



Briefing note on the Structural Reform Support Programme

Introduction

The purpose of this note is twofold:

- to present the key elements of the Structural Reform Support Programme of relevance to the CPMR and its Members
- to outline potential concerns arising from the implementation of the SRSP for regional authorities

Summary of key points

1. **What is it?** A European Commission proposal for a regulation establishing a *Structural Reform Support Programme (SRSP) for the period 2017-2020*. The SRSP is part of the [November European Semester package](#) presented by the EC last November 2015.
2. **Why is the SRSP needed? What is its rationale?** To provide support to national authorities for measures aimed at reforming institutions, governance, administration, economic and social sectors, in particular in the context of economic governance processes, including through assistance for the efficient and effective use of the Union funds
3. **How will this support be provided? By whom?** Support under the Programme should be provided by the Commission upon request by a Member State (MS)
4. **Which areas are eligible for support?** Budget and taxation, public function, institutional and administrative reforms, justice system, anti-fraud, anti-corruption and anti-money laundering, business environment, private sector development, investment, competition, public procurement, privatization processes, access to finance, investment, trade, sustainable development, innovation, education and training, labour policies, public health, asylum, migration policies, agriculture and rural development and financial sector policies
5. **Budget and duration?** The financial envelope for the implementation of the SRSP shall be up to **142, 8 million euro** for the period 1 January 2017 to 31 December 2020
6. **CPMR potential concerns**
 - Using ESI Funds as a pool of money for objectives other than cohesion
 - Resources taken from ESI funds Technical Assistance harm the capacity of regional authorities and the implementation of ESI programmes and projects, whilst being inconsistent with other Commission actions
 - Efficient or Better Public Administration is already the objective of TO11, which covers many of the SPRS eligible areas. Complementarities, consistency and coordination must be ensured.
7. **Calendar - next steps**

1. What is it?

- It is a proposal for a Regulation establishing a programme supporting technical, administrative, institutional and structural reforms, including through assistance for the efficient and effective use of Union funds
- The programme would run for a period of 4 years - 1 January 2017 to 31 December 2020



- Financial envelope of 142 million euro, deducted from:
 - Technical assistance (TA) resources under the Common provisions regulation (CPR) - Amending Art. 91(3)
 - TA resources under European Agriculture Fund for Rural Development regulation (EAFRD) - Amending Art. 51(1)
 - Voluntary allocations from TA financial resources at the initiative of MS – CPR article 25 to be amended to allow all MS (and not only those under temporary financial difficulties) to transfer part of the technical assistance resources available under article 59 of the CPR. These additional resources might be used to support actions which contribute to delivering the Union strategy for smart, sustainable and inclusive growth exclusively in MS

2. Why?

- The rationale behind this is the **need to create and maintain jobs and growth in the EU**.
- Institutional and structural reforms are considered essential to **remove obstacles to investment**. Moreover, the implementation of structural reforms has been identified as **a Union's priority**.
- As structural reforms are “by their very nature complex processes”, this programme aims at **providing member States with technical assistance to support the implementation of structural reforms**.

Recital (3) *“The Union has identified the implementation of structural reforms among its policy priorities to set the recovery on a sustainable path, unlock the growth potential to strengthen the adjustment capacity, and support the process of convergence”*

3. How?

- On request by MS:
 - Within the dialogue of the European Semester by 31 October
 - The request may relate to three circumstances:
 - Implementation of reforms in the context of economic governance processes (CSRs or implementation Union law)
 - Implementation reforms associated with economic adjustment programmes for MS receiving Union financial assistance
 - Implementation of reforms of MQS at their own initiative to achieve sustainable investment, jobs and growth
 - Decision by Commission
 - Commission analyses based on urgency, breadth or depth of problems identified, support needs for policy areas, analysis of socioeconomic indicators and general administrative capacity
 - Based on transparency, equal treatment and sound financial management
 - Commission with MS will identify priorities, scope and financial contribution
- Extension of technical support to all member States requesting it under auspices of the [Structural Reform Support Service](#) (SRPS). This kind of technical assistance has been already provided to Greece and Cyprus under the auspices of the [Support Group for Cyprus](#) (SGCY) and [Task Force for Greece](#) (TFGR), created in 2011. The TFGR has no specific earmarked budget:



the task force identifies the needs in terms of the transfer of expertise and then mobilises resources from Commission technical assistance budgets (for cohesion policy instruments) and/or propose the use of unallocated resources from cohesion policy funds earmarked for Greece. The Task Force is there to coordinate this expertise and ensure it is used to meet concrete needs. In many cases, it is the Task Force itself – sometimes with other Commission services – that provides the TA.

