



2018/0213(COD)

19.7.2018

DRAFT OPINION

of the Committee on Regional Development

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on the establishment of the Reform Support Programme (COM(2018)0391 – C8-0239/2018 – 2018/0213(COD))

Rapporteur for opinion: Iskra Mihaylova

SHORT JUSTIFICATION

Following on from the Structural Reform Support Programme for 2017-2020, the Commission has now made a proposal for a Reform Support Programme for 2021-2027. The Reform Support Programme will support priority reforms in all EU Member States, with an overall budget of EUR 25 billion for reform projects covering, for example, product and labour markets, education, tax systems, capital markets, the business environment as well as investment in human capital and public administration reforms. The programme aims to provide financial and technical support to all Member States in order to carry out reforms to modernise their economies, mainly focused on the reform priorities identified in the context of the European Semester.

The programme is made up of three separate instruments:

- the Reform Delivery Tool aims to provide financial support for key reforms identified in the context of the European Semester, with EUR 22 billion available to all Member States. The funding is distributed in proportion to each Member State's population.
- the technical support instrument will help Member States design and implement reforms and improve their administrative capacity. This instrument is the direct successor of the existing Structural Reform Support Service, which has supported over 440 reform projects in 24 Member States in recent years. The tool is available to all Member States and has a planned budget of EUR 840 million.
- the Convergence Facility, with a budget of EUR 2.16 billion, will aim to provide dedicated financial and technical support to Member States preparing for joining the euro. The facility does not alter the criteria in place for accession to the euro, but seeks to provide practical support to ensure a successful transition towards, and participation in, the euro for those Member States which have yet to join.

Your rapporteur supports the proposal to create the new Reform Support Programme, based on the positive experience with the current Structural Reform Support Programme. The amendments proposed are accordingly relatively minor and technical.

AMENDMENTS

The Committee on Regional Development calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 4

Text proposed by the Commission

Amendment

(4) The economic and financial crisis

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has shown that developing sound and resilient economies and financial systems built on strong economic and social structures helps Member States to respond more efficiently to shocks and recover more swiftly from them. The implementation of structural reforms is among the Union's policy priorities because such reforms seek to set the recovery on a sustainable path, unlock the growth potential, strengthen the adjustment capacity and support the process of upward convergence. Pursuing structural reforms can also contribute to strengthening economic and social cohesion, boosting productivity and investment and creating good conditions for sustainable growth and employment in the Union.

has shown that developing sound and resilient economies and financial systems built on strong economic and social structures helps Member States to respond more efficiently to shocks and recover more swiftly from them. The implementation of structural reforms is among the Union's policy priorities because such reforms seek to set the recovery on a sustainable path, unlock the growth potential, strengthen the adjustment capacity and support the process of upward convergence. Pursuing structural reforms can also contribute to strengthening economic and social cohesion, boosting productivity and investment and creating good conditions for sustainable growth and employment in the Union. ***Moreover, reforms that help to remove investment bottlenecks and create a favorable environment for investment can contribute to boosting economic activity and, at the same time, setting the conditions for long-term growth.***

Or. en

Amendment 2

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Regulation (EU) 2017/825 of the European Parliament and the Council established the Structural Reform Support Programme (SRSP) for the period 2017 to 2020, with a budget of EUR 142 800 000. The SRSP was established to strengthen 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. Technical support under that

Amendment

(7) Regulation (EU) 2017/825 of the European Parliament and the Council established the Structural Reform Support Programme (SRSP) for the period 2017 to 2020, with a budget of EUR 142 800 000. The SRSP was established to strengthen 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. Technical support under that

programme is provided by the Commission, upon request from a Member State, and can cover a wide range of policy areas. Initial experience with the SRSP has shown a demand for technical support in the order of four times (in 2017) and five times (in 2018) its annual available budget.

programme is provided by the Commission, upon request from a Member State, and can cover a wide range of policy areas. Initial experience with the SRSP has shown a demand for technical support in the order of four times (in 2017) and five times (in 2018) its annual available budget, *which led the Commission to propose an increase to its budget for 2019 and 2020.*

Or. en

Amendment 3

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) In order to allow for the provision of the different types of support needed and to cater for the specificity of each component, three separate but complementary instruments should be set out within the framework of the Programme, namely a reform delivery tool, a technical support instrument, and a dedicated convergence facility for supporting preparation for euro-area membership.

