Basic information

2017/0334(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Structural reform support programme 2017-2020: financial envelope and general objective Amending Regulation (EU) 2017/825 2015/0263(COD) **Subject** 4.70.01 Structural funds, investment funds in general, programmes 4.70.02 Cohesion policy, Cohesion Fund (CF)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	TOMAŠIĆ Ruža (ECR)	25/01/2018
	Shadow rapporteur MALETIĆ Ivana (PPE) KREHL Constanze (S&D) JAKOVČIĆ Ivan (ALDE) OMARJEE Younous (GUE/NGL) REINTKE Terry (Verts/ALE) D'AMATO Rosa (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets (Associated committee)	ARTHUIS Jean (ALDE)	21/03/2018
ECON Economic and Monetary Affairs (Associated committee)	GUALTIERI Roberto (S&D)	24/04/2018
EMPL Employment and Social Affairs	SÓGOR Csaba (PPE)	13/03/2018
PECH Fisheries	The committee decided not to give an opinion.	
CULT Culture and Education	The committee decided not to give an opinion.	

Council of the European Union	Council configuration: Environment; Meetings: 3640; Date: 2018-10-09
European Commission	Commission DG: Secretariat-General; Commissioner: DOMBROVSKIS Valdis
European Economic and Social Committee	
European Committee of the Regions	

Key events

Date	Event	Reference	Summary
06/12/2017	Legislative proposal published	COM(2017)0825	Summary
14/12/2017	Committee referral announced in Parliament, 1st reading		
19/04/2018	Referral to associated committees announced in Parliament		
25/06/2018	Vote in committee, 1st reading		
27/06/2018	Committee report tabled for plenary, 1st reading	A8-0227/2018	Summary
04/07/2018	Decision by Parliament, 1st reading	T8-0281/2018	Summary
04/07/2018	Results of vote in Parliament		
04/07/2018	Matter referred back to the committee responsible for interinstitutional negotiations		
03/09/2018	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE626.973	
10/09/2018	Debate in Parliament		
11/09/2018	Decision by Parliament, 1st reading	T8-0329/2018	Summary
11/09/2018	Results of vote in Parliament		
09/10/2018	Act adopted by Council after Parliament's 1st reading		
23/10/2018	Final act signed		
23/10/2018	End of procedure in Parliament		
12/11/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/0334(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)

Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EU) 2017/825 2015/0263(COD)
Legal basis	Rules of Procedure EP 61 Treaty on the Functioning of the European Union TFEU 197-p2 Treaty on the Functioning of the European Union TFEU 175-p3
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/11817

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE620.791	10/04/2018	
Amendments tabled in committee		PE622.089	16/05/2018	
Committee opinion	EMPL	PE620.979	08/06/2018	
Committee opinion	BUDG	PE620.816	19/06/2018	
Committee opinion	ECON	PE622.207	20/06/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0227/2018	27/06/2018	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T8-0281/2018	04/07/2018	Summary
Text agreed during interinstitutional negotiations		PE626.973	28/08/2018	
Text adopted by Parliament, 1st reading/single reading		T8-0329/2018	11/09/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00058/2018/LEX	24/10/2018	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2017)0825	06/12/2017	Summary
Commission response to text adopted in plenary	SP(2018)724	13/11/2018	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary

Contribution	IT_SENATE	COM(2017)0825	02/02/2018	
Contribution	IT_CHAMBER	COM(2017)0825	15/02/2018	
Contribution	CZ_CHAMBER	COM(2017)0825	27/02/2018	
Contribution	FR_ASSEMBLY	COM(2017)0825	13/07/2018	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0502/2018	22/03/2018	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2018/1671
OJ L 284 12.11.2018, p. 0003 Summary

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

2017/0334(COD) - 11/09/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 489 votes to 170, with 32 abstentions, a legislative resolution 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 European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Objectives: it is specified that the structural reform support programme was established with the aim of strengthening the capacity of Member States to prepare and implement administrative and growth-sustaining structural reforms of interest to the Union, in particular through the provision of assistance to ensure the effective use of Union funds. The programme shall also support measures to **strengthen social inclusion and contribute to real convergence within the Union**.

Given that demand for support may exceed the programme's funding, the requests shall be prioritised, where appropriate, by the Member State concerned during the request for support procedure. In that context, attention should be paid to **requests for support that are related to the European Semester and the policy areas of cohesion, innovation, employment, and smart and sustainable growth**. The programme shall complement other instruments in order to avoid duplication without replacing funding from national budgets.

In addition, Member States shall encourage **suitable contributions and involvement of national and regional public administration and stakeholders**. The text also emphasises the importance of effective communication on the programme's activities and results at Union, national and regional level, to raise awareness of the programme's results and ensure its visibility, as well as to provide information on its impact on the ground.

