



COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION

The Commission's Contribution to the Leaders' Agenda

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SUPPORTING STRUCTURAL REFORMS



"We now have a mechanism that allows us to financially support Member States that are struggling with necessary structural reforms. This aspect of the budget needs to be strengthened, just as I advocate pre-accession assistance to those who want to join the euro area."

European Commission President Jean-Claude Juncker, Portugal, 25 October 2017

The Commission presents a Communication that sets out a vision of how certain budgetary functions that are essential for the euro area and the EU as a whole can be developed within the framework of the EU's public finances of today and tomorrow.

Greater support to structural reforms could be achieved through two complementary legs:

- a) **a new reform delivery tool** to support Member States' reform commitments, and
- b) **technical support for specific actions** at the request of the Member States.

Features of a new reform delivery tool

The Commission intends to propose a new reform delivery tool under the post-2020 Multiannual Financial Framework that would be made available to Member States committing to reforms discussed in dialogue with the Commission and agreed in **reform commitment packages**.

This new reform delivery tool would focus on supporting **those reforms that can contribute most to the resilience of domestic economies** and have positive spill-over effects on other Member States. These include reforms in product and labour markets, tax reforms, the development of capital markets, reforms to improve the business environment as well as investment in human capital and public administration reforms.

The reforms would be identified in multiannual **reform commitment packages**. Once the reform commitment package is agreed, the monitoring and reporting on the implementation of its milestones would be aligned with the European Semester. National Reform Programmes would be the source of information on progress and should provide information on steps towards reform completion. The annual Country Reports produced by the Commission's services would provide an updated assessment of reform progress.

For the **period 2018-2020**, the Commission proposes an amendment to the Common Provisions Regulation. This would allow such a system to be tested in a pilot phase by offering the possibility to Member States to use part of the performance reserve in the current European Structural and Investment Funds to support reforms instead of specific projects.

Providing technical support at the request of a Member State

The Commission proposes to **double the financial envelope of the current Structural Reform Support Programme**, bringing it to €300 million for the period up to 2020. This will allow the Structural Reform Support Programme to respond to the greater than expected number of requests for support from Member States.

This proposal takes the form of an amendment to the Structural Reform Support Programme Regulation.

Based on this experience, the Commission intends to propose a follow-up to the Structural Reform Support Programme under the post-2020 Multiannual Financial Framework.

The Structural Reform Support Programme

The Structural Reform Support Programme aims to finance tailor-made technical support to Member States to help them with their reform plans. It has a budget of €142.8 million for the period from 2017 to 2020. The support is available to all EU Member States, is demand-driven and requires no co-financing.

The technical support covers reforms in the areas of governance and public administration, public financial management, the business environment, labour markets, health and social services, the financial sector and access to finance. It draws on good practices and expertise from across the European Union, as well as from international organisations, the private sector and the Commission.

The programme is implemented by the Commission's Structural Reform Support Service in cooperation with other Commission services and mobilises experts from all over Europe and beyond.

Next steps