Amendment

(11) In order to allow for the provision of the different types of support needed and to cater for the specificity of each component, three separate but complementary instruments should be set out within the framework of the Programme, namely a reform delivery tool, a technical support instrument, and a dedicated convergence facility for supporting preparation for euro-area membership. *A proper coordination mechanism should be set up within the monitoring and control procedures in order to ensure the coherence and complementarity of policy interventions, as well as to avoid overlaps.*

Or. en

Amendment 4

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) The Programme's overall objective is the enhancement of cohesion, competitiveness, productivity, growth, and employment. For that purpose, it should provide financial incentives for addressing challenges of a structural nature, and should help to strengthen the administrative capacity of the Member States insofar as their institutions and economic and social sectors are concerned.

Amendment

(13) The Programme's overall objective is the enhancement of cohesion, competitiveness, productivity, growth, **social inclusion**, and employment. For that purpose, it should provide financial incentives for addressing challenges of a structural nature, and should help to strengthen the administrative **and institutional** capacity of the Member States insofar as their institutions and economic and social sectors are concerned.

Or. en

Amendment 5

Proposal for a regulation

Recital 24

Text proposed by the Commission

(24) The Commission should assess the nature and the importance of the reform commitments proposed by the Member States and should determine the amount to be allocated on the basis of transparent criteria. To that effect, it should take into account the substantive elements provided by the Member States and assess whether the reform commitments proposed by the Member States are expected to effectively address challenges identified in the context of the European Semester, whether they represent a comprehensive reform package, whether they are expected to strengthen the performance and resilience of the national economy and whether their implementation is expected to have a lasting impact in the Member State where relevant by strengthening the institutional and administrative capacity of the Member State concerned. In addition, the Commission should assess whether the

Amendment

(24) The Commission should assess the nature and the importance of the reform commitments proposed by the Member States and should determine the amount to be allocated on the basis of transparent criteria. To that effect, it should take into account the substantive elements provided by the Member States and assess whether the reform commitments proposed by the Member States are expected to effectively address challenges identified in the context of the European Semester, whether they represent a comprehensive reform package, whether they are expected to strengthen the performance and resilience of the national economy and whether their implementation is expected to have a lasting impact in the Member State where relevant by strengthening the institutional and administrative capacity of the Member State concerned. In addition, the Commission should assess whether the

internal arrangements proposed by the Member States, including the proposed milestones and targets, and the related indicators, are expected to ensure effective implementation of the reform commitments during a maximum period of three years.

internal arrangements proposed by the Member States, including the proposed milestones and targets, and the related indicators, are expected to ensure effective implementation of the reform commitments during a maximum period of three years. ***Furthermore, the reforms that are proposed for financing should be strictly monitored through the European Semester.***

Or. en

Amendment 6

Proposal for a regulation Recital 26

Text proposed by the Commission

(26) In order to contribute to the preparation of high quality proposals and assist the Commission in the assessment of the proposals for reform commitments submitted by the Member States and in the assessment of the degree of their achievement, provision should be made for the use of peer counselling and expert advice. In addition, the Council for Economic Policy Committee of the Council dealing with the European Semester, in consultation, where appropriate, with relevant Treaty-based committees, should be able to provide an opinion on the proposals for reform commitments as submitted by Member States. In the interest of simplification, the reporting by Member States on the progress made in the implementation of reform commitments should be made within the framework of the European Semester.

Amendment

(26) In order to contribute to the preparation of high quality proposals and assist the Commission in the assessment of the proposals for reform commitments submitted by the Member States and in the assessment of the degree of their achievement, provision should be made for the use of peer counselling and expert advice. In addition, the Council for Economic Policy Committee of the Council dealing with the European Semester, in consultation, where appropriate, with relevant Treaty-based committees, should be able to provide an opinion on the proposals for reform commitments as submitted by Member States. In the interest of simplification, the reporting by Member States on the progress made in the implementation of reform commitments ***and the monitoring thereof*** should be made within the framework of the European Semester.

Or. en

Amendment 7

Proposal for a regulation Recital 32

Text proposed by the Commission

(32) With regard to the technical support instrument, Member States have increasingly taken up technical support under the SRSP, beyond initial expectations. Almost all Member States have requested support under the SRSP and requests are distributed across all policy areas covered by that programme. For that reason, the main features of the SRSP should be maintained, including the actions eligible for financing under the technical support instrument.