Financing: in a joint statement annexed to the legislative resolution, the European Parliament, the Council and the Commission agreed on the following:

- **EUR 40 million will be financed through the budget line of the SRSP located in Heading 1b** (13.08.01) of the MFF (Economic, social and territorial cohesion) by mobilising the Global margin for commitments in accordance with the MFF Regulation (EU, Euratom) No 1311/2013 in the framework of the budgetary procedure;
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- **EUR 40 million will be financed through the budget line of the SRSP located in Heading 2** (13.08.02) of the MFF (Sustainable Growth: Natural Resources) by redeployments other than technical assistance and Rural Development within this Heading and without having recourse to the margins. The exact sources for such redeployments will be further specified in due course having regard to the negotiations of the budgetary procedure for the 2019 budget.

The Commission will identify and propose redeployments of up to EUR 40 million in Heading 2 of the MFF (Sustainable Growth: Natural Resources) in the amending letter to the draft general budget 2019.

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 TOMAŠIĆ (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.

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

2017/0334(COD) - 06/12/2017 - Legislative proposal

PURPOSE: to increase the financial envelope of the structural reform support programme and to adapt its general objective.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU) 2017/825 of the European Parliament and of the Council established a structural reform support programme for the period 2017-2020, with a budget of **EUR 142.8 million**. Its objective is to strengthen the capacity of Member States to prepare and implement growth-sustaining administrative and structural reforms, including through assistance to ensure the efficient and effective use of Union funds.

Member States have increasingly taken up support under the programme, **beyond the initial expectations**. The requests for support received by the Commission during the 2017 cycle have, based on their estimated value, significantly exceeded the available annual allocation. During the 2018 cycle, the estimated value of requests received (EUR 152 million) was five times the financial resources available for that year (EUR 30.5 million).

In 2018 almost all Member States (24) have submitted request for support.

The Commission considers that **the financial allocation of the structural reform support programme should be increased** in order to cater for the needs, in particular, of non-euro area Member States, which embark on structural reforms aimed at making their economies more resilient to shocks and better preparing them for euro area membership, as well as for the needs stemming from the increased number and cost of requests for support from all Member States in relation to the implementation of structural reforms.

CONTENT: the proposal aims to amend Regulation (EU) 2017/825 establishing a structural reform support programme to:

- indicate the contribution of the **programme to facilitating the participation in the euro area of Member States whose currency is not the euro**;
- adapt the overall objective of the programme by stressing that enhancing cohesion, competitiveness, productivity, sustainable growth and job creation should also **contribute to preparations for participation in the euro area** by those Member States whose currency is not the euro and that want to join the single currency;
- increase the financial envelope allocated to the programme to **EUR 222.8 million at current prices**.

BUDGETARY IMPLICATIONS: the increase of the dedicated financial envelope for the structural reform support programme from EUR 142.8 million to EUR 222.8 million (current prices) should be put in place for 2019 and 2020. This increase should be made possible by **using EUR 80.million from the flexibility instrument** under the current multiannual financial framework (Article 11 of Council Regulation 1311/2013), which allows for supplementing the financing available in the general budget of the Union for the financial years 2018 and 2019 beyond the ceiling of heading 1b (cohesion).

This increased budget will be supplemented by inviting Member States to make use of the possibility, under the structural reform support programme Regulation, of transferring part of their resources from the technical assistance component of the European Structural and Investment Funds to the Structural Reform Support Programme, for the purpose of the provision of support for the implementation of reforms, including reforms linked to euro adoption.

Based on current estimates of possible needs for support, this supplement would increase the total amount of the budget available for support to **EUR 300 million**, thus doubling the support capacity by 2020.

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

2017/0334(COD) - 12/11/2018 - Final act

PURPOSE: to increase the budget of the structural reform support programme (SRSP).

LEGISLATIVE ACT: Regulation (EU) 2018/1671 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.

CONTENT: this Regulation amends Regulation (EU) 2017/825 in order to increase the financial allocation of the structural reform support programme and to adapt its general objective (SRSP).

The structural reform support programme was created on 20 May 2017 for the period 2017-2020, with a budget of EUR 142.8 million. Its objective is to strengthen the capacity of Member States to prepare and implement growth-sustaining administrative and structural reforms.

The requests for support received by the Commission during the 2017 cycle have significantly exceeded the available annual allocation. During the 2018 cycle, the estimated value of requests received was five times the financial resources available for that year. Almost all Member States have requested support under the programme.

Objective

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 national authorities for measures aimed at reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges, with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation, investment and social inclusion and to contributing to real convergence in the Union.

Support for preparing for euro area membership

Under the amending Regulation, the programme may finance actions and activities also in support of reforms that may help Members States in their preparation to join the euro area.

Budget

The financial framework for the implementation of the programme is set at **EUR 222.8 million** at current prices. Expenses may also cover the costs of other support activities, such as quality control and monitoring of support projects on the ground.

ENTRY INTO FORCE: 13.11.2018.

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.