**DRAFT REPORT**


Committee on Budgets
Committee on Economic and Monetary Affairs

Rapporteurs: Eider Gardiazabal Rubial, Caroline Nagtegaal

(Joint committee procedure – Rule 55 of the Rules of Procedure)
Symbols for procedures

* Consultation procedure  
*** Consent procedure  
****I Ordinary legislative procedure (first reading)  
****II Ordinary legislative procedure (second reading)  
****III Ordinary legislative procedure (third reading)  

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in *bold italics* in the left-hand column. Replacements are indicated in *bold italics* in both columns. New text is indicated in *bold italics* in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in *bold italics*. Deletions are indicated using either the □ symbol or strikeout. Replacements are indicated by highlighting the new text in *bold italics* and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on the establishment of the Reform Support Programme

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council
  (COM(2018)0391),
– having regard to Article 294(2) and Article 175 and Article 197(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0239/2018),
– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
– having regard to the opinion of the European Economic and Social Committee of ...\(^1\);
– having regard to the opinion of the Committee of the Regions of ...\(^2\);
– having regard to Rule 59 of its Rules of Procedure,
– having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary Affairs under Rule 55 of the Rules of Procedure,
– having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs and the opinions of the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development (A8-0000/2018),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation
Recital 8

\(^1\) ...
\(^2\) ...
Amendment

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) The Commission's Communication

Amendment

(9) The Commission's Communication

Or. en
of 6 December 2017\textsuperscript{20}, part of a package of initiatives to deepen the Economic and Monetary Union, proposed to create a reform \textit{delivery tool and a convergence facility} as new budgetary instruments. The objective of such instruments was to strengthen resilience of domestic economies and unleash positive spillover effects across Member States by providing incentives for the implementation of structural reforms that contribute to those objectives and are essential for the stability of the Economic and Monetary Union.

\textsuperscript{20} Communication from the Commission to the European Parliament, the European Council, the Council and the European Central Bank, new budgetary instruments for a stable euro area within the Union framework, COM(2017) 822 final

\textbf{Justification}

\textit{To be implemented in all corresponding references in the Regulation.}

\textbf{Amendment 3}

\textbf{Proposal for a regulation}

\textbf{Recital 13}

\textit{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.

\textit{Amendment}

(13) The Programme's overall objective is the enhancement of \textit{upward convergence}, cohesion, competitiveness, \textit{efficiency}, productivity, \textit{sustainable development}, growth, the \textit{promotion of resilient economic and social structures} and employment \textit{in the Union and its Member States}. 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 4
Proposal for a regulation
Recital 15

*Text proposed by the Commission*

(15) In order to ensure that the reforms supported by the Programme address all the key economic and societal areas, both financial support and technical support under the Programme should be provided by the Commission, upon request from a Member State, in a broad range of policy domains, which include areas related to public financial and asset management, institutional and administrative reform, business environment, the financial sector, markets for products, services and labour, education and training, sustainable development, public health and social welfare.

*Amendment*

(15) In order to ensure that the reforms supported by the Programme address all the key economic and societal areas, both financial support and technical support under the Programme should be provided by the Commission, upon request from a Member State, in a broad range of policy domains, which include areas related to public financial and asset management, *taxation system*, institutional and administrative reform, business environment, *industrial policies*, the financial sector, markets for products, services and labour, education and training, sustainable development, public health and social welfare.

Amendment 5
Proposal for a regulation
Recital 17

*Text proposed by the Commission*

(17) In order to cater for additional needs under the Programme, Member States should have the possibility to transfer to the budget of the Programme resources programmed in shared

*Amendment*

deleted
management under the Union funds, in accordance with the procedure thereof. Transferred resources should be implemented in accordance with the rules of this Programme and should be used for the benefit of the Member State concerned.

Amendment 6
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate actions and to the achievement of an overall target of 25 % of the EU budget expenditures supporting climate objectives. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.

