

ANNEX

Regulation (EU) No 2017/825 of the European Parliament and of the Council of 17 May 2017, on the establishment of the Structural Reform Support Programme - Work Programme for 2017

Part I – The SRSP outlook for 2017

1.1. Introduction

Sound regulatory and institutional environment and a smoothly-functioning economy are essential for making gains in competitiveness, encouraging investment, fostering employment creation, ensuring sustainable growth and rising living standards across the EU Member States. Many EU economies have been undergoing and continue to undergo adjustment processes to correct macroeconomic imbalances accumulated in the past and many are facing the challenge of low potential growth. 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. This has been emphasised once again in the Annual Growth Survey 2017 (AGS 2017), which calls for "*pursuing an economic policy based on the virtuous triangle of boosting investment, pursuing structural reforms, and ensuring responsible fiscal policies*".¹

Reforms must be well-designed, legislated and effectively implemented. The overall successful implementation of reforms requires efficient and effective public administrations as the latter influence the performance of all public policy domains, including reform efforts. For this reason, addressing the structural challenges of public administrations (e.g. in terms of competences, mobility, incentives, changes to work processes, etc.), especially developing adequate institutional and administrative capacity, is crucial for underpinning the success of reforms in other areas.

Ownership of structural reforms by the Member State concerned is essential for their successful implementation. The new Structural Reform Support Programme (the "SRSP") offers interested Member States support to carry out reforms, but ultimate decisions on design, structure and implementation of reforms in question belong to the Member States themselves. It is up to the Member States benefitting from the technical support to make the best use of the support provided to them.

SRSP objectives and process

Regulation (EU) No 2017/825 (the SRSP Regulation) sets up a new programme, the SRSP, with the general objective of contributing "to institutional, administrative and growth-sustaining structural reforms in the Member States by providing support to national authorities [...]" (Article 4). This support is intended to help reform and strengthen institutions, governance and public administration, as well as to assist with the

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee the Committee of the Regions and the European Investment Bank "Annual Growth Survey 2017", COM(2016)725 final.

implementation of reforms in economic and social sectors in response to economic and social challenges, all with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation, and investment, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds.

The specific objectives of the SRSP vis-à-vis the national authorities, as set out in Article 5 of the SRSP Regulation, are to: (i) support their initiatives to design their reforms according to their priorities; (ii) enhance their capacity to formulate, develop and implement reform policies and strategies and pursue an integrated approach; (iii) support their efforts to define and implement appropriate processes and methodologies; and (iv) assist them to enhance the efficiency and effectiveness of human resources management. The support therefore covers all stages of reforms, from inception to implementation and to evaluation of results.

In accordance with Article 7 of the SRSP Regulation, support under the SRSP can be provided only upon request from a Member State. Requests for support "may be submitted regarding the following: (a) the implementation of reforms by Member States undertaken at their own initiative, in particular to achieve sustainable economic growth and job creation; (b) the implementation of economic adjustment programmes [...]; and (c) the implementation of growth-sustaining reforms in the context of economic governance processes, in particular of country-specific recommendations in the context of the European Semester, or of actions related to the implementation of Union law."

After the entry into force of the SRSP Regulation on 20 May 2017, the Commission, notably its Structural Reform Support Service (the "SRSS"), received requests from 16 Member States for well over 200 support measures.

The requests, following clarifications where needed with the Member State concerned, have been analysed in terms of their eligibility and compliance with the criteria and principles set out in Article 7(2) of the SRSP Regulation. This assessment also took into account whether actions to be implemented under the SRSP overlap with those implemented under other Union instruments in the Member States concerned, in particular with measures financed by Union funds, with a view to avoiding double funding and ensuring complementarity.

On the basis of this assessment, around two thirds of eligible support measures for 16 Member States can qualify for funding under the SRSP. In accordance with Article 7(2) second paragraph of the SRSP Regulation, the Commission should come to an agreement with the Member States concerned on the priority areas, the objectives, an indicative timeline, the scope of the support measures to be provided and the estimated global financial contribution for such support. These elements, reflected for each Member State concerned in a Cooperation and Support Plan, provide the basis of this Annual Work Programme.

1.2. Priority areas for intervention in 2017

In accordance with Article 5(2) of the SRSP Regulation, the technical support in relation to structural reforms may relate, *inter alia*, to the following broad public policy areas:

(a) public financial and asset management, budget process, debt management and revenue administration;

(b) institutional reform and efficient and service-oriented functioning of public administration, including, where appropriate, through the simplification of rules, effective rule of law, reform

of the justice systems and reinforcement of the fight against fraud, corruption and money laundering;

(c) business environment (including for SMEs), re-industrialisation, private sector development, investment, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for innovation and digitalisation;

(d) education and training; labour market policies, including social dialogue, for the creation of jobs; 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;

(e) policies for implementing climate action, promoting energy efficiency and achieving energy diversification, as well as for the agricultural sector, fisheries and the sustainable development of rural areas; and

(f) financial sector policies, including the promotion of financial literacy, financial stability, access to finance and lending to the real economy; the production, provision and quality monitoring of data and statistics; and policies aimed at combating tax evasion.

Against this background, the priorities for support measures under the SRSP work programme for 2017 have been set on the basis of the Member State requests for support that were assessed as qualifying for funding. Around 90% of the requests concern support for the implementation of reforms contributing to the achievement of strategic policy priorities, as set out under the European Semester framework for policy coordination or under the Union-wide policy initiatives, such as the Single Market Strategy, the creation of Digital Single Market, the Energy Union or the Capital Markets Union. The remaining requests refer to reforms to be undertaken at the initiative of Member States to achieve sustainable economic growth and job creation.

Overall, the SRSP priorities for 2017 reflect all six areas set out in Article 5(2) of the SRSP Regulation and are as follows (grouped by thematic area)².

Revenue Administration and Public Financial Management

The SRSP will support measures in 10 Member States, in particular in relation to revenue administration, budget preparation and spending reviews, budget implementation and transition towards accrual accounting, and fiscal framework and statistics.

Governance and Public Administration

The SRSP will support measures in 8 Member States, in particular in the fields of overall public administration, procurement, eGovernment, judicial system, and fight against fraud, corruption and money laundering.

² For presentation purposes: support for policies for implementing climate action, promoting energy efficiency and achieving energy diversification are included under the support area of "growth, business environment and sectoral policies"; support for policies aimed at combating tax evasion are included under "revenue administration and public financial management"; and support for public procurement is included under "governance and public administration".

Growth, Business Environment and Sectoral Issues

The SRSP will support measures in 14 Member States, in particular in the fields of investment climate, management of natural resources and resource efficiency, and Energy Union.

Labour Market, Health and Social Services

The SRSP will support measures in 12 Member States, in particular in the fields of health systems, education and training, labour markets and social welfare systems.

Financial Sector and Access to Finance

The SRSP will support measures in 13 Member States, in particular in the fields of capital-market diagnostics and strategies, capital market development, insolvency, financial stability, and means of payments.

The above priorities for intervention are detailed in the following sections.

1.2.1. Revenue administration and public financial management

a) Priorities for the year

A first important area of funding relates to **revenue administration**. At the level of the Union, the Commission is ready to take the necessary measures to ensure a system of fair taxation³ across the EU, which, *inter alia*, requires inefficiencies in revenue administration to be addressed. Various Member States requested support to improve their tax administration, structures and processes. These requests are most often aligned with country-specific recommendations to improve tax compliance/tax administration/tax collection under the European Semester. They are also in line with the initiatives under the 'Action plan on VAT, towards a single EU VAT area - Time to decide'⁴, notably with regard to capacity-building inside tax administrations. Support measures under the SRSP will be closely coordinated with actions under the FISCALIS programme.

