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

2017/0334(COD) - 04/07/2018 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 489 votes to 102, with 23 abstentions, **amendments** to 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 matter has been **referred back to the committee responsible** for interinstitutional negotiations.

The main amendments adopted in plenary concern the following points:

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.

Parliament recalled in this context that, under the Treaties, **seven Member States** are subject to a Treaty obligation to prepare for participation in the euro area, namely Bulgaria, the Czech Republic, Croatia, Hungary, Poland, Romania and Sweden. Some of those Member States have made little progress towards that goal in recent years, making Union support for euro participation increasingly relevant.

Financial envelope: the financial envelope for the implementation of the programme should amount to **EUR 222.8 million in current prices, of which EUR 80 million would be provided from the flexibility instrument** under Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the period 2014-2020.

That increase shall **not negatively impact the other priorities of cohesion policy**. Moreover, Member States shall not be obliged to transfer their national and regional allocations from European Structural and Investment Funds (ESIF) with a view to filling the financing gap of the programme.

The programme shall **not replace or substitute funding from Member States' national budgets** or be used to cover current expenditure.

Improving communication: stressing that the programme must deliver results, Members suggested communicating effectively, at EU, national and regional level, in order to ensure the visibility of the results of the reforms implemented at the request of each Member State.

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.