideration should also be given to the justification for the reform, including the results of relevant stakeholder and partner consultations, wherever that is made relevant by the nature and scope of reforms pursued.***

## Amendment 5

### Proposal for a regulation Recital 3

#### *Text proposed by the Commission*

(3) Strengthening economic and social cohesion by reinforcing structural reforms is crucial for successful participation in the Economic and Monetary Union. ***That is particularly important for Member States whose currency is not the euro, in their preparation to join the euro area.***

#### *Amendment*

(3) Strengthening economic and social cohesion by reinforcing structural reforms is crucial for successful participation in the Economic and Monetary Union.

## Amendment 6

### Proposal for a regulation Recital 4

#### *Text proposed by the Commission*

(4) It is thus appropriate to ***stress*** in the general objective of the Programme – within its contribution towards responding to economic and social challenges – that enhancing cohesion, competitiveness, productivity, sustainable growth, and job creation should also contribute to the preparations for future participation in the euro area by those Member States whose currency is not the euro.

#### *Amendment*

(4) It is thus appropriate to ***include*** in the general objective of the Programme – within its contribution towards responding to economic and social challenges – that enhancing ***economic, social and territorial cohesion, social inclusion and the fight against poverty***, competitiveness, productivity ***and*** sustainable ***and inclusive*** growth, job creation ***and investment*** should also contribute to the preparations for future participation in the euro area by those Member States whose currency is not the euro ***as well as to convergence within and outside the euro area.***

## Amendment 7

### Proposal for a regulation Recital 5

#### *Text proposed by the Commission*

(5) It is also necessary to indicate that

#### *Amendment*

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actions and activities of the Programme may support reforms that *may* help Member States that wish to adopt the euro to prepare for participation in the euro area.

actions and activities of the Programme may support reforms that help Member States that wish to adopt the euro to prepare for participation in the euro area *in such a way that should also allow those Member States to improve their performance in terms of the social indicators that feed into the European Semester*.

## Amendment 8

### Proposal for a regulation Recital 6

#### *Text proposed by the Commission*

(6) In order to meet the growing demand for support from Member States, and in view of the need to support the implementation of structural reforms in Member States whose currency is not the euro, the financial allocation for the Programme should be increased to a sufficient level *that allows* the Union to provide support that meets the needs of the requesting Member States.

#### *Amendment*

(6) In order to meet the growing demand for support from Member States, and in view of the need to support the implementation of structural reforms in Member States whose currency is not the euro, the financial allocation for the Programme should be increased to a sufficient level, *via the Flexibility Instrument provided for by the current Multiannual Financial Framework, which will allow* the Union to provide support that meets the needs of the requesting Member States. *On a voluntary basis, Member States should be able to make use of the possibility, provided for under Article 11 of Regulation (EU) 2017/825, of transferring part of their resources from the technical assistance component of the ESIF to the Programme, for the purpose of support for the implementation of reforms, including reforms linked to euro adoption. However, given the importance of developing structural reforms for strengthening economic and social cohesion and the strong demand among Member States for support under the Programme, and subject to a positive assessment of results achieved in 2017-2020, a permanent programme for*



*supporting structural reforms with its own budget in the post-2020 MFF should be considered.*

## **Amendment 9**

### **Proposal for a regulation Recital 7**

*Text proposed by the Commission*

(7) In order to provide support with the least possible delay, the Commission should be able to use part of the financial envelope also to cover the cost of activities supporting the Programme, such as expenses related to quality control and monitoring of projects on the ground.

*Amendment*

(7) In order to provide **quality** support with the least possible delay, the Commission should be able to use part of the financial envelope also to cover the cost of activities supporting the Programme, such as expenses related to quality control and monitoring of projects on the ground. ***Such expenses should be proportional to the overall value of expenditure under the support projects.***

## **Amendment 10**

### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) In order to ensure smooth reporting on implementation of the Programme to the European Parliament and the Council, the period in which the Commission is to provide annual monitoring reports should be specified.***

## **Amendment 11**

### **Proposal for a regulation Article 1 – paragraph 1 – point 1 Regulation (EU) 2017/825 Article 4 – paragraph 1**

*Text proposed by the Commission*

The general objective of the Programme shall be to contribute to institutional, administrative **and** growth-sustaining structural reforms in the Member States by providing support to national authorities for measures aimed at reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges, with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation, and investment, ***which will also prepare for participation in the euro area***, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds.;

*Amendment*

The general objective of the Programme shall be to contribute to institutional, administrative, growth-sustaining **and inclusive** structural reforms in the Member States by providing support to national authorities for measures aimed at reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges, with a view to enhancing ***economic, social and territorial*** cohesion, ***social inclusion and the fight against poverty***, competitiveness, productivity, sustainable **and inclusive** growth, job creation, and investment, in particular in the context of economic governance processes ***and of the implementation of the European Pillar of Social Rights***, including through assistance for the efficient, effective and transparent use of the Union funds. ***The Programme may also specifically contribute to successful participation of Member States in the Economic and Monetary Union and to preparations for participation in the euro area for Member States whose currency is not the Euro by providing support to national authorities for measures aimed at these preparations;***