Based on the Member-State requests, an important part of the funding in 2017 will support **spending reviews and budget preparation**. In its Annual Growth Survey for 2017, the Commission emphasised the Member States' "need to focus on the quality and the composition of budgets (both revenue and expenditure) in order to maximise the impact on growth. Spending reviews are widely recognised as a helpful tool to that effect"⁵). Apart from support for spending reviews and other tools to optimise budget resource allocations, support on possible improvements in medium-term budget-framework preparation is also planned.

³ Annual Growth Survey for 2017, box 2.

⁴ COM(2016) 148 final, Communication from the Commission to the European Parliament, the Council and the Economic and Social Committee, 'Action plan on VAT, Towards a single EU VAT area - Time to decide.

⁵ COM(2016) 725 final.

Improvements in the **budget implementation process**, notably through **transition towards accrual accounting**, are also an important priority. Accrual accounting represents an important tool for improving the accuracy and reliability of financial information. Actions in this field will build upon expertise acquired by EUROSTAT and will be coordinated under the specific tools developed by EUROSTAT.

Finally, regarding the area of **fiscal framework and statistics**, support will be provided for measures aimed at building capacity within a statistical institute of a Member State.

b) Objectives pursued

The support measures to be put in place under the SRSP in the field of **revenue administration** aim in particular at enhancing Member-State capacity to raise revenue by increasing voluntary compliance from taxpayers, and by putting in place effective risk assessment tools and control/audit strategies.

In the field of **budget preparation**, the support measures to be put into place under the SRSP aim at enhancing Member-State capacity to conduct spending reviews – both comprehensive and sectoral. The support for spending reviews has the objectives of: a) improving budget preparation process; b) ensuring better quality public expenditure and increasing the efficiency of public spending; and c) contributing to sustainable expenditure-based consolidation of the budget.

In the field of **budget implementation**, the SRSP will support reforms that aim to achieve a more performance-oriented and more transparent budget framework, including transition towards accrual accounting. This has the goal of contributing to better use of public funds and increased transparency and quality of decisions pertaining to the allocation of public money.

In the field of **fiscal frameworks and statistics**, the SRSP will support capacity building within a statistical institute.

c) Expected results

In the area of **revenue administration**, the different support measures are expected, in general, to contribute to improving tax administration and increasing voluntary tax compliance. More specifically, the support provided by the SRSP is expected to help identify areas of non-compliance, strengthen the capacity of tax administrations to conduct more effective tax audits and to use audit resources more effectively. They should also help set up more efficient systems for exchange of information with taxpayers and help reduce the number of judicial settlements of disputes.

In the area of **spending reviews and budget preparation**, the support to be provided is expected to help achieve a reinforced and structured capacity of both ministries of finance and line ministries to conduct spending reviews and realise structural improvements in the budget preparation process.

In the area of **budget implementation and transition towards accrual accounting**, the support to be provided is expected to contribute to a more effective budget implementation process, including more transparent and accurate financial statements and accounting information.

In the area of **fiscal framework and statistics**, the support to be provided is expected to help a statistical institute achieve more effective capacity to implement the EU acquis in statistics.

1.2.2. Governance and Public Administration

a) Priorities for the year

In the area of **governance**, support under the SRSP will focus on improving the coordination of the work across ministries in particular regarding the implementation of reforms. Improved supervision and auditing of the work performed by State entities is also a key element of the continuous **fight against fraud and corruption**.

Based on various Member-State requests, funding will support the **fight against money-laundering and the financing of terrorism**. This is an important priority for the Commission, underpinned by the EU Directive on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AML/CFT Directive⁶).

Professionalization of **public procurement** is one of the key priorities under the EU directives on public contracts and concessions⁷. Following requests from several Member States, support is to be provided to enhance national administrative capacities, and develop specific aspects of public procurement, such as procurement processes in the areas of innovation and R&D.

A large number of the requests received from Member States include a "**digital**" or ICT component to enable the transformation of public administrations. In the area of eGovernment/Digital Public Administration, funding will therefore support enabling actions required for the successful implementation of national Digital Strategies and in particular the *IT consolidation* efforts of Member States. The "EU eGovernment Action Plan 2016-2020"⁸ refers to a number of initiatives to accelerate the digital transformation of public administrations and the new European Interoperability Framework⁹ provides important guidance to allow governments to become open, efficient and inclusive, providing borderless interoperable, personalised, user-friendly, end-to-end digital public services to all citizens and businesses in the EU. The consolidation of IT function and IT infrastructure can lead not only to lower operating costs but, more importantly, to better services for citizens and civil

6 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC.

7 Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts; Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

8 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government (COM(2016) 179 final)

<https://ec.europa.eu/digital-single-market/en/european-egovernment-action-plan-2016-2020>

9 Communication from the Commission to the European Parliament, the Council, the European Economic Social Committee and the Committee of the Regions: European Interoperability Framework – Implementation Strategy (COM(2017) 134 final)

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017DC0134>

servants. A consolidated IT function in the public administration also paves the way for taking advantage of technological innovations.

Support in the area of **judicial reform** will focus on three strands: 1) underpinning capacity building of the judicial administration to pilot the reform of the judicial institutions and the implementation of policies; 2) enhancing the quality of the judicial systems; and 3) enhancing the independence of the judicial systems. The support will take account of the information elaborated in the "EU Justice Scoreboard of 2017"¹⁰ and in the European Semester country reports. Effective justice systems support economic growth and defend fundamental rights.

b) Objectives pursued

On **governance**, the Commission is ready to help Member States improve the functioning of their administrations in terms of the cost and quality of public services. The specific objectives include the development and standardisation of internal audit and internal control, better management and control of public sector organisations through the improved monitoring of processes and structures. Communication on the overall objectives and design of reforms and the supervision of their implementation are also a goal of the support.

The support measures in the area of **the fight against money laundering and financing of terrorism** aim to strengthen the capacity of the relevant stakeholders to improve the management of risks related to money laundering and financing of terrorism.

Support in the area of **procurement** aims to map the current situation in terms of resources and processes, identifying weaknesses, exchanging best practices and providing recommendations for the improvement of the public procurement workforce, including its capacity to integrate innovation and R&D elements in public procurement schemes.

Support measures in the area of **eGovernment/Digital Public Administration** aim to enhance Member-State capacity to accelerate the digital transformation of public administrations by building on the expertise of more developed public administrations and institutions and taking advantage of actions developed by the ISA² programme¹¹. This should help Member States to better deliver on public-administration modernisation efforts, by offering a responsive and high quality IT function.