Amendment

(32) With regard to the technical support instrument, Member States have increasingly taken up technical support under the SRSP, beyond initial expectations, ***leading to a proposal to increase its budget for 2019 and 2020.*** Almost all Member States have requested support under the SRSP and requests are distributed across all policy areas covered by that programme. For that reason, the main features of the SRSP should be maintained, including the actions eligible for financing under the technical support instrument.

Or. en

Amendment 8

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) For the purposes of accountability, transparency and to ensure visibility of the Union action, subject to certain conditions that protect sensitive information, the cooperation and support plans should be provided to the European Parliament and the Council and communication activities should be carried out by the Commission as appropriate.

Amendment

(36) For the purposes of accountability, transparency and to ensure visibility of the Union action, subject to certain conditions that protect sensitive information, the cooperation and support plans should be provided to the European Parliament and the Council and communication activities should be carried out by the Commission as appropriate. ***A dedicated communication platform should be established for the purpose of communicating about technical support activities and favouring mutual knowledge of good practices.***

Amendment 9**Proposal for a regulation****Recital 37***Text proposed by the Commission*

(37) Provisions on the implementation of the technical support instrument should be laid down, in particular the management modes, the forms of funding for the technical support measures and the content of work programmes, which should be adopted by way of implementing acts. In view of the importance of sustaining the efforts of Member States in pursuing and implementing reforms, it is necessary to allow for a co-financing rate for grants of up to 100% of the eligible costs. To allow for a rapid mobilisation of technical support in case of urgency, provision should be made for the adoption of special measures for a limited period of time. To that effect, a limited amount of the budget within the work programme of the technical support instrument should be set aside for special measures.

Amendment

(37) Provisions on the implementation of the technical support instrument should be laid down, in particular the management modes, the forms of funding for the technical support measures and the content of work programmes, which should be adopted by way of implementing acts. In view of the importance of sustaining the efforts of Member States in pursuing and implementing reforms, it is necessary to allow for a co-financing rate for grants of up to 100% of the eligible costs. To allow for a rapid mobilisation of technical support in case of urgency, provision should be made for the adoption of special measures for a limited period of time. To that effect, a limited amount of the budget within the work programme of the technical support instrument should be set aside for special measures. *Cases of urgency could also cover new, unforeseen challenges which require administrative or other reforms in the Member States.*

Or. en

Amendment 10**Proposal for a regulation****Recital 42***Text proposed by the Commission*

(42) In order to ensure an efficient *and* coherent allocation of funds from the

Amendment

(42) In order to ensure an efficient, coherent *and transparent* allocation of

Union budget and to respect the principle of sound financial management, actions under the Programme should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding, including technical assistance thereof.

funds from the Union budget and to respect the principle of sound financial management, actions under the Programme should be consistent with, ***be coordinated with***, and be complementary to ongoing Union programmes, ***without replacing them***, whilst avoiding double funding for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding, including technical assistance thereof. ***A proper coordination mechanism should be set up within the monitoring and control procedures in order to ensure the greater coherence and complementarity of policy interventions, as well as to avoid overlaps.***

Or. en

Amendment 11

Proposal for a regulation Recital 44

Text proposed by the Commission

(44) An independent mid-term evaluation, looking at the achievement of the objectives of the Programme, the efficiency of the use of its resources and its added value should be carried out. An independent ex-post evaluation should, in addition, deal with the long-term impact of the Programme.

Amendment

(44) An independent mid-term evaluation, looking at the achievement of the objectives of the Programme, the efficiency of the use of its resources and its added value should be carried out. An independent ex-post evaluation should, in addition, deal with the long-term impact of the Programme ***and its effects on sustainability.***

Or. en

Amendment 12

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

(a) to contribute to addressing national reform challenges of a structural nature aimed at improving the performance of the national economies and at promoting resilient economic and social structures in the Member States, thereby contributing to cohesion, competitiveness, productivity, growth and employment; and

Amendment

(a) to contribute to addressing national reform challenges of a structural nature aimed at improving the performance of the national economies and at promoting resilient economic and social structures in the Member States, thereby contributing to cohesion, competitiveness, productivity, growth, ***social inclusion*** and employment; and

Or. en

Amendment 13

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) to contribute to strengthening the administrative capacity of the Member States in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.