Amendment

(18) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate actions and to the achievement of an overall target of 25 % of the EU budget expenditures supporting climate objectives over the MFF 2021-2027 period, and of 30 % as soon as possible and at the latest by 2027. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.

Amendment 7
Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) In the interest of transparency and efficiency, in the subsequent stage lasting

Amendment

(21) In the interest of transparency and efficiency, in the subsequent stage lasting
until the end of the Programme, a system of periodic calls should be set out by the Commission to allocate the remaining half (EUR 11 000 000 000) of the overall financial envelope of the instrument, plus the amounts unused from the previous stage. Simple procedures should be organised to that effect. Under each call, all Member States should be invited to submit reform proposals concurrently, and could be awarded their maximum financial contribution on the basis of their reform proposals. In the interest of transparency, the first call organised by the Commission during the second stage should be for an amount corresponding to the remaining part (EUR 11 000 000 000) of the overall financial envelope of the instrument. Further calls should be organised by the Commission only where the overall financial envelope has not been fully used. The Commission should adopt and publish an indicative calendar of the further calls to be organised, and should indicate, at each call, the remaining amount of the overall envelope, which is available under that call.

Amendment 8
Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) It is necessary to establish a process for the submission of proposals for reform commitments by the Member States, and the content thereof. With a view to ensuring the expediency of procedures, a Member State should submit the proposal for reform commitments together with its national reform programme, but in the form of a separate annex, which may also be submitted at a different point in time.

Amendment

(22) It is necessary to establish a process for the submission of proposals for reform commitments by the Member States, and the content thereof. With a view to ensuring the expediency of procedures, a Member State should submit the proposal for reform commitments together with its national reform programme, but in the form of a separate annex, which may also be submitted at a different point in time.
While participation in the Programme is voluntary, Member States experiencing excessive imbalances should be particularly encouraged to come forward with reform proposals under the reform delivery tool, which address the problems that led to such excessive imbalances.

Or. en

Amendment 9

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 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.

Amendment

(24) Taking into account the opinion of the independent fiscal institution, 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 take into account the commitments of the Union and of Member States in the context of the Paris Agreement and the United Nations Sustainable Development Goals and whether they are expected to strengthen the performance and resilience of the national economy, whether they are expected to have spill-over effects to other Member State, whether they are reforms the Member State previously committed to for which it has received Union financial support, 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.

Or. en

Amendment 10
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. *The national independent fiscal institution should be invited to provide its opinion on the budgetary aspects of the proposed reform commitments before the official submission of the proposal to the Commission.* 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 11
Proposal for a regulation
Recital 28

Text proposed by the Commission
(28) To foster the stability of the reform commitments, a Member State should have the possibility to amend the reform commitments only once within the period of implementation, where objective circumstances justify such a course of action.

Amendment
(28) To foster the stability of the reform commitments, a Member State should have the possibility to amend the reform commitments, where objective circumstances justify such a course of action.

Amendment 12
Proposal for a regulation
Recital 31

Text proposed by the Commission
(31) For the purpose of sound financial management, specific rules should be laid down for budget commitments, payments, suspension, cancellation and recovery of funds. Payments should be based on a positive assessment by the Commission of the implementation of the reform commitments by the Member State. Suspension and cancellation of the financial contribution should be possible when the reform commitments have not been implemented in a satisfactory manner by the Member State. To ensure a sustainable impact of the reforms after they are implemented, a reasonable period defining the durability of the reforms after the payment of the financial contribution

Amendment
(31) For the purpose of sound financial management, specific rules should be laid down for budget commitments, payments, suspension, cancellation and recovery of funds. Payments should be based on a positive assessment by the Commission of the implementation of the reform commitments by the Member State. Suspension and cancellation of the financial contribution should be possible when the reform commitments have not been implemented in a satisfactory manner by the Member State. To ensure a sustainable impact of the reforms after they are implemented, a reasonable period defining the durability of the reforms after the payment of the financial contribution
should be established. A period of five years should be considered to be a reasonable minimum to be applied. Appropriate contradictory procedures should be established to ensure that the decision by the Commission in relation to suspension, cancellation and recovery of amounts paid respects the right of Member States to provide observations.

