Structural reform support programme 2017-2020: financial envelope and general objective

2017/0334(COD) - 27/06/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Ruža TOMAŠI (ECR, HR) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2017 /825 to increase the financial envelope of the Structural Reform Support Programme and adapt its general objective.

The Committee on Budgets and the Committee on Economic and Monetary Affairs, exercising their prerogatives as associated committees in accordance with Article 54 of the Rules of Procedure, also gave their opinions on the report.

The committees recommended that the position of the European Parliament adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

General objectives: the amended text stipulates that the general objective of the programme shall be to contribute to institutional, administrative and growth-sustaining structural reforms in the Member States, by providing support to Member State authorities, including **regional and local authorities** where appropriate, for measures aimed at reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges. In this regard, Members suggested providing for an appropriate level of involvement and consultation of regional and local authorities in the preparation and implementation of structural reform.

The aim shall be to enhance **economic, social and territorial cohesion**, competitiveness, productivity, sustainable growth, job creation, **social inclusion, the fight against tax evasion and poverty,** investment, and real convergence in the Union, which shall also prepare for participation in the euro area, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds.

Increased financial envelope: in order to meet the growing demand for support from Member States, and in view of the need to support the implementation of structural reforms which are of interest to the Union in Member States whose currency is not yet the euro, the financial allocation for the programme shall be increased from EUR 142.8 million to **EUR 222.8 million** in current prices, through the use of the Flexibility Instrument in the multiannual financial framework. This increase shall **not negatively impact the other priorities of cohesion policy**.

Euro-area membership: 19 Member States are already part of the euro area. 7 Member States are subject to a Treaty obligation to prepare for participation in the euro area, namely Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania and Sweden. Some of those Member States have made little progress towards that goal in recent years, making EU support for euro area participation increasingly relevant. Two Member States are not obliged to join the euro area in view of their opt-out from the single currency, namely Denmark and the United Kingdom. The latter is of course due to withdraw from the European Union in 2019.

Annual monitoring reports: from 2018 until and including 2021, the Commission shall provide the European Parliament and the Council with an annual monitoring report on the implementation of the programme.