Amendment

(b) to contribute to strengthening the administrative ***and institutional*** capacity of the Member States, ***including where appropriate at regional level***, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.

Or. en

Amendment 14

Proposal for a regulation

Article 5 – paragraph 2 – point b

Text proposed by the Commission

(b) as regards the technical support instrument, the Programme shall support the efforts of the national authorities in improving their administrative capacity to design, develop and implement reforms, including through exchange of good practices, appropriate processes and methodologies and a more effective and efficient human resources management;

Amendment

(b) as regards the technical support instrument, the Programme shall support the efforts of the national authorities, ***including regional authorities where appropriate***, in improving their administrative capacity to design, develop and implement reforms, including through exchange of good practices, appropriate processes and methodologies and a more effective and efficient human resources management;

Or. en

Amendment 15

Proposal for a regulation

Article 6 – paragraph 1 – introductory part

Text proposed by the Commission

The general and the specific objectives set out in Articles 4 and 5 shall refer to policy areas related to cohesion, competitiveness, productivity, research and innovation, smart, sustainable, and inclusive growth, jobs and investment, and in particular to one or more of the following:

Amendment

The general and the specific objectives set out in Articles 4 and 5 shall refer to policy areas related to cohesion, competitiveness, productivity, research and innovation, smart, sustainable, and inclusive growth, ***social inclusion***, jobs and investment, and in particular to one or more of the following:

Or. en

Amendment 16

Proposal for a regulation

Article 6 – paragraph 1 – point e

Text proposed by the Commission

(e) policies for implementing climate

Amendment

(e) policies for implementing climate

action, mobility, promoting energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, fisheries and the sustainable development of rural areas; and

action, *the circular economy*, mobility, promoting energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, fisheries and the sustainable development of rural areas; and

Or. en

Amendment 17

Proposal for a regulation Article 7 – paragraph 3

Text proposed by the Commission

3. The financial envelope for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, which are required for the management of the Programme and the achievement of its objectives, in particular studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the Union, in so far as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, including corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme. Expenses may also cover, under each of the three instruments referred to in Article 3, the costs of other supporting activities such as quality control and monitoring of technical support projects on the ground and the costs of peer counselling and experts for the assessment and implementation of structural reforms.

Amendment

3. The financial envelope for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, which are required for the management of the Programme and the achievement of its objectives, in particular studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the Union, in so far as they are related to the objectives of this Regulation, expenses linked to IT networks *and platforms* focusing on information processing and exchange, including corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme. Expenses may also cover, under each of the three instruments referred to in Article 3, the costs of other supporting activities such as quality control and monitoring of technical support projects on the ground and the costs of peer counselling and experts for the assessment and implementation of structural reforms.

Or. en

Amendment 18

Proposal for a regulation Article 7 – paragraph 4

Text proposed by the Commission

4. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that Article. **Where possible those** resources shall be used for the benefit of the Member State concerned.

Amendment

4. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that Article. **Those** resources shall be used for the benefit of the Member State concerned.

Or. en

Amendment 19

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

1. A Member State wishing to receive support under the reform delivery tool shall submit a proposal for reform commitments to the Commission. That proposal shall set out a detailed set of measures for the implementation of structural reforms in response to challenges identified in the European Semester process and shall contain milestones, targets and a timetable for the implementation of the reforms over a maximum period of three years.

Amendment

1. A Member State wishing to receive support under the reform delivery tool shall submit a proposal for reform commitments to the Commission. That proposal shall set out a detailed set of measures **and actions** for the implementation of structural reforms in response to challenges identified in the European Semester process and shall contain milestones, targets and a timetable for the implementation of the reforms over a maximum period of three years.

Or. en

Amendment 20

Proposal for a regulation

Article 11 – paragraph 3 – point e

Text proposed by the Commission

(e) the internal arrangements for the effective implementation of the reform commitments by the Member State concerned, including the proposed milestones and targets, and the related indicators; and

Amendment

(e) the internal arrangements for the effective ***and efficient*** implementation of the reform commitments by the Member State concerned, including the proposed milestones and targets, and the related indicators; and

Or. en