Amendment 13
Proposal for a regulation
Recital 38

Text proposed by the Commission

(38) The convergence facility should aim at providing both financial support and technical support to Member States (in addition to that already available under the two other instruments of the Programme), whose currency is not the euro and which have taken demonstrable steps towards adopting the single currency within a given time-frame, with a view to helping them prepare for membership in the euro area. To that effect, "demonstrable steps" should consist of a formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible, time-bound roadmap, after consultation with the Commission, for implementing concrete measures to prepare for successful participation in the euro area, including steps to ensure full alignment of its national legislation with the requirements under Union law (including the Banking Union).

Amendment

(38) The convergence facility should aim at providing both financial support and technical support to Member States (in addition to that already available under the two other instruments of the Programme), whose currency is not the euro and which have taken demonstrable steps towards adopting the single currency within a given time-frame, with a view to helping them prepare for membership in the euro area. To that effect, "demonstrable steps" should consist of a formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible, time-bound roadmap, after consultation with the Commission, for implementing concrete measures to prepare for successful participation in the euro area, including steps to align its national legislation with the specific provisions of Union law relevant for euro-area membership.
Amendment 14

Proposal for a regulation
Recital 45

Text proposed by the Commission

(45) The reform commitments to be implemented by the Member States, the determination of the financial contribution from the budget of the Programme allocated to them, and the work programmes for the implementation of technical support should be established. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.

Amendment

(45) The determination of the financial contribution from the budget of the Programme allocated to them, and the work programmes for the implementation of technical support should be established. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.

Or. en

Amendment 15

Proposal for a regulation
Recital 45 a (new)

Text proposed by the Commission

(45 a) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the reform commitments to be implemented by the Member States. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making\textsuperscript{1a}. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as

Amendment

(45 a) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the reform commitments to be implemented by the Member States. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making\textsuperscript{1a}. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as
Member States’ experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

\[1\text{a }OJ L 123, 12.5.2016., p.1.\]

Or. en

Amendment 16

Proposal for a regulation
Article 2 – paragraph 1 – point 2

**Text proposed by the Commission**

2. ‘financial support’ means a financial contribution to a Member State for the purpose of the implementation of structural reforms identified in the context of the European Semester process in accordance with Article 2-a of Council Regulation (EC) No 1466/97\(^\text{28}\) , and for the purpose of implementation of reforms that are relevant for preparation for participation in the euro area;

**Amendment**

2. ‘financial support’ means a financial contribution to a Member State for the purpose of the implementation of structural reforms identified in the context of the European Semester process in accordance with Article 2-a of Council Regulation (EC) No 1466/97\(^\text{28}\) , and for the purpose of implementation of reforms that contribute to achieving the criteria that are set out in Article 140(1) TFEU or that contribute to achieving full alignment of national legislation with the specific provisions relevant for euro-area membership.


Or. en

Amendment 17

Proposal for a regulation
Article 2 – paragraph 1 – point 3 a (new)

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3 a. 'independent fiscal institution' means a relevant national independent body as referred to in Article 5 of Regulation (EU) No 473/2013 of the European Parliament and of the Council;


Amendment 18
Proposal for a regulation
Article 2 – paragraph 1 – point 6

Text proposed by the Commission

6. ‘eligible Member State’, under the convergence facility, means a Member State, whose currency is not the euro and which has taken demonstrable steps towards adopting the single currency within a given time-frame, in its preparation to join the euro area. Demonstrable steps shall consist of a formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible time-bound roadmap, after consultation with the Commission, for implementing concrete measures to prepare for successful participation in the euro area, including steps to ensure full implementation of reforms that contribute to achieving the convergence criteria for participation in the euro area that are set.
alignment of *its* national legislation with the *requirements under* Union law *(including the Banking Union).*

*out in Article 140(1) TFEU or that contribute to achieving* full alignment of national legislation with the *specific provisions of Union law relevant for euro-area membership.*

Or. en

**Amendment 19**

**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 *upward convergence*, cohesion, competitiveness, *efficiency*, productivity, sustainable development, growth, and employment in the Union and its Member States, and reflecting the commitments of the Union and of Member States notably in the context of the Paris Agreement and the UN Sustainable Development Goals; and

Or. en

**Amendment 20**

**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,

*Amendment*

The general and the specific objectives set out in Articles 4 and 5 shall refer to policy areas related to cohesion, *upward convergence*, competitiveness, *economic resilience*, productivity, *sustainable*
jobs and investment, and in particular to one or more of the following:

*development*, research and innovation, smart, sustainable, and inclusive growth, *high-quality* jobs and investment, and in particular to one or more of the following:

Or. en

**Amendment 21**

Proposal for a regulation
Article 6 – paragraph 1 – point a

**Text proposed by the Commission**

(a) public financial and asset management, budget process, debt management and revenue administration and policies aimed at combating tax evasion;

**Amendment**

(a) public financial and asset management, budget process, debt management, revenue and expenditure administration and policies aimed at combating tax *avoidance, tax fraud and tax* evasion;

Or. en

**Amendment 22**

Proposal for a regulation
Article 6 – paragraph 1 – point c

**Text proposed by the Commission**

(c) business environment, including for small and medium-sized enterprises, re-industrialisation, private sector development, product and service markets, investment, *public participation in enterprises, privatisation processes*, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for research and innovation and digitisation;

**Amendment**

(c) business environment, including for small and medium-sized enterprises, re-industrialisation, private sector development, product and service markets, *public investment policy, private investments*, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for research and innovation and digitisation;

Or. en
Amendment 23

Proposal for a regulation
Article 6 – paragraph 1 – point d

**Text proposed by the Commission**

(d) education and training, labour market policies, including social dialogue, for the creation of jobs, digital skills, the fight against poverty, the promotion of social inclusion, social security and social welfare systems, public health and healthcare systems, as well as cohesion, asylum, migration and border policies;

**Amendment**

(d) education and training, labour market policies, including social dialogue, for the creation of **high-quality** jobs, digital skills, the fight against poverty, the promotion of social inclusion, social security and social welfare systems, public health and healthcare systems, as well as cohesion, asylum, migration and border policies;

Or. en

Amendment 24

Proposal for a regulation
Article 6 – paragraph 1 – point e

**Text proposed by the Commission**

(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

**Amendment**

(e) policies for implementing "**just transition**" toward a sustainable economy, 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

Or. en

Amendment 25

Proposal for a regulation
Article 7 – paragraph 4

**Text proposed by the Commission**

4. Resources allocated to Member States under shared management may, at

**Amendment**

deleted

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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 26
Proposal for a regulation
Article 10 – paragraph 2

Text proposed by the Commission
2. For a period of twenty months from the date of application of this Regulation, the Commission shall make available for allocation EUR 11 000 000 000, which represents 50% of the overall envelope referred to in point (a) of Article 7(2). Each Member State may propose to receive up to the full amount of the maximum financial contribution, referred to in Article 9, to fulfil reform commitments proposed in accordance with Article 11.

Amendment
2. For a period of twenty months from the date of application of this Regulation, the Commission shall make available for allocation 50% of the overall envelope referred to in point (a) of Article 7(2). Each Member State may propose to receive up to the full amount of the maximum financial contribution, referred to in Article 9, to fulfil reform commitments proposed in accordance with Article 11.