- Types of actions covered
 - Seminars, conferences and workshops
 - Working visits
 - Studies, research, analyses and surveys
 - Evaluations and impact assessments
 - Project preparation, implementation and appraisal
 - It capacity building
 - Expertise related to policy advice, policy change, legislative, institutional, structural or administrative reform
 - Provisions of resident experts
 - Organisation of operational support on the ground on areas such as asylum, migration, border control

- The Service

It is a permanent capacity with a wider mandate, offering tailored expertise and practical technical support to any Member State that requests it. It will provide practical support and guidance to implement key reforms, particularly those set out in our country-specific recommendations. The service has been up and running since July 2015, based at the EC Secretary-General and is run by Maarten Verwey, former Deputy Director General DG ECFIN.

4. Which areas of support are eligible?

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| - budget and taxation | - access to finance |
| - public function | - trade |
| - institutional and administrative reforms | - sustainable development |
| - the justice system | - innovation |
| - anti-fraud, anti-corruption and anti-money laundering | - education and training |
| - business environment | - labour policies |
| - private sector development | - public health |
| - investment | - asylum |
| - Competition | - migration policies |
| - public procurement | - agriculture and rural development |
| - privatization processes | - financial sector policies |

5. Budget and duration proposed?

- **Financial envelope** for the implementation of the SRSP shall be up to **EUR 142, 800, 000** (current prices)
- Period 1 January 2017 -31 December 2020



6. CPMR potential Concerns

- **Using ESI Funds as a pool of money for objectives other than cohesion:** removing funds from technical assistance to divert them to implementation of CSRs and structural reforms is worrisome since ESI funding appears to be regarded as a pool of money at the disposal of the political priorities of the Commission and not as the funds aiming at achieving economic, social and territorial cohesion and regional development.
- **Resources taken from ESI funds Technical Assistance harm the capacity of regional authorities and the implementation of ESI programmes and projects, whilst being inconsistent with other Commission actions** - Resources are taken from ESI funds Technical Assistance - intended to strengthen the management of ESI funds- to support institutional, administrative and structural reforms in line with the CSRs. Low-fund absorption is frequently closely linked with the administrative capacity of regional and national administrations and authorities. Removing and reducing ESI TA is not only harmful for the capacity of regional and national authorities and the implementation of ESI fund programmes and projects (and their results) but it is also far from consistent with the efforts from the European Commission, who launched the Task Force on Better Implementation in late 2014.
- **Efficient or Better Public Administration is already the objective of TO11, which covers many of the SPRS eligible areas. Complementarities, consistency and coordination must be ensured.** The 11th thematic objective in which Operational programmes have to concentrate has the same objective as this programme, “Efficient or Better Public Administration”: *“to create institutions which are stable and predictable... able to introduce new policy solutions and deliver better services (...) Support for public administration reforms through Cohesion Policy is linked to Country Specific Recommendations.”* The key actions financed under this thematic objective to strengthen institutional capacity and the efficient public administration and public services must be related to the ESF, the ERDF and the Cohesion Fund in the fields of better legislation, administration services, human resources, employment, education, health, social policies, and social inclusion; many of these policy areas are also foreseen in the SRSP. How could complementarities, consistency and coordination be ensured while avoiding duplicity?

7. Calendar – next steps

- **European Commission’s legislative proposal published November 2015**
- **European Parliament** – REGI Committee appointed as leading committee – Constanze Khrel MEP (S&D Coordinator) and Lambert van Nistelrooij (EPP Coordinator) will be the rapporteurs (decision made on 4 May)
- **Council of the EU** – awaiting European Parliament’s position