Support measures in the area of **judicial reforms** aim in particular at: a) enhancing the capacity of Member-State judicial institutions to prepare judicial reform strategy, identify reform priorities and support the steering of the reform in coordination with relevant stakeholders; b) increasing the quality of judicial systems by enhancing the capacity of judges and Court staff through training and professional development schemes; and through improvement in the quality of treatment of victims and creation of adapted structures and services; and c) enhancing the independence of the judicial systems through the setting up of performance assessment tools and better selection procedures for Court staff and judges. In

¹⁰ http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm

¹¹ Decision (EU) 2015/2240 of the European Parliament and of the Council of 25 November 2015 establishing a programme on interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA² programme) as a means for modernising the public sector https://ec.europa.eu/isa2/isa2_en

addition, support also aims to accommodate the needs of vulnerable people regarding access to the justice system.

c) Expected results

Technical support is expected to contribute to improving the quality of the work performed in the public administration, e.g. **modernised human resources policy and enhanced efficiency of public management**. Better implementation of reforms by Member States is expected to be helped also through support for better communication and monitoring of reforms. Better coordination of public-sector entities and a focus on better accessibility should, in turn, result in an improved level of service provision to citizens. Overall, support is expected to contribute to better-quality of public management in the public sector.

In the area of **the fight against money laundering and the financing of terrorism**, the support measures are expected to raise awareness among public and private sector organisations, enhance the capacity for investigation and prosecution and that of the supervisory institution staff, who deal with cases and transactions, and to improve the quality of cooperation between the relevant entities at national and European levels.

The support to be provided in the area of **procurement** is expected to enhance the capacity of national contracting authorities to prepare, launch and monitor sound tendering procedures, possibly leading to better implementation of the relevant EU legislative framework. In particular, national public procurement experts should be in a position to design tendering procedures in a more strategic, but also sound and transparent, way. In addition to the above, they should be able to better deliver on more specific and relevant dimensions thereof, such as R&D, green or social procurement.

The support measures in the area of **e-Government/Digital Public Administration** are expected to contribute to improving the ICT maturity of Member States, enabling them to deliver better e-services to citizens and to deploy suitable back-office solutions supporting a transformed, open, transparent and efficient public service.

The support measures in the area of **judicial reform processes** are expected to contribute to the definition of a strategic vision for the long-term and clear reform actions to be implemented, with a focus on the coordination of the various parts of the judicial system; concretely, this is expected to contribute to an improvement of the effectiveness of the judicial system. The support is also expected to contribute to the enhancement the quality of the work of the judges and Court staff and the independence of the judicial systems. Finally, support should achieve specific goals, in particular the protection of specific, vulnerable people such as children.

1.2.3. Growth, business environment and sectoral issues

a) Priorities for the year

The improvement of the **investment climate** and the closure of the **investment gap** are key priorities. Strengthening economic recovery and investing strongly are among the Commission priorities. The Annual Growth Survey for 2017 calls upon Member States¹² to

¹² Annual Growth Survey for 2017, page 5.

increase their efforts in boosting investment, productivity and innovation, tackling barriers to investment at both national and regional levels, developing opportunities for EU businesses to benefit from global markets, deepening of the single market and infrastructure and making national markets bigger. Various Member States have requested support to bolster productivity and innovation in sectors such as digital economy, transport and trade, to improve the functioning of the goods and service markets, to promote regional development, and to ease the time and efforts of business in dealing with public administration. Many of these initiatives are in line with strategic policy priorities, such as the Investment Plan, the Single Market Strategy, the Digital Single Market, the Better Regulation Agenda and the State Aid Modernisation, as well as with country-specific recommendations under the European Semester.

In the area of **public assets**, the Annual Growth Survey for 2017 argues that the low financing costs make it an ideal time for the Member States to frontload public investments. The Annual Growth Survey for 2017 also highlights that in some Member States where state-owned enterprises exert tangible impact on the economy, it is important to ensure appropriate governance structures to contribute best to economic development. In line with this analysis and with country-specific recommendations issued under the European Semester, various Member States have requested support to leverage public investment for growth and public services and to improve the management of state-owned enterprises (SOEs).

Regarding **natural resources**, and in particular environmental protection, the Annual Growth Survey for 2017 emphasises that sustainable investments boost productivity across the economy, through enhanced resource efficiency. Important sectors for improved resource efficiency include water infrastructure and sustainable construction. Various Member States have requested support to better manage natural resources such as forests and water and to improve their capacity to plan and monitor sustainable and spatial development of the environment and urban and maritime areas, including through the use of digital tools. These requests are closely aligned with strategic policy priorities, such as the circular economy, sustainable investments and the Environmental implementation Reviews¹³.

The **Energy Union** is one of the 10 priorities of the Commission. Following the publication of the "Clean Energy for all Europeans" package¹⁴ in November 2016, the Commission emphasised in its second "State of the Energy Union" report that the focus must now turn to the implementation of both the existing and the new Energy Union legislation. In line with the Energy Union and the transition towards a low-carbon economy, various Member State have requested support for the development of national energy and climate plans, the achievement of renewable energy targets, the promotion of energy efficiency, and the monitoring of energy poverty.

b) Objectives pursued

In the area of **investment climate**, the support measures to be put in place under the SRSP aim to contribute to Member-State efforts to bolster productivity and competitiveness. This

¹³ http://ec.europa.eu/environment/eir/index_en.htm

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee the Committee of the Regions and the European Investment Bank "Clean Energy for all Europeans" COM(2016)860 final

includes promoting private investment; supporting better regulation, reducing the administrative burden for small-and-medium-sized enterprises (SMEs), and removing unjustified restrictions on regulated professions; unblocking sectoral barriers to transport, trade, innovation, and regional development; and reinforcing independent regulators and improving the management of state aid.

In the area of **public assets**, the support measures to be put in place under the SRSP aim to contribute to achieving more effective and efficient public investment. This includes improving public investment management and strengthening the governance and restructuring of SOEs.

In the area of **natural resources**, the support measures to be put in place under the SRSP aim to contribute to achieving sustainable development. This includes improving the monitoring and management of natural resources; promoting urban development; strengthening sustainable investments; and improving the implementation of environmental legislation.

In the area of **energy**, the support measures to be put in place under the SRSP aim to contribute to developing the Energy Union and the transition to a low-carbon economy. This includes preparing integrated National Energy and Climate Plans; improving measurement of energy savings and energy poverty; designing and adapting regulatory requirements in the field of renewable energies and distributed closed systems; leveraging private sector investments in the area of energy efficiency; and facilitating the cooperation between Member States for reaching renewable energy targets.

c) Expected results

In the area of **investment climate**, the different support measures are expected to, *inter alia*: contribute to various reform efforts being carried out in Member States, namely: promote private investment and strengthen foreign direct investment attraction processes; improve the application of better regulation principles (by reducing gold plating of EU regulations in national legislation); reduce the administrative burden for SMEs; reduce unjustified restrictions on regulated professions; unblock barriers to the development of transport, promote digital tools and set up an alternative fuel infrastructure; promote international trade (by setting up an export credit guarantee schemes); boost innovation (by upgrading the evaluation system for research, development and innovation schemes, setting up an open laboratory to test bed new technologies for SMEs and start-up), improve the analysis of productivity; support a pilot project on special economic zones, thereby promoting regional development; reinforce the independent regulator; and improve state-aid processes (by upgrading the national aid registry).

In the area of **public assets**, the different support measures are expected to, *inter alia*: contribute to: improving the preparation of public investment (e.g. by strengthening the ex-ante assessment process); strengthening the governance and restructuring of SOEs and SOE management; and building public-sector capacity for enterprise restructuring.

In the area of **natural resources**, the different support measures are expected to, *inter alia*: contribute to: improving the management of natural resources (by applying digital construction to public real estate), upgrading the environmental monitoring system, reforming the monitoring system for forests and protected areas, and raising awareness on the sustainable use of maritime space and the coastal zone; strengthen water management; strengthen urban development (by integrating information and communication technology and internet-of-things technology into the management of cities); and improving the

implementation of environmental legislation (by strengthening the strategic environmental assessment process in spatial planning).

In the area of **energy**, the different support measures are expected to, *inter alia*, contribute to: improving the quality and reliability of the integrated National Energy and Climate Plans; creating the conditions for energy savings and combatting energy poverty (by improving measurement and monitoring at national level); encouraging decentralised closed renewable energy systems (by setting guidelines for a regulatory framework); promoting energy efficiency (by raising awareness and providing options for a national energy efficiency fund); and enabling compliance with renewable energy targets (by advising on the statistical transfer between Member States).

1.2.4. Labour market, health and social services

a) Priorities for the year

Based on Commission priorities and requests from Member States, the SRSP will support structural reforms ***in the area of health systems***. In view of population ageing and other non-age-related determinants, the Council and the Commission have emphasised the need for sustained reforms of health systems to ensure fiscal sustainability and access to good quality health care services for all¹⁵. In 2017, EU Semester country-specific recommendations related to health systems were issued to nine Member States and, in response to these challenges, nine Member States have requested support in this policy area.

Based on the Member State requests and in line with Commission priorities, an important part of the funding in 2017 will support ***education and training reforms*** (including VET, life-long learning and research). The Commission has adopted three communications since 2016, which emphasise the strategic importance of education and training in the EU, from school to VET and Higher Education. In December 2016, the Commission presented the initiative "investing in Europe's Youth", where the quality of education appears to be a decisive factor for young people's prospects and life chances. The Social Pillar adopted in April 2017 identifies education and skills as a main driver of upward convergence and is thus necessary to preserve and improve our social model. Furthermore, the Annual Growth Survey for 2017 stressed that "*Modernising education and training is necessary to equip people with better skills, ranging from basic skills in numeracy and literacy to entrepreneurial and digital skills*" (...). Finally, in the framework of the European Semester process, education-and-skills-related country-specific recommendations issued over the years call on several Member States to improve the quality, relevance and inclusiveness of their education and training systems.

Based on the Member-State requests and in line with Commission priorities, the SRSP will support ***labour market reforms***. The improvement of the functioning of labour markets remains a key issue for the Union. Despite positive developments in the EU in recent years, unemployment remains far too high in many Member States and the prolonged period of high unemployment is taking a toll in social terms. As the 2017 Annual Growth Survey indicates, Member States need to invest more in creating supportive conditions for greater labour market participation, more quality jobs and effective training and upskilling. These challenges are

¹⁵ See the Annual Growth Survey 2017; Council Conclusions (ECOFIN) on the "EPC- Commission Joint Report on health care and long-term care in the EU" (14182/16))

also reflected prominently in the country-specific recommendations, and the requests from several Member States in the field of labour market policies are related to these challenges.

Based on the Member State requests and in line with Commission priorities, the SRSP will support structural reforms in the field of **social security and social welfare**. Firstly, support will be provided to reforms aimed at improving the adequacy and fiscal sustainability of pension systems, and notably broadening the coverage of supplementary pensions, (whose importance is emphasised by the AGS for 2017). Secondly, the European Pillar of Social Rights calls for a holistic human-rights-based approach to disability, in line with the UN Convention on the Rights of Persons with Disabilities (UNCRPD), and emphasised by the AGS 2017¹⁶. Accordingly, Member States will be supported in the reform of their disability policies, with a particular focus on the disability assessment process. Thirdly, the measures selected for funding will contribute to more effective and efficient income support schemes and social services, addressing related country-specific recommendations in this area. Finally, the AGS for 2017 calls for efficient and transparent public administration to deliver high quality services for citizens. Under the SRSP, support will be provided across different social policy areas to help strengthen the administrative capacity at both national and local levels.

b) Objectives pursued

The support measures provided for **health systems** aim to improve the ability of Member States to translate health policies into more effective delivery of health care services, as well as to support sustainable and comprehensive access to quality care. The specific objectives of support measures are to: i) enhance the institutional capacity for health systems governance of the Ministries of Health and associated public entities, including eHealth governance; ii) improve health-system financing including purchasing, procurement and remuneration mechanisms; iii) enhance the (cost-) effectiveness of service delivery throughout the whole chain of public care; and iv) improve access to care and quality of care.

The SRSP will support the reform policies in **education and training (including VET, life-long learning and research)** in order to improve the quality and efficiency of Member-States education systems. The support measures notably aim to ensure the relevance of policy reforms and facilitate their implementation, with the ultimate objectives of widening access to education; improve the quality and relevance of education programmes; increase inclusiveness; adapt administrative and operational structures; increase transparency and accountability, and improve monitoring, assessment tools and quality assurance systems, *inter alia*.

The support measures under the SRSP in the area of **labour market policies** aim at enhancing the capacity of Member States to: (i) provide relevant and adequate Active Labour Market Policy (AMLMP) measures to unemployed people; (ii) combat undeclared work and the segmentation of labour markets; and (iii) address supply gaps in the labour market, including through labour immigration and policies targeted at highly skilled people. The SRSP support measures also aim to contribute to improved administrative and analytical capacities of labour market administrations (including through the creation of tools for better monitoring and evaluation of labour market policies and the modernisation of IT systems and registries).

The support measures to be put in place under the SRSP in the area of **social security and social welfare** aim at contributing to the reforms of national social protection systems in

¹⁶ As stated in the AGS 2017, "efforts should be enhanced to ensure focus on abilities instead of disabilities."

various ways. In the field of pensions, the objective is to support the strengthening of the adequacy and sustainability of pensions systems (including through a review of the regulatory framework for supplementary pension schemes and improving the capacity and tools to design policies). The support for the reform of disability benefit systems aim in particular to contribute to more efficient, transparent and inclusive disability assessment methodologies and to more efficient processes. In the area of social welfare, the envisaged measures aim to help to: (i) improve the collection and processing of administrative data; (ii) review the effectiveness and efficiency of existing benefits and services; and (iii) modernise their administration and provision. Across the different social policy fields, support measures will support: (i) a review and integration of IT systems and databases and the provision of e-services to citizens; and (ii) a strengthening of analytical capacities and tools to design, implement and monitor policies.

c) Expected results

In the area of health systems, the measures are expected to contribute (through concrete recommendations, tools and hands-on support) to: i) improving the monitoring and planning of physical, human and financial resources; ii) strengthening the capacity of health-related public administration; iii) improving health technology assessment, financing arrangements and service delivery at the levels of primary care and specialized care hospital care; iv) improving patient safety and quality of care; v) institution building for public procurement bodies in the health sector; and vi) capacity building in eHealth and for investment in health infrastructure.

In the area of ***education and training***, the different support measures are expected to contribute (through concrete recommendations, practical advice and guidance) to: improving the quality, relevance and efficiency of concerned Member States education and training systems (this should be achieved inter alia by: preparation of legislative proposals; design of new structures and tools; design of student support programmes; proposal for new education programmes; and revision of national qualification systems and specific plans to upgrade vocational education and training offer and structures).

In the area of ***labour market policies***, the different support measures are expected to contribute to: (i) increasing the quality and targeting of ALMP measures; (ii) strengthening the link between ALMP measures and the skills of job-seekers; (iii) assessing and addressing existing supply gaps in labour markets; and (iv) evaluating and addressing the drivers of undeclared work. The support measures are also expected to contribute to enhancing the analytical capacity of various Member States in this area, including through: (i) systematic collection of data needed for policy design purposes; (ii) new IT systems; and (iii) analytical tools to assess and predict labour market developments.

In the area of ***social security and social welfare***, the support measures are expected to contribute, in the field of pensions, to broadening the take-up of supplementary pension schemes and enhancing capacity to design pension reforms. The support provided on the reform of disability assessment schemes is expected to contribute to the preparation of relevant changes necessary for reform implementation. In the field of social welfare, the measures to be put in place under the SRSP are expected to contribute to enhancing the capacity of the relevant authority to prepare, monitor, and evaluate reforms of relevant social policies and services. In various social policy areas, the SRSP support measures are expected

to contribute to enhancing analytical capacities and achieving more integrated and interconnected IT systems.

1.2.5. Financial sector and access to finance

a) Priorities for the year

Various Member States requested support for developing **capital market diagnostics and strategies** and funding in 2017 will be utilised to support these Member States with their efforts. In the Mid-Term Review of the Capital Markets Union Action Plan 2017, the Commission identified as a priority action that "By Q2 2018, the Commission will propose a comprehensive EU strategy on steps that can be taken at EU level to support local and regional capital market development across the EU. This will build on the report of the Vienna¹⁷ Initiative's CMU Working Group and will take account of experience through the growing delivery of on-demand technical support under the Commission's Structural Reform Support Programme.¹⁸"

In line with the objectives of the Capital Markets Union Action Plan 2015¹⁹, Member States across the EU are seeking to develop their local capital markets. Given the high number of Member State requests received in this area to support the implementation of well-targeted reforms, a significant amount of funding will be utilised to support **capital market development**.

Over previous years, there has been a significant number of country-specific recommendations in the area of insolvency and addressing private debt overhang. Given the impact on attracting investment and resolving non-performing loans, the Commission is ready to assist Member States to put in place fair and efficient insolvency procedures and building administrative capacity in this area. A portion of funding in 2017 will be utilised for support to the area of **insolvency**.

Given the significant steps taken over the preceding years to introduce EU legislation to address financial stability risks, a number of Member States have sought support for implementing specific actions to **reinforce financial stability** within their jurisdiction. An important area that funding will support is to assist Member States to implement and integrate the EU legislation in this area.

In the area of **means of payments**, based on the requests from Member States, funding in 2017 will be used to support Member-State efforts to better manage the cash cycle and develop and implement electronic payment plans.

b) Objectives pursued

¹⁷ <http://vienna-initiative.com/>

¹⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Mid-Term Review of the Capital Markets Union Action Plan COM(2017) 292 final, pg. 17

¹⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Action Plan on Building a Capital Markets Union COM(2015) 468 final

The support measures in the area of **capital market diagnostics and strategies** will aim at identifying impediments to the development of national capital markets, both across capital markets as a whole and in specific sectors, and will identify reform priorities based on these impediments. Where requested, these reform priorities will be embedded into a strategy for the development of the national capital markets.

In the area of **capital market development**, the objective of the support is to assist the national authorities with introducing concrete legislative or regulatory reforms that will remove impediments to the development of the national capital markets. Furthermore, where requested, measures will be targeted to increase the administrative capacity of the national authorities to supervise capital market entities.

Measures put in place in the area of **insolvency** will have as their objective supporting Member States in their efforts to improve the functioning of their insolvency system. This will be achieved via both capacity building of actors who operate within the insolvency system, in order to increase the capacity of such actors to perform their tasks, and a targeted identification of impediments, in order to inform Member States of areas of possible improvements.

The support measures to be put in place under the SRSP in the area of **reinforcing financial stability** will aim at enhancing the capacity of the Member State to maintain financial stability, in particular by increasing the supervisory capacity of the authorities to consider, assess and handle financial stability risks.

In the area of **means of payments**, the objective of the support is to allow Member States to better understand and manage the means by which payments are made within their territory and to manage the implications of such payments. This support aims to lead to a greater use of electronic payments and an enhanced understanding of the cash management cycle in supported Member States.

c) Expected results

In the area of **capital market diagnostics and strategies**, the different support measures are expected to result in a diagnosis of the current situation in the area of capital market development in several Member States and feed into national strategies to develop their capital markets. These diagnoses and strategies are expected to contain policy recommendations for decision-makers to improve the legal and regulatory environment in order to help mobilise capital. This is ultimately expected to lead to legal and regulatory changes that will result in a greater amount of long-term capital being available to companies.

Supporting Member States with their efforts for **capital market development** is expected to contribute towards building national capital markets, improving access to finance for companies, in particular for SMEs, and improving financial stability by diversifying funding sources. This should ultimately result in a more efficient allocation of capital within the economy.

The expected results out of the support measures in the area of **insolvency** are a more efficient insolvency process, with reduced decision times and better outcomes via a strengthened capacity of insolvency actors to conduct their tasks. The targeted identification of impediments should result in a better understanding by the national authorities of potential areas for improvement.

Support measures to **reinforce financial stability** are expected to lower potential financial stability risks within supported Member States and to increase the authorities' capacity to handle risks that materialise.

In the area of **means of payments**, the different support measures are expected to: (i) contribute to a greater use of electronic payments, thereby increasing tax compliance, increasing government revenue and a greater awareness amongst the population of the availability of electronic payments; and (ii) where requested, allow national authorities to take better informed decisions on the cash management cycle (e.g. by a comprehensive feasibility study for developing a cash centre).

In conclusion, and as explained in Part II , based on the requests for support received, analysed, and selected for funding, the allocation of financial resources for support measures by thematic area is summarised in the following table:

	(a) PMF and Revenue administration	(b) Governance and Public Administration	(c) Growth and Business Environment	(d) Labour market, health and social services	(e) Financial sector and access to finance	Total
TOTAL	3480000	1190000	7133800	5758000	4938200	22500000
Of which:						
1) Grants	1690000	755000	3978800	4120000	832000	11375800
2) Indirect management	0	0	250000	0	1710000	1960000
3) Administrative arrangement	0	0	0	0	100000	100000
4) Public procurement	1790000	435000	2905000	1638000	2296200	9064200

Part II – Actions to be financed in 2017

1.1. Introduction

On the basis of the objectives stated in Regulation (EU) No 2017/825 of the European Parliament and of the Council of 17 May 2017, on the establishment of the Structural Reform Support Programme, this work programme contains the actions to be financed and the budget breakdown for year 2017 as follows:

- for grants (implemented under direct management) (1.2): EUR 11 375 800
- for procurement (implemented under direct management (1.3): EUR 9 064 200
- for actions implemented under indirect modes (1.4): EUR 1 960 000
- for other actions (1.5): EUR 100 000

LEGAL BASIS

Regulation (EU) No 2017/825 of the European Parliament and of the Council of 17 May 2017, on the establishment of the Structural Reform Support Programme and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013

BUDGET LINE

- (a) budget line 13.0801: EUR 17 442 912
- (b) budget line 13.0802: EUR 5 057 088

1.2. Grants

1.2.1. Direct Grants to support Structural Reforms in the area of Public Financial Management and Revenue administration

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results for these grants are those of point 1.2.1 of Part I.

Description of the activities to be funded by the grant(s) awarded without a call for proposals on the basis of article 190 of Delegated Regulation (EU) No 1268/2012

Support will be provided to carry out, *inter alia*, the following activities:

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms, such as support in the definition and implementation of a comprehensive tax

- administration reform strategy;
- (b) the provision of experts, including resident experts, for a short or a long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities, such as support to improve budget preparation process and its articulation with spending reviews;
 - (c) organisation of seminars, conferences and workshops;
 - (d) organisation of study visits to relevant Member States [or third countries] on selected topics related to overall revenue administration and public financial management reforms;
 - (e) training actions and the development of online or other training modules;
 - (f) collection of data and statistics, development of common methodologies and indicators or benchmarks;
 - (g) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, notably with regard to Financial Management Information System (FMIS) or IT systems dedicated to revenue administration;
 - (h) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material, for example in the field of tax audit or other core processes of tax administration; and
 - (i) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication.

Essential eligibility, selection and award criteria

Direct grants may be awarded to international organisations or Member-State public bodies and other bodies with a public service mission, which, in view of the nature of the action, have recognised and relevant technical competence, and high degrees of specialisation or administrative power in the field of budget preparation, budget implementation and revenue administration reform. Such entities will be identified on the basis of their specific experience in providing support in the field of budget preparation and budget implementation and in supporting large-scale tax-administration reform processes in recent years in European and neighbouring countries and proven knowledge of the local context. Direct grants may be awarded also to entities which are in a *de jure* or *de facto* monopoly position.

Beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 131(3) of the Financial Regulation, the financial capacity of those

beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 190 (1) (c) or (f) RAP will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

Implementation

Directly by SG-SRSS

Indicative timetable and indicative amount of the grant(s) awarded without a call for proposals

Reference	Date	Amount
Revenue Administration and Public Financial Management	Q4 2017 / Q1 2018	EUR 1 690 000

Maximum possible rate of co-financing of the eligible costs

100%

1.2.2. Direct Grants to support Structural Reforms in the area of Governance and Public Administration

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results for these grants are those of point 1.2.2 of Part I.

Description of the activities to be funded by the grants awarded without a call for proposals on the basis of article 190 of Delegated Regulation (EU) No 1268/2012

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; e.g.: provision of policy inputs on improvement of human resources management in the public administration;
- (b) the provision of experts, including resident experts, for a short or a long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities; e.g. analysis of the situation and provision of experts opinion for the setting-up of a protection mechanism for children facing specific difficulties;
- (c) organisation of seminars, conferences and workshops; in almost all areas of activity; seminars and workshop will prove fundamental for exchanges of views on the situation for testing ideas and for presentation of outcomes;
- (d) organisation of study visits to relevant Member States [or third countries]; e.g. visit to MS to exchange views and good practices on back-office consolidation experiences;
- (e) training actions and the development of online or other training modules; e.g. design training maps, respectively, for auditors and for staff operating at the local level;
- (f) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement reforms, as well as expertise related to programmes geared towards the digitalisation of public services; e.g. provision of short-term expert missions for the drafting of comments/suggestions on avenues for consolidating IT infrastructure resources after evaluation of the situation;
- (g) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; e.g. a detailed analysis in the area of the institutional framework of public-sector organisations, with a view to rationalising them and decreasing their number; and
- (h) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication; e.g. design of targeted communication (web conferences, seminars) with a view to informing stakeholders of new developments in the area of public administration reform and human-resources management.

Essential eligibility, selection and award criteria

Direct grants may be awarded to international organisations and Member-States bodies and other bodies with a public service mission, which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in the field of governance and public administration and, more precisely, in the areas of reform of human resources, state organisation, judicial reform, e-government and transparency. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the above-mentioned areas in recent years in European and neighbouring countries, and proven knowledge of the local context. Direct grants may be

awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

Beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 131(3) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 190 (1) (c) or (f) RAP will be justified in the award decision.

The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

Implementation

Directly by SG-SRSS

Indicative timetable and indicative amount of the grants awarded without a call for proposals

Reference	Date	Amount
Governance and public administration	Q4-2017 / Q4-2018	EUR 755 000

Maximum possible rate of co-financing of the eligible costs

100%

1.2.3. Direct Grants to support Structural Reforms in the area of Growth, Business Environment and Sectoral Issues.

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results for these grants are those of point 1.2.3 of Part I.

Description of the activities to be funded by the grants awarded without a call for proposals on the basis of article 190 of Delegated Regulation (EU) No 1268/2012

Support will be provided to carry out, *inter alia*, the following activities:

- (a) collection of data and statistics, development of common methodologies and indicators or benchmarks; examples: (i) methodology development, data collection and analysis for ex-post assessments of state-aid schemes; (ii) methodology development, data collection and analysis for improvements of the regulatory framework; (iii) benchmarking rules and regulations on regulated professions, including on entry and conduct; and (iv) development of data definitions and information templates on assets, finances, compliance, activities and levels of service in the water sector;
- (b) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: (i) impact assessment of state aid schemes; (ii) impact assessment of rules and regulations; (iii) prioritisation of the most important restrictions for selected regulated professions; (iv) assessment of the robustness and consistency of information submitted by water companies; and (v) development of an inventory of business inspections;
- (c) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms; examples: (i) recommendations for improvements in state-aid schemes; (ii) recommendations for abolition and simplification of unnecessary or disproportionate restrictions for regulated professions; and (iii) recommendations for validation process to ensure the robustness and consistency of information submitted by water companies; (iv) recommendations on legal and regulatory frameworks for closed distribution and self-consumption systems in the area of energy,
- (d) organisation of seminars, conferences and workshops: examples include: (i) capacity building on ex-post state-aid assessments; and (ii) training of the water regulator and water companies on the data and information processes; and
- (e) the provision of experts, including resident experts, for a short or a long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities; examples include: (i) provision of long-term resident energy experts to support the elaboration of the integrated energy and climate plan; and (ii) short-term expert missions to support the implementation of the inspections law.

Essential eligibility, selection and award criteria

Direct grants may be awarded to international organisations and Member-State bodies and other bodies with a public service mission, which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in the field of competition, energy and climate, better regulation, business regulations,

service market liberalization and water. Such entities will be identified on the basis of their specific experience in competition policy, Energy Union, regulatory impact assessment, inspection and licensing systems, regulated professions and economic regulation of the water sector in recent years in European and neighbouring countries as well as their proven knowledge of the local context. Direct grants may be awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

Beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 131(3) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 190 (1) (c) or (f) RAP will be justified in the award decision.

The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

Implementation

Directly by SG-SRSS

Indicative timetable and indicative amount of the grants) awarded without a call for proposals

Reference	Date	Amount
Growth and business environment	Q3-2017 / Q2-2019	EUR 3 978 800

Maximum possible rate of co-financing of the eligible costs

100%

1.2.4. Direct Grants to support Structural Reforms in the area of Labour market, Health and Social Services

Priorities for the year, objectives pursued and expected results

The priorities for the year, objectives pursued and expected results for these grants are those of point 1.2.4 of Part I.

Description of the activities to be funded by the grant(s) awarded without a call for proposals on the basis of article 190 of Delegated Regulation (EU) No 1268/2012

Support will be provided to carry out, *inter alia*, the following activities:

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: provision of institutional and legal advice for setting up a national eHealth Centre; policy advice on the implementation of National Qualification Framework and on implementation of a curricular reform; advice on the design and implementation of the reform of the disability assessment system;
- (b) the provision of experts, including resident experts, for a short or long period, to perform tasks in specific domains or to carry out operational activities, where necessary with interpretation, translation and cooperation support, administrative assistance and infrastructure and equipment facilities; examples: provision of expert mission to build up the capacity of a project implementation unit for large health infrastructure projects; provision of hands-on advice on various aspects related to the establishment and activities of a National Institute of Technology;
- (c) organisation of seminars, conferences and workshops; examples: conference to define the parameters of a reporting system for patient safety; workshop and exchange of best practice on improving VET; workshop on mapping the forms and patterns of bullying and existing inter-institutional cooperation (governmental and non-governmental bodies) on prevention of the different forms of bullying;
- (d) organisation of study visits to relevant Member States [or third countries]: examples: study visits to inform on the set up of a patient safety system; study visits for gathering information about relevant experience of another Member State that has introduced the curricula reform into their education system;
- (e) training actions and the development of online or other training modules; example: training of public administration in the Ministry of Health to improve the capacity to formulate and monitor health policy reforms; preparation of manuals and protocols for new disability assessment approach;
- (f) collection of data and statistics, development of common methodologies and indicators or benchmarks; example: support to enlarge the data base of goods in the health sector by establishing cooperation with other Member States; setting up of an analytical tool for quantitative impact assessment of labour market reforms;
- (h) IT capacity building: expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the reforms, as well as expertise related to programmes geared towards the digitalisation of public services; example: support for the merging of several IT databases needed for the procurement of goods in the health sector; provision of advice on the

development of IT tools in relation to the establishment and activities of National Institute of Technology; support for the development of an integrated management information system in the field of labour administration;

- (i) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: carrying out an analysis of the hospital network and providing recommendations for a new hospital Master Plan; carrying out a study on enlarging competencies of general practitioners; carrying out a study on the magnitude and scope of bogus self-employment; and
- (j) communication projects for learning, cooperation, awareness raising, dissemination activities and the exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and communication; examples: support for the elaboration of a communication campaign in the health sector in view of the establishment of a national eHealth centre; support for the development and implementation of public awareness campaigns on bullying and support in the preparation of media promotion; preparation and organisation of awareness-raising campaigns related to the importance and impact of curricula reform.

Essential eligibility, selection and award criteria

Direct grants may be awarded to United Nations Organizations, other international organizations, Member-State ministries and bodies and other bodies with a public service mission, which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in the field of labour market, health, social services and education. Such entities will be identified on the basis of their specific experience in supporting structural reforms in the areas of health care systems, education and training, labour market and social security and social welfare in recent years in European and neighbouring countries and proven knowledge of the local context. Direct grants may be awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

Beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 131(3) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 190 (1) (c) or (f) RAP will be justified in the award decision.

The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent

to which the proposed outputs present added value in this context; and

– The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

Implementation

Directly by SG-SRSS

Indicative timetable and indicative amount of the [call for proposals²⁰] [grant(s) awarded without a call for proposals] [specific grant(s) directly awarded under (a) framework partnership(s)]

Reference	Date	Amount
Labour market, health, social services and education	From Q3-2017 to Q4-2018	EUR 4 120 000

Maximum possible rate of co-financing of the eligible costs

100%

1.2.5. Direct Grants to support Structural Reforms in the area of Financial Sector and Access to Finance

Priorities for the year, objectives pursued and expected results

The priorities of the year, objectives pursued and expected results for these grants are those in point 1.2.5 of Part I.

Description of the activities to be funded by the grant(s) awarded without a call for proposals on the basis of article 190 of Delegated Regulation (EU) No 1268/2012

Support will be provided to carry out, *inter alia*, the following activities:

- (a) expertise related to policy advice, diagnosing reform needs, policy change, formulation of strategies and reform roadmaps, as well as legislative, institutional, structural and administrative reforms; examples: 1) formulating a capital market development strategy; 2) identifying impediments to capital market developments.
- (b) organisation of seminars, conferences and workshops;
- (c) organisation of study visits to relevant Member States:

²⁰ Indicate when (at least quarter of the year) the call will be published. For calls for proposals aiming at establishing framework partnerships no amount should be specified.

- (d) training actions and the development of online or other training modules;
- (e) collection of data and statistics, development of common methodologies and indicators or benchmarks; and
- (f) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material.

Essential eligibility, selection and award criteria

Direct grants may be awarded to international organisations, which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in the field of: (i) capital market diagnostics and strategies; (ii) capital market development; (iii) insolvency; (iv) reinforcing financial stability; and (v) means of payment. Such entities will be identified on the basis of their specific experience, in the respective field and, specifically, the topic of the respective support measure in recent years in Member States and, where appropriate, major economies and proven knowledge of the local context in the specific Member State where the support measure is to be implemented. Direct grants may be awarded also to entities that are in a *de jure* or *de facto* monopoly situation.

Beneficiaries will demonstrate their financial capacity by proving that they have stable and sufficient sources of funding to maintain their activity during the period of the grant. Operational capacity will be assessed based on thematic experience in the policy field linked to the action.

In accordance with Article 131(3) of the Financial Regulation, the financial capacity of those beneficiaries that are public bodies or international organisations will not be verified.

The award of grants without a call for proposals in accordance with Article 190 (1) (c) or (f) RAP shall be justified in the award decision.

The potential beneficiary will be invited to submit an application which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal, including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

Implementation

Directly by SG-SRSS

Indicative timetable and indicative amount of the grant(s) awarded without a call for proposals

Reference	Date	Amount
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Financial sector and access to finance	Q3 2017 – Q1 2018	EUR 832 000
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Maximum possible rate of co-financing of the eligible costs

100%

1.3. Procurement

The overall budgetary allocation reserved for procurement contracts in 2017 amounts to EUR 9 064 200

1.3.1. Procurement activities for implementation of Structural Reform Support Programme

Subject matter of the contracts envisaged (*study / technical assistance / evaluation / survey / IT / communication services/etc.*)

Based on the requests of the Member States, specific technical support projects will be undertaken in the policy areas referred to in Article 5(2) of the Regulation on the Structural Support Reform Programme for the period 2017- 2020. The contracts may, *inter alia*, be used for studies, provision of technical assistance, carrying out surveys, etc.

Those projects will assist Member-State national authorities in preparing and implementing growth-enhancing administrative and structural reforms. The contracts will serve the priorities and objectives referred to in Part I.

Type of contract (*new FWC / direct contract / specific contract based on an existing FWC / contract renewal*) and type of procurement (*service/supply/works*)

Type of procurement: service contracts.

Type of contracts: direct contracts and specific contracts based both on existing framework contracts and on a new Multiple Framework Contract (FwC) to be awarded for the provision of technical support for the implementation of structural reforms under the Structural Reform Support Programme (SRSP). The Multiple FwC to be signed with several operators will allow for better meeting the SRSP needs.

The maximum amount for this Multiple Framework Contract shall be EUR 10 000 000 and it may be used until 30 June 2019. The call for tender was launched on 02.06.2017 on the basis of Commission Implementing Decision of 12.5.2017 adopting the work programme for the Structural Reform Support Programme for year 2017, constituting a financing decision, C(2017) 3093.

- Indicative number of contracts envisaged Number of small value contracts: 70
Number of specific contracts: 17

Indicative timeframe for launching the procurement procedure

Q3-2017 / Q2-2018

Implementation

Directly by the Structural Reform Support Service and EUR 1 000 000 (under budget line 13.0802) by DG NEAR for the provision of technical assistance under TAIEX to institutions in those Member States that have requested support (e.g., expert missions).

1.3.2. Expert contracts – AMI lists

Overall objective and purpose of the action and expected results: this action covers expenses for technical support provided by experts through simplified expert contracts, implemented under Article 204 of Regulation (EU, Euratom) No 966/2012.

Implementation: Directly by the Structural Reform Support Service.

Indicative timetable and indicative amount of the expert contracts – AMI lists: Q3-2017 to Q1-2018 – EUR 1 241 200

1.4. Actions implemented in indirect management

1.4.1. Indirect Management of European Bank for Restructuring and Development for Improvement of Governance of State-Owned Enterprises (SOEs)

Amount

EUR 250 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD has significant experience in managing technical support in the area of SOE management. The EBRD has a long-standing involvement in Croatia, *inter alia*, in relation to the provision of technical support to SOEs and, thus, has the necessary expertise in this area as well as in the country in order to ensure successful completion of the project. The latest of these engagements is the currently ongoing SRSS-funded project on SOE management. The EBRD is therefore well equipped to act as the implementing entity for the proposed action.

The EBRD may outsource some of the implementation of the action to companies/experts to be hired by it.

Overall objective and purpose of the action

This project builds up on an on-going project from 2016, which focussed on business plan. As a next step, the support in 2017 will focus on facilitating restructuring of SOEs in Croatia.

In order to improve governance and management of SOEs, the authorities requested support to enhance their capacity to prepare and monitor the implementation of restructuring plans of those SOEs that have significant impact on public finances.

In the context of improving governance of SOEs, in particular with a focus on establishing a system to monitor implementation of restructuring plans in strategic SOEs and providing guidance for preparing methodological standardized plans for restructuring of companies, technical support is expected to assist authorities' efforts to improve the SOE restructuring process; the utilization of SOE resources; and the financial performance and service delivery of SOEs.

1.4.2. Indirect Management of the European Bank for Reconstruction and Development for capital market diagnostics and strategies and capital market development

Amount

EUR 1 150 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD is an international organisation that, *inter alia*, provides policy advice to and supports policy change within its member countries. During preceding years, the EBRD has gained significant experience operating within its member countries, thirteen of which are EU Member States, on capital market development issues, including the development of national diagnostics and strategies. The expertise acquired by the EBRD through its financial sector advisory services activities in the EU, together with its broader knowledge on financial sector development, place the EBRD in a strong position to provide technical support on the topic of capital market diagnostics and strategies and capital market development.

Activities will be implemented with the EBRD under indirect management where, together with its overall knowledge of capital market diagnostics and strategies and capital market development, it is deemed that the EBRD is the most appropriate provider given its experience in the Member State that has submitted the request and its specific knowledge of the precise action to be supported.

The EBRD may outsource some of the implementation of the action to companies/experts to be hired by it.

Overall objective and purpose of the action

In relation to the objectives referred to in point 1.2.5 of Part 1, the support provided by the EBRD will aim at identifying impediments to the development of national capital markets, both across capital markets as a whole and in specific sectors, and will identify reform priorities based on these impediments. Where requested, these reform priorities will be embedded into a strategy for the development of the national capital markets. Further to such national strategies, the support will be to assist the authorities in introducing concrete legislative or regulatory reforms that will remove impediments to the development of the national capital markets. Furthermore, where requested, measures will be targeted at increasing the administrative capacity of the authorities to supervise capital market entities.

The activities carried out by the EBRD are expected to result in a diagnosis of the current situation in the area of capital market development in several Member States and feed into national strategies to develop their capital markets. These diagnoses and strategies are expected to contain policy recommendations for decision-makers to improve the legal and regulatory environment in order to help mobilise capital. This is ultimately expected to lead to legal and regulatory changes that will result in a greater amount of long-term capital being available to companies. The later stage support within this area is expected to contribute towards building national capital markets, improving access to finance for companies, in particular for SMEs, and improving financial stability by diversifying funding sources. This will ultimately result in a more efficient allocation of capital within the economy.

1.4.3. Indirect Management of European Bank for Reconstruction and Development for insolvency

Amount

EUR 560 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD is an international organisation that, *inter alia*, provides policy advice to and supports policy change within its member countries. During preceding years, the EBRD has gained significant experience operating within its member countries, thirteen of which are EU Member States, on insolvency issues, including working to facilitate improvements in insolvency and restructuring legislation and practice across the EBRD region of operation. The expertise acquired by the EBRD through its financial sector advisory services activities in the EU, together with its broader knowledge on financial sector development, place the EBRD in a strong position to provide technical support on the topic of insolvency.

Activities will be implemented with the EBRD under indirect management where, together with their overall knowledge of insolvency, it is deemed that the EBRD is the most appropriate provider given its experience in the Member State that submitted the request and its specific knowledge of the precise action to be supported.

The EBRD may outsource some of the implementation of the action to companies/experts to

be hired by it.

Overall objective and purpose of the action

The activities to be carried out by the EBRD in area of insolvency will have as their objective supporting Member States in their efforts to improve the functioning of their insolvency system. This will be achieved via both capacity building of actors, who operate within the insolvency system, in order to increase the capacity of such actors to perform their tasks, in order to inform Member States of areas of possible improvements.

The expected results of activities carried out in the area of insolvency are a more efficient insolvency process, with reduced decision times and better outcomes via a strengthened capacity of insolvency actors to conduct their tasks. The targeted identification of impediments will result in a better understanding by the national authorities of potential areas for improvement.

In case the actions referred to under indirect management cannot be implemented under that management method, they will be implemented through a grant under direct management by the same entity and subject to the maximum rate of co-financing of 100 % of the eligible costs indicated in point 1.2 (grants). In such a case the applications will be evaluated according to the following criteria:[add selection and award criteria: Selection criteria: The Operational capacity will be assessed based on thematic experience in the policy field linked to the action.] In accordance with Article 131(3) of the Financial Regulation, the financial capacity of EBRD will not be verified.

Award criteria: The award of grants without a call for proposals will be justified in the award decision. The potential beneficiary will be invited to submit an application, which will be evaluated according the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context; and
- The financial quality of the proposal including a reasonable and realistic budget as well as a sound cost-efficiency ratio.

1.5. Other actions or expenditures

1.5.1 Administrative Agreement with the European Insurance and Occupational Pensions Authority for strengthening the supervision of insurance companies in Romania

Amount

EUR 100 000

Description and objective of the implementing measure

In line with the objective of reinforcing financial stability of Member States as described in point b) of point 1.2.5 of Part 1, this action will support the Romanian supervisory authority in establishing and implementing necessary supervisory tools (for both on- and off- site supervision) to cover insurance companies. Within this overarching objective, the action will support two specific objectives:

- I. Designing a business processes management framework for the activities within non-life-insurance supervision; and
- II. Enhancing the supervisory capacity of ASF with regard to strategic risks and the business model of non-life-insurance undertakings, own risk and solvency assessment requirements and the calculation of the technical provisions.

The action is expected to contribute towards significantly raising the standard of supervision within the Romanian insurance sector. In particular, the action is expected to produce *inter alia*:

- A framework for performing the supervision analyses and processes to be used by the supervisory staff in exercising their tasks so as to ensure a consistent and, as much as possible, a standardized approach;
- Handbooks to be used during the on- and off- site processes as part of the ASF supervision over insurance companies.