Amendment 27
Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission
3. For the period starting after the end of the period referred to in paragraph 2, the Commission shall make available for allocation EUR 11 000 000 000, which represent the remaining 50% of the overall

Amendment
3. For the period starting after the end of the period referred to in paragraph 2, the Commission shall make available for allocation the remaining 50% of the overall envelope for the reform delivery tool
envelope for the reform delivery tool referred to in point (a) of Article 7(2), plus the amount that has not been allocated in accordance with paragraph 2, on the basis of calls organised and published under the reform delivery tool. The first call shall be for allocating EUR 11 000 000 000.

referred to in point (a) of Article 7(2), plus the amount that has not been allocated in accordance with paragraph 2, on the basis of calls organised and published under the reform delivery tool. The first call shall be for allocating the remaining 50% of the overall envelope.

Amendment 28
Proposal for a regulation
Article 11 – paragraph 3 – point b

Text proposed by the Commission

(b) the expected economic and social impacts of the reform in the Member State concerned and, where possible, the spillover effects in other Member States;

Amendment

(b) the expected economic, environmental and social impacts of the reform in the Member State concerned, including a detailed cost-benefit analysis, and, where possible, the spillover effects in other Member States;

Amendment 29
Proposal for a regulation
Article 11 – paragraph 3 – point c

Text proposed by the Commission

(c) the accompanying measures that may be needed;

Amendment

(c) the accompanying compensating measures that may be needed to balance the negative impacts identified in point (b), where relevant;
Amendment 30
Proposal for a regulation
Article 11 – paragraph 3 – point e a (new)

Text proposed by the Commission

(e a) a brief summary that discusses the reforms that were undertaken in the area of the proposal for a reform commitment in the past seven years, and, where possible, their effects;

Or. en

Amendment 31
Proposal for a regulation
Article 11 – paragraph 3 – point e b (new)

Text proposed by the Commission

(e b) the expected impacts and contribution to the implementation of the commitments of the Union and of Member States in the context of the Paris Agreement and the UN Sustainable Development Goals;

Or. en

Amendment 32
Proposal for a regulation
Article 11 – paragraph 4 a (new)

Text proposed by the Commission

4 a. The independent fiscal institution may provide an assessment on the budgetary aspects of the proposal for reform commitments to the national authorities ahead of the official submission of the proposal to the Commission. Member States shall inform the independent fiscal institution of the
proposal in a timely manner and provide the independent fiscal institution with all documents it may need to draft its opinion. Member States shall be invited to consider that opinion and may modify the proposal before the official submission to the Commission. The opinion of the independent fiscal institution shall be annexed to the official proposal.

Amendment 33

Proposal for a regulation
Article 11 – paragraph 6

Text proposed by the Commission

6. When assessing the proposal for reform commitments and in the determination of the amount to be allocated to the Member State concerned, the Commission shall take into account the justification and the elements provided by the Member State concerned, as referred to in paragraph 3, and any other relevant information.

Amendment

6. When assessing the proposal for reform commitments and in the determination of the amount to be allocated to the Member State concerned, the Commission shall take into account the justification and the elements provided by the Member State concerned, as referred to in paragraph 3, the opinion of the independent fiscal institution, as referred to in paragraph 4a, and any other relevant information.

Amendment 34

Proposal for a regulation
Article 11 – paragraph 7 – introductory part

Text proposed by the Commission

7. The Commission shall assess the nature and importance of the proposal for reform commitments, and, for that purpose, shall take into account the following criteria:

Amendment

7. Taking into account all relevant documents of the proposal including the annexes, the Commission shall assess, the nature and importance of the proposal for reform commitments, which shall respect
the following criteria:

Amendment 35
Proposal for a regulation
Article 11 – paragraph 7 – point a – point 3 a (new)

Text proposed by the Commission

Amendment

(3a) are expected to have spill-over effects to other Member States, where relevant;

Amendment 36
Proposal for a regulation
Article 11 – paragraph 7 – point a – point 4 a (new)

Text proposed by the Commission

Amendment

(4a) that the proposed reform commitments are not reforms the Member State previously committed for which it has received Union financial support; and

Amendment 37
Proposal for a regulation
Article 12 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

The Commission shall adopt a decision within four months of the official submission of the proposal by the Member State, by means of an implementing act. In the event that the Commission gives a
positive assessment to a proposal for reform commitments submitted by the Member State, that decision shall set out the reform commitments to be implemented by the Member State, including the milestones and targets and the financial contribution allocated in accordance with Article 10.

**Amendment 38**

*Proposal for a regulation*

**Article 13 – paragraph 1**

*Text proposed by the Commission*

1. Where the reform commitments, including relevant milestones and targets, are no longer achievable, either partially or totally, by the Member State concerned because of objective circumstances, the Member State concerned may make a reasoned request to the Commission to amend or replace the decision referred to in Article 12(1). To that effect, the Member State may propose a modified set or a new set of reform commitments.

*Amendment*

1. Where the reform commitments, including relevant milestones and targets, are no longer achievable, either partially or totally, by the Member State concerned because of objective circumstances, the Member State concerned may make a reasoned request to the Commission to amend or replace the decision referred to in Article 12(1). To that effect, the Member State may propose a modified set or a new set of reform commitments. The independent fiscal institution may provide an assessment on the budgetary aspects of the modified proposal for reform commitments to Member States ahead of the official submission of the proposal to the Commission. Member States shall inform the independent fiscal institution of the proposal in a timely manner and provide the independent fiscal institution with all documents it may need to draft its opinion. Member States shall be invited to consider this opinion and may amend the modified proposal before the official submission to the Commission. The opinion of the independent fiscal institution shall be annexed to the official modified proposal.
Amendment 39

Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. Where the Commission considers that the reasons put forward by the Member State concerned justify an amendment of the reform commitments, the Commission shall assess the new proposal in accordance with the provisions of Article 11 and shall take a new decision in accordance with Article 12 within four months of the official submission of the request.

Amendment

2. Where the Commission, taking into account all relevant documents of the modified proposal including the annexes, considers that the reasons put forward by the Member State concerned justify an amendment of the reform commitments, the Commission shall assess the new proposal in accordance with the provisions of Article 11 and may take a new decision in accordance with Article 12 within four months of the official submission of the request.

Amendment 40

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

1. A Member State shall repay to the Commission any financial contribution paid to it pursuant to Article 15 with respect to a reform commitment, where, within five years of the payment, the conditions that allowed such payments have changed significantly in the Member State concerned.

Amendment

1. A Member State shall repay to the Commission any financial contribution paid to it pursuant to Article 15 with respect to a reform commitment, where, within six years of the payment, the conditions that allowed such payments have changed significantly in the Member State concerned.
Amendment 41
Proposal for a regulation
Article 17 – paragraph 1

Text proposed by the Commission
1. The Commission shall transmit the reform commitments referred to in Article 12 to the European Parliament and the Council without undue delay.

Amendment
1. The Commission shall transmit the reform commitments referred to in Article 12 and a detailed report on the use of the assessment guidelines, on the assessment of reform commitments and the determination of the allocation to the European Parliament and the Council without undue delay.

Or. en

Amendment 42
Proposal for a regulation
Article 25 – paragraph 1

Text proposed by the Commission
Structural reforms eligible for financing under the convergence facility shall be reforms that help eligible Members States in their preparation to join the euro area. Those reforms shall be aimed at addressing challenges identified in the context of the European Semester of economic policy coordination.

Amendment
Structural reforms eligible for financing under the convergence facility shall be reforms that contribute to achieving the convergence criteria for participation in the euro area that are set out in Article 140(1) of the TFEU or that contribute to achieving full alignment of national legislation with the specific provisions of Union law relevant for euro-area membership.

Or. en

Amendment 43
Proposal for a regulation
Article 27 – paragraph 2 – subparagraph 1

The proposal for reform commitments

The proposal for reform commitments

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referred to in paragraph 1 shall set out the reforms that are considered important for the eligible Member State's preparation for participation in the euro area, and shall refer to the formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible time-bound roadmap, after consultation with the Commission, for implementing concrete measures to prepare for successful participation in the euro area, including steps to ensure full alignment of its national legislation with the requirements under Union law (including the Banking Union).

Amendment 44

Proposal for a regulation
Article 27 – paragraph 3

3. The Commission shall assess any proposal for reform commitments submitted under the financial support component of the convergence facility in accordance with Article 11. In addition, the Commission shall also assess the relevance of the proposed reform commitments for preparation for participation in the euro area.

3. The Commission shall assess any proposal for reform commitments submitted under the financial support component of the convergence facility in accordance with Article 11. In addition, the Commission shall also assess the relevance of the proposed reform commitments in achieving the convergence criteria for participation in the euro area that are set out in Article 140(1) TFEU or in achieving full alignment of national legislation with the specific provisions of Union law relevant for euro-area membership.

Or. en
Amendment 45

Proposal for a regulation
Article 28 – paragraph 1

Text proposed by the Commission

Pursuant to the objectives set out in point (b) of Article 4 and point (c)(ii) of Article 5(2) the convergence facility may finance actions and activities, in accordance with Article 18, which support reforms that help eligible Member States in their

Amendment

Pursuant to the objectives set out in point (b) of Article 4 and point (c)(ii) of Article 5(2) the convergence facility may finance actions and activities, in accordance with Article 18, which support the implementation of reforms that contribute
preparation to join the euro area.

to achieving the convergence criteria for participation in the euro area that are set out in Article 140(1) TFEU or that contribute to achieving full alignment of national legislation with the specific provisions of Union law relevant for euro-area membership.

Amendment 47
Proposal for a regulation
Article 31 – paragraph 1

Text proposed by the Commission

1. An eligible Member State shall submit a request for technical support under the convergence facility, in accordance with Article 19. The request shall also refer to the formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible time-bound roadmap, after consultation with the Commission, for implementing concrete measures to prepare for successful participation in the euro area, including steps to ensure full alignment of its national legislation with the requirements under Union law (including the Banking Union).

Amendment

1. An eligible Member State shall submit a request for technical support under the convergence facility, in accordance with Article 19. The request shall also refer to the formal letter from the government of the Member State concerned to the Commission stating its clear commitment to join the euro area within a reasonable and defined timeframe and presenting a credible time-bound roadmap, after consultation with the Commission, for implementation of reforms that contribute to achieving the convergence criteria for participation in the euro area that are set out in Article 140(1) TFEU or that contribute to achieving full alignment of national legislation with the specific provisions of Union law relevant for euro area membership.

Amendment 48
Proposal for a regulation
Article 32 – paragraph 1
The work programmes referred to in Article 23(5) shall also set out the allocation of technical support to eligible Member States in relation to reforms that help in their preparation to join the euro area. The work programmes shall also set out the measures needed for their implementation, in line with the general and specific objectives referred to in point (b) of Article 4 and point (c)(ii) of Article 5(2), the selection and award criteria for grants, and all the elements required by the Financial Regulation.

Amendment 49
Proposal for a regulation
Article 34 – paragraph 2 a (new)

2 a. The Commission shall report on a regular basis to the European Parliament on the implementation of the programme.

Amendment 50
Proposal for a regulation
Article 34 – paragraph 2 b (new)
2 b. The European Parliament may offer the Member State concerned to participate in an exchange of views on the progress made in the implementation of the Programme. The Commission shall participate in any such hearing.

Amendment 51
Proposal for a regulation
Article 37 a (new)

Exercise of the delegation
1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The delegation of power referred to in Article 12(1) shall be conferred on the Commission for an indeterminate period of time from [DATE/entry into force of this Regulation].

3. The delegation of power referred to in Article 12(1) may be revoked at any time by the European Parliament or the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.

6. A delegated act adopted pursuant to Article 12(1) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.