**Amendment 12**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 1 a (new)**

Regulation (EU) 2017/825

Article 5 – paragraph 2 – point f a (new)

*Text proposed by the Commission*

*Amendment*

***(1a) In Article 5(2) the following point is added:***

***“(fa) actions and activities in support of reforms in Member States in their preparation to join the euro area.”***

## Amendment 13

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 2

Regulation (EU) 2017/825

Article 5a

*Text proposed by the Commission*

*Amendment*

(2) *Article 5a is added*

*deleted*

*”Article 5a*

*Support for preparation for euro area membership*

*The Programme may finance actions and activities in support of reforms that may help Members States in their preparation to join the euro area.”*

## Amendment 14

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 3 – point a

Regulation (EU) 2017/825

Article 10 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. The financial envelope for the implementation of the Programme is set at EUR 222 800 000 in current prices.;

1. The financial envelope for the implementation of the Programme is set at EUR 222 800 000 in current prices, *of which EUR 80 000 000 shall be provided from the Flexibility Instrument under Council Regulation (EU, Euratom) No 1311/2013\**.;

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*\* Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).*

## Amendment 15

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 3 a (new)

Regulation (EU) 2017/825

Article 16 – paragraph 2

#### *Present text*

2. The Commission shall provide the European Parliament and the Council with an annual monitoring report on the implementation of the Programme. That report shall include information on:

#### *Amendment*

**(3a) Article 16, the introductory part of paragraph 2 is replaced by the following:**

**"2. From 2018 until and including 2021, the** Commission shall provide the European Parliament and the Council with an annual monitoring report on the implementation of the Programme. That report shall include information on:"

## Amendment 16

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 3 b (new)

Regulation EU 2017/825

Article 16 – paragraph 2 – point d a (new)

#### *Text proposed by the Commission*

#### *Amendment*

**(3b) in Article 16, paragraph 2 point da is inserted:**

**" (da) outcomes of quality control and monitoring of support projects on the ground; "**

(<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017R0825&from=EN>)

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Increase of the financial envelope of the Structural Reform Support Programme and adapt its general objective						
<b>References</b>	COM(2017)0825 – C8-0433/2017 – 2017/0334(COD)						
<b>Committee responsible</b> Date announced in plenary	REGI 14.12.2017						
<b>Opinion by</b> Date announced in plenary	EMPL 14.12.2017						
<b>Rapporteur</b> Date appointed	Csaba Sógor 13.3.2018						
<b>Discussed in committee</b>	15.5.2018						
<b>Date adopted</b>	7.6.2018						
<b>Result of final vote</b>	<table> <tr> <td>+:                   </td><td>34</td></tr> <tr> <td>–:                   </td><td>7</td></tr> <tr> <td>0:                   </td><td>0</td></tr> </table>	+:	34	–:	7	0:	0
+:	34						
–:	7						
0:	0						
<b>Members present for the final vote</b>	Guillaume Balas, Enrique Calvet Chambon, David Casa, Michael Detjen, Lampros Fountoulis, Elena Gentile, Marian Harkin, Czesław Hoc, Danuta Jazłowiecka, Agnes Jongerius, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Patrick Le Hyaric, Dominique Martin, Anthea McIntyre, Miroslavs Mitrofanovs, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Terry Reintke, Claude Rolin, Siôn Simon, Marita Ulvskog, Renate Weber, Jana Žitňanská						
<b>Substitutes present for the final vote</b>	Georges Bach, Sergio Gutiérrez Prieto, Dieter-Lebrecht Koch, Eduard Kukan, Miapetra Kumpula-Natri, Paloma López Bermejo, António Marinho e Pinto, Rory Palmer, Jasenko Selimovic, Monika Vana, Flavio Zanonato						
<b>Substitutes under Rule 200(2) present for the final vote</b>	Andrea Bocskor, Dietmar Köster, Renaud Muselier						

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

34	+
ALDE	Enrique Calvet Chambon, Marian Harkin, António Marinho e Pinto, Jasenko Selimovic, Renate Weber
PPE	Georges Bach, Andrea Bocskor, David Casa, Danuta Jazłowiecka, Dieter-Lebrecht Koch, Agnieszka Kozłowska-Rajewicz, Eduard Kukan, Ádám Kósa, Jérôme Lavrilleux, Elisabeth Morin-Chartier, Renaud Muselier, Claude Rolin
S&D	Guillaume Balas, Michael Detjen, Elena Gentile, Sergio Gutiérrez Prieto, Agnes Jongerius, Jan Keller, Miapetra Kumpula-Natri, Dietmar Köster, Rory Palmer, Emilian Pavel, Georgi Pirinski, Siôn Simon, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Miroslavs Mitrofanovs, Terry Reintke, Monika Vana

7	-
ECR	Czesław Hoc, Anthea McIntyre, Jana Žitňanská
ENF	Dominique Martin
GUE/NGL	Patrick Le Hyaric, Paloma López Bermejo
NI	Lampros Fountoulis

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention