

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 2018****Part I – The SRSP outlook for 2018****1. INTRODUCTION**

While Europe's economy has strengthened on a steady growth path over recent years, "*further structural reforms are needed to make Europe's economy more stable, inclusive, productive and resilient*"¹. The Annual Growth Survey 2018 (AGS 2018) has emphasised the role that the implementation of structural reforms plays in ensuring a sustainable recovery of the EU economy, unlocking the growth potential to strengthen the adjustment capacity, and supporting the process of convergence by recalling that "*the virtuous triangle of boosting investment, pursuing structural reforms, and ensuring responsible fiscal policies is delivering results*"².

Stronger and more efficient public institutions are crucial for building resilient economic structures that foster investment and inclusive growth, in full respect of the rule of law. 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 well-functioning economies and for underpinning the success of structural reforms.

Ownership of structural reforms by the Member State concerned is essential for their successful implementation. The Structural Reform Support Programme (the "SRSP") offers interested Member States support to carry out reforms, but ultimate decisions on design, structure and implementation of the 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) set up 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).

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 2018", COM(2017) 690 final. (AGS 2018).

² AGS 2018.

This support is intended to help reform and strengthen institutions, governance and public administration, as well as to assist with the 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."

In application of Article 7(1) of the SRSP Regulation, by 31 October 2017, 24 Member States submitted 444 requests to the Structural Reform Support Service for the provision of technical support under the SRSP.

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.

The estimated cost of the support measures envisaged from the requests submitted by the 24 Member States largely exceeded (almost five times) the allocated budget for 2018 (EUR 30.5 million); which led to a strong prioritisation exercise by the Commission in the selection of the requests for funding. This prioritisation was based on the criteria defined in the Regulation, bearing in mind the prioritisation made by the Member States themselves and the main challenges for the Member States as indicated by the Country-Specific Recommendations, the Country Reports, relevant infringement cases, etc. The Commission also considered the Annual Growth Survey and the link between requests and strategic Union priorities. In application of the principle of sound financial management, the most mature requests having the highest potential impact on the ground were prioritised over others.

As a result of this exercise, around one-third of the eligible requests are being proposed for funding under SRSP 2018. 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.

1.1. Priority areas for intervention in 2018

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 2018 have been set on the basis of the Member-State requests for support that were proposed for funding. 93% of the requests selected 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 Digital Single Market, the Energy Union, the Capital Markets Union and the European Pillar of Social Rights. 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 2018 reflect all six areas set out in Article 5(2) of the SRSP Regulation and are as follows (grouped by thematic area)³.

³ 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".

Revenue Administration and Public Financial Management

The SRSP will support measures in 16 Member States, in particular in relation to revenue administration, tax policy, budget preparation and spending reviews, budget implementation and transition towards accrual accounting, and fiscal framework.

Governance and Public Administration

The SRSP will support measures in 15 Member States, in particular in the fields of overall public administration, procurement, eGovernment, the functioning of the justice system, the fight against fraud, corruption and money laundering, and better absorption of the European Structural and Investment Funds (ESIFs).

Growth, Business Environment and Sectoral Issues

The SRSP will support measures in 19 Member States, in particular in the fields of investment climate, management of natural resources and resource efficiency, and the Energy Union.

Labour Market, Health and Social Services

The SRSP will support measures in 17 Member States, in particular in the fields of health-care systems, education, training and research, labour markets and social policies and social welfare systems.

Financial Sector and Access to Finance

The SRSP will support measures in 12 Member States, in particular in the fields of capital-market diagnostics and strategies, capital market development, insolvency and non-performing loans, financial literacy and reinforcing financial stability.

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

1.1.1. Revenue administration and public financial management

a) Priorities for the year

A first important area of funding relates to **revenue administration**. Ensuring a system of fair taxation across the EU requires *inter alia* that inefficiencies in revenue administration are addressed in a timely and effective manner. 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 and 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', 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 2018 will support **spending reviews and budget preparation**. In September 2016, the Eurogroup called on euro-area Member States to actively use spending reviews, considering these to be a useful tool for improving the quality of public finances. In its AGS 2018, the Commission recalled that "*Ambitious, comprehensive and regular spending reviews can be instrumental for improving the quality and composition of public expenditure. Spending reviews help achieve or maintain responsible fiscal policies and contribute to a more growth-friendly budget composition by offering a critical review of public expenditure trends and identifying smarter, more effective ways of spending taxpayers' money. While such initiatives are becoming more widespread in the Member States, there is significant room to improve the way in which they are conducted and, more importantly, their transformative effect on the spending side of public finances*"⁴. Apart from support for spending reviews and other tools to optimise budget resource allocations, support for possible improvements in medium-term **budget-framework preparation** is also planned.

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 (*notably through the EPSAS Task Force*) and will be coordinated under the specific tools developed by EUROSTAT.

A final area of funding relates to the design of **tax policy**, in particular to improve the assessment of the impact of reforms, *inter alia* on revenue collection, or the business environment. Based on the requests from Member States, funding will also be allocated to support measures aimed at building capacity in independent fiscal institutions.

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, addressing the e-commerce challenges, and by putting in place effective risk assessment, fight against fraud and audit and collection 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 several objectives of - *inter alia* - a) improving budget preparation process and ensuring better quality public spending.

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**, the SRSP will support capacity building within independent fiscal institutions with an aim to improve the set of instruments available to perform their mandate (i.e. tax/benefits microsimulation models).

In the area of **tax policy**, the support will aim at improving the assessment of tax reforms.

c) Expected results

⁴ Annual Growth Survey for 2018, page 13.

In the area of **revenue administration**, the various support measures are expected to help Member States tax administrations in improving the measures for fair and effective tax collection while simultaneously reducing administration and compliance costs. More specifically, the support provided by the SRSP is expected to help Member States tax administrations to identify areas of non-compliance, increase voluntary tax compliance, and strengthen the capacity to conduct more effective tax audits and to use resources for enforcement of tax collection more effectively. The tax administrations will be also supported for providing more services for the taxpayer and more efficient communication with taxpayers and in reducing the number of judicial settlements of disputes.

In the area of **spending reviews and budget preparation**, the support to be provided is expected to institutionalise the capacity to conduct spending reviews and help achieve 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 frameworks**, the expected result is to assist independent fiscal institutions in contributing to the sound implementation of fiscal rules and support policy making to enhance the impact assessment of tax reforms. Moreover, support for **tax policy** making is also expected to provide analysis of the various tax gaps (CIT and excise gaps)..

1.1.2. **Governance and public administration**

a) Priorities for the year

In the area of **governance**, based on the requests of Member States, support under the SRSP will focus on improving the coordination of the work across ministries in particular regarding the implementation of reforms. Support funded under the SRSP will aim at helping the Member States to improve the quality of public administrations, including both the efficiency and effectiveness of the organisation and administrative processes as well as the quality of human resources and their management. 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 Directive⁵).

Professionalisation of **public procurement** is one of the key priorities under the EU Directives on public contracts and concessions⁶. Following requests from several Member

⁵ 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.

⁶ 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

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"⁷ refers to a number of initiatives to accelerate the digital transformation of public administrations and the new European Interoperability Framework⁸ 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 IT systems for civil servants and ultimately, better services for citizens. A consolidated IT function in the public administration also paves the way for taking advantage of technological innovations.

Effective justice systems support economic growth and defend fundamental rights. Support in the area of **justice systems** will focus on three strands: 1) enhancing the efficiency of national justice systems 2) improving the quality of national justice systems; and 3) enhancing the independence of the judiciary. The support will take account the findings of the EU Justice Scoreboard⁹ and the relevant European Semester country reports.

Support will be provided in the area of the implementation of the European Structural and Investment Funds (**ESIFs**) with a focus on the European Maritime and Fisheries Fund (EMFF) to help national authorities make best and timely use of the available funding.

b) Objectives pursued

On **governance**, the Commission aims to help Member States improve the functioning of their administrations in terms of the cost and quality of public services. The objectives pursued include revision of administrative processes and their organisation, improvement in the quality of human resources and their management, development and standardisation of internal audit and internal control (including performance-based audit), better management and control of public sector organisations and improving the monitoring of administrative 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 objective of

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.

⁷ 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>

⁸ 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>

⁹ http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm

measures in relation to anti-corruption strategies includes the enhancement of whistleblowing systems.

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.

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 solutions developed by the ISA² programme¹⁰. 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 **justice systems** aim in particular at: a) enhancing the efficiency of the justice systems of Member States, e.g. to reduce the backlogs of cases; b) increasing the quality of justice systems by enhancing the implementation of e-justice systems and the operational capacity of judges and court staff through training and professional development schemes and by improving the quality of treatment of victims and the creation of adapted structures and services; and c) strengthen the independence of justice systems, e.g. through the setting up of performance assessment tools, integrity checks and better selection procedures for court staff and judges. In addition, support also aims at accommodating the needs of vulnerable people regarding access to the justice system.

The support measures in the area of **ESIFs** aim to help the relevant national authorities in their efforts to improve the way in which they manage the ESIFs. The support measures, identified by the Commission and the Member States, will focus on governance issues and the main bottlenecks hindering the absorption of the ESIFs.

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

¹⁰ 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

of cooperation between the relevant entities at national and European levels. The support should also lead to improvement in systems to support asset recovery and whistleblowing.

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, interoperable and efficient public service.

The support measures in the area of **justice systems** are expected to contribute to the improved functioning of justice systems, e.g. through enhancing the efficiency of justice systems, especially through building capacity of judicial institutions and the enhancement of the implementation of e-justice. The support is also expected to contribute to enhancing the quality of the work of the judges and court staff and to strengthening the independence of justice systems. Finally, support should also help to achieve specific goals, in particular the protection of victims.

In the area of **ESIFs**, the support measures are expected to contribute to improved governance procedures and timely and effective implementation of ESIFs.

1.1.3. **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 for 2018. The AGS 2018 calls upon Member States¹¹ to continue reforms to encourage investment, leverage public funding to mobilise private investment and improve the business environment.

Various Member States have requested support to reforms with the aim to: bolster productivity and innovation in sectors such as trade and logistics, transport, and the digital economy; attract investment; improve the functioning of the goods and service markets; promote regional development and sectoral hubs; remove horizontal regulatory barriers and ease the time and efforts of business in dealing with public administration; support competition; and improve the collection of business statistics. Many of these initiatives are in line with strategic policy priorities, such as the Investment Plan, the Single Market Strategy, the Digital Single Market and the Better Regulation Agenda, as well as with country-specific recommendations under the European Semester.

In the area of **public assets**, the AGS 2018¹² argues that "investments raising productivity are crucial to ensure future growth prospects. Targeted investment in areas such as infrastructure, education, training, health, research, digital innovation and the circular economy can increase both productivity and employment". High-quality public and private investments are crucial

¹¹ Annual Growth Survey for 2018, page 3.

¹² Annual Growth Survey for 2018, page 3.

for increasing potential growth in the medium-to-long run. Investments in physical and other infrastructures are needed to improve the business activities of firms and their productivity, provided there is no overprovision. 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 use of public assets including the management of public assets, including state-owned enterprises (SOEs).

Regarding **natural resources**, and in particular environmental sustainability, the AGS 2018¹³ emphasises that "investment that enhances environmental sustainability has the potential to boost productivity across the economy through enhanced resource efficiency and reduced input costs, whilst reducing external costs and impacts". Important sectors for sustainability and moving toward a circular economy include waste, water infrastructure and construction. Various Member States have requested support to better manage natural resources such as forests and water and to improve their capacity to carry out environmental inspections and to manage coastal areas and waste. These requests are closely aligned with strategic policy priorities, such as the circular economy, sustainable investments and the Environmental Implementation Reviews¹⁴.

The **Energy Union** is one of the 10 priorities of the Commission. 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 includes promoting and attracting high quality investment; supporting better regulation, reducing the administrative burden for small-and-medium-sized enterprises (SMEs) and supporting SME policy, and removing unjustified restrictions on regulated professions. They also aim to contribute to: enforcing competition rules; removing regulatory horizontal barriers; reducing sectoral barriers; supporting trade and logistics, transport, innovation and digitalisation, regional development and sectoral hubs, tourism and the creative industries; and improving the availability of productivity, competitiveness and globalisation statistics.

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 and optimising the use of public assets. This includes improving public investment management, strengthening the governance and restructuring of SOEs and improving the use of inland waterways.

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; 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: the promotion of energy audits; reforming the electricity market including through

¹³ Annual Growth Survey 2018, page 5.

¹⁴ http://ec.europa.eu/environment/eir/index_en.htm

implementing cross-border electricity balancing; and support, including capacity building, for the development of climate policies.

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 regulation horizontally and in specific sectors; improve the application of better regulation principles; develop an SME strategy to help promote entrepreneurship and productivity and reduce the administrative burden for SMEs; reduce unjustified restrictions on regulated professions; foster the development of trade and logistics, transport, tourism and the creative industries; promote innovation and digital tools; promote international trade (by developing export credit capabilities); improve the enforcement of competition law; promote regional development by supporting a coal region; and improve the collection and compilation of statistics on productivity, competitiveness, the activities of multinationals and global value chains.

In the area of **public assets**, the different support measures are expected to, *inter alia*: contribute to: building capacity on preparing and managing public investment (e.g. by strengthening the ex-ante assessment process); improving the implementation of legislation on concessions; improving the use of inland waterways; and strengthening the governance and restructuring of SOEs and SOE management.

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 valuation system for forests; raising awareness on the sustainable use of maritime space and the coastal zone; strengthening water and waste management; and improving the implementation of environmental legislation.

In the area of **energy**, the different support measures are expected to, *inter alia*, contribute to: increasing the number of energy audits and improving the energy efficiency financing conditions for SMEs; improving the functioning of the electricity market and the efficiency of electricity balancing across borders; and strengthening capacity on climate policy.

1.1.4. 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 AGS 2018 emphasizes 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, several 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 2018 will support ***education and training reforms*** (including VET, life-long

¹⁵ See the "Annual Growth Survey 2018" (COM(2017) 690 final; https://ec.europa.eu/info/sites/info/files/2017-comm-690_en_0.pdf)

learning and research). The Commission has adopted several 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 adopted 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. Upon Commission's proposal, the European Pillar of Social Rights was proclaimed by the EU leaders in November 2017. The Pillar identifies education and training as main drivers of upward convergence and 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*" (...), while the Annual Growth Survey for 2018 pointed to the fact that "*in line with the New Skills Agenda for Europe, there is a need to upgrade vocational training and strengthen work-based learning, including through quality apprenticeships.*" In November 2017, the Commission also set out its ideas on creating a European Education Area by 2025, stressing *inter alia* the relevance of lifelong learning, mobility, investment and the quality of teachers as the priorities for education to become a driver of job creation, economic growth and social fairness. 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 AGS 2018 indicates¹⁶ that "*Investments in high quality education, training, labour productivity growth and active labour market policies are crucial for empowering people and integrating them in the labour market, which remains the best vehicle out of poverty and social exclusion*".

Member States should also help to create supportive conditions for greater labour market participation, better quality jobs and a better working environment by reducing undeclared work, promote effective training and upskilling, and integrate refugees and migrants in the labour market. These challenges are also reflected prominently in the European Pillar of Social Rights and in the country-specific recommendations. Several 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, including through supplementary pension schemes 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 to social benefits. Accordingly, Member States will be supported in the reform of their disability policies, with a particular focus on the disability assessment process. In addition, as also indicated in the AGS 2018, Member States should ensure the right to minimum income benefits for people lacking sufficient resources and should promote social inclusion by investing in active labour market policies (ALMPs) to encourage all to participate in the labour market and in society. The measures selected for funding will contribute to more effective and efficient income support schemes and ALMPs, addressing related country-specific recommendations

¹⁶ Annual Growth Survey 2018, page 6.

in this area. Finally, the AGS 2018 calls for affordable, accessible and quality services for citizens. Under the SRSP, support will be provided across different social policy areas to help strengthen the administrative capacity for quality service delivery 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 improving 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 care provision; 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 will, *inter alia*, 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 and VET programmes; improve the quality and relevance of teacher training programmes and institutions providing those trainings; increase inclusiveness; foster adult literacy; adapt administrative and operational structures, including IT systems; increase transparency and accountability, and improve monitoring, assessment tools and quality assurance systems.

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 (AMLP) 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 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 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) address the social exclusion of disadvantaged groups including refugees; (iii) review the effectiveness and efficiency of existing benefits and services; and (iv) modernise their administration and provision, including through better integration. 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) the design and implementation of effective and efficient preventive care and health care delivery models (e.g. in primary care, ambulatory and hospital inpatient care); ii) the provision of tools for monitoring, planning and evaluation of health care resources; iii) better skilled public administration staff; iv) recommendations for improving health system functions, such as health system financing and provider remuneration systems; v) developing tools for improving patient safety and quality of care; 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 (both programmes and institutions). This should be achieved, *inter alia*, by: the preparation of policy and legislative proposals; the design of new structures and tools, including early warning system for the detection of early school leaving; the design of student support programmes; proposal for new education programmes; the design of new performance evaluation systems; proposals for specific policies on teachers; improving education for children with special needs; revision of national qualification systems; specific plans to upgrade vocational education and training offer and structures and proposals to increase access to adult education.

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, for instance through the integration of refugees into the labour market; 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, particularly those targeted at the most deprived such as refugees. In various social policy areas, the SRSP support measures are expected to contribute to more integrated data collection, enhanced analytical capacities and a more integrated and interconnected administration and provision of benefits and services.

1.1.5. **Financial sector and access to finance**

a) Priorities for the year

In line with the objectives of the Capital Markets Union Action Plan 2015, 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. This will include efforts to assist authorities in designing and implementing financial instruments to increase access to finance, in particular for SMEs.

Various Member States requested support for developing **capital market diagnostics and strategies** and funding in 2018 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 in the following context: "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.

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, as well as developing strategies to address non-performing loans. A portion of funding in 2018 will be utilised for support to the area of **insolvency and non-performing loans**.

In the area of **financial literacy**, based on the requests from Member States, funding in 2018 will be used to support Member-State efforts to create innovative tools and strategies to further increase the level of financial education of citizens and SME owners.

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.

b) Objectives pursued

In the area of **capital market development**, the objective of the support is to assist 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 towards increasing the administrative capacity of the national authorities to supervise capital market entities.

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.

Measures put in place in the area of **insolvency and non-performing loans** will have as their objective supporting Member States in their efforts to improve the functioning of their insolvency system and removing impediments to addressing non-performing loans. This will

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.

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.

In the area of **financial literacy**, the objective of the support is to allow Member States to better communicate financial literacy concepts to students, teachers and SME owners. This support aims to lead to a greater understanding of financial literacy.

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 capacity of the authorities to consider, assess and handle financial stability risks.

c) Expected results

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.

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.

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

In the area of **financial literacy**, the different support measures are expected to lead to an increase in the level of understanding of the target audience of topics included under financial literacy. The support should increase the capacity of the recipient authorities to support the promotion of financial literacy.

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 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	6196500	5683500	7965000	6140000	4515000	30500000
Of which:						
1) Grants	3497000	3433500	3530000	3675000	925 000	15060500
2) Indirect management		180000	430000		890000	1500000
3) Administrative arrangement					150000	150000
4) Public procurement	2699500	2070000	4005000	2465000	2550000	13789500

Part II – Actions to be financed in 2018

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 the year 2018 as follows:

- for grants (implemented under direct management) (1.2): EUR 15 060 500
- for procurement (implemented under direct management (1.3): EUR 13 789 500
- for actions implemented under indirect modes (1.4): EUR 1 500 000
- for other actions (1.5): EUR 150 000

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 23 644 837
- (b) budget line 13.0802: EUR 6 855 163

1.1. Grants

1.1.1. 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 1.1.1 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 Financial Institutions (IFIs), other international organisations or Member-State ministries and 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	Q2 2018 –Q4 2018	EUR 3 497 000

Maximum possible rate of co-financing of the eligible costs

100%

1.1.2. 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 1.1.2 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

Support will be provided to carry out, amongst others, the following activities:

- (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; ;
- (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	Q1 2018 – Q4 2018	EUR 3 433 500

Maximum possible rate of co-financing of the eligible costs

100%

1.1.3. 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 1.1.3 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 improvement of the regulatory framework; (ii) guidelines for carrying out environmental inspections; (iii) benchmarking rules and regulations on regulated professions, including on entry and conduct; and (iv) identifying energy consumption patterns in businesses and collecting data on information barriers with regard to energy efficiency;
- (b) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: (i) analysis of barriers and challenges affecting SME development; (ii) environmental assessment of coastal areas; (iii) impact assessment of rules and regulations; (iii) prioritisation of the most important restrictions for selected regulated professions; and (iv) assessment of the functioning of the water sector;
- (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 developing an SME policy; (ii) recommendations for the environmental protection of coastal areas; (iii) recommendations for improving the horizontal regulatory framework; (iv) recommendations for the abolition and simplification of unnecessary or disproportionate restrictions for regulated professions; (v) recommendations for managing the water sector; (vi) recommendations for raising awareness on energy management, including on how to encourage businesses to implement energy audits; (vii) recommendations for developing tourism destinations; and (viii) recommendations for defining and implementing appropriate processes and measures for waste collection,
- (d) organisation of seminars, conferences and workshops: examples include: (i) capacity building on concessions; (ii) training for environmental inspections; and (iii) workshops to develop capacity on climate change policy; 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 experts to support the elaboration of climate policy; and (ii) expert missions to support the implementation of methodologies related to the strategic planning of concessions.

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 liberalisation 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	Q2 2018 – Q4 2018	EUR 3 530 000

Maximum possible rate of co-financing of the eligible costs

100%

1.1.4. 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 1.1.4 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 improving primary health care; policy advice on the implementation of a curricular reform; policy advice on the design of a legal framework and quality assurance system for Dual VET; policy advice on education strategy; policy advice for setting up a mechanism/system for the detection of early school leaving; advice on the design and implementation of the reform of the disability assessment system; policy advice on the implementation of National Strategies for refugees and migrants integration; policy advice for the design and implementation of active labour market policies; policy advice on labour inspections;
- (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 experts to help assess the teachers training system; provision of hands-on advice on various aspects related to integration of disadvantaged groups into the labour market and the social welfare system;
- (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; conference to define best practices on social inclusion of refugees and migrants; workshops and exchange of best practices on activation and employability schemes for the unemployed;
- (d) organisation of study visits to relevant Member States: examples: study visits to acquire practical knowledge on setting up a system for cancer screening; study visits to gather information about relevant experience of another Member State that has introduced the curricular reform into their education system to share best practices regarding the actual implementation of the reform; study visits to gather information about relevant experience of other Member States in the integration of unemployed

individuals and refugees/migrants;

- (e) training actions and the development of online or other training modules; example: training of public administration in the design of models of primary health care; teacher training as part of the curricular reform and compilation of teaching materials related to reform of curricula; 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: setting up of an analytical tool for quantitative impact and monitoring of active labour market policies; development of common methodologies for labour market and social integration of disadvantaged groups such as migrants and disabled people;
- (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; examples: support for the development of an IT tool for the monitoring and evaluation of a cancer screening programme; support for the development of an integrated management information system in the field of active labour market policies; support for the creation of IT platforms for social security and occupational health and safety issues;
- (i) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material; examples: carrying out a study on the obstacles of low skilled people to access adult education; carrying out studies, research, and evaluation on good practices to integrate migrants and refugees; impact assessment and analysis of good practices for improving administration of labour inspections;; 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: preparation and organisation of awareness-raising campaigns related to the importance and impact of curricula reform; preparation and organisation of awareness-raising campaigns related to the importance of integration of migrants and refugees into host societies; support for the dissemination of activities related to labour market activation programmes; development of a communication strategy related to the introduction of a new disability assessment system.

Essential eligibility, selection and award criteria

Direct grants may be awarded to United Nations Organizations, other international organisations, Member-State ministries, agencies 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 proposals¹⁹] [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	Q1-2018 – Q4-2019	EUR 3 675 000

Maximum possible rate of co-financing of the eligible costs

100%

¹⁹ 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.

1.1.5. 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 1.1.5 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) improving the administrative capacity of resolution authorities.;
- (b) organisation of seminars, conferences and workshops;
- (c) organisation of study visits to relevant Member States;
- (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: capital market development; capital market diagnostics and strategies; insolvency and non-performing loans; financial literacy and reinforcing financial stability. 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
Financial sector and access to finance	Q1 2018 – Q3 2018	EUR 925 000

Maximum possible rate of co-financing of the eligible costs

100%

1.2. Procurement

The overall budgetary allocation reserved for procurement contracts in 2018 amounts to EUR 13 789 500.

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

The maximum amount for this Multiple Framework Contract is EUR 20 000 000 and it may be used until 30 June 2019.

- Indicative number of contracts envisaged Number of small value contracts: 25
Number of specific contracts: 36

Indicative timeframe for launching the procurement procedure

Q2 2018 Q2/2019

Implementation

Directly by the Structural Reform Support Service and EUR 1 148 500 (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).

1.2.2. 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: to– EUR **260 000**

1.3. Actions implemented in indirect management

1.2.1. Indirect Management of European Bank for Reconstruction and Development for Governance and Public Administration

Amount

EUR 180 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD has extensive expertise in the area of public administrative reform, in particular in areas related to governance and procurement. For over 20 years, the European Bank for Reconstruction and Development has promoted the development of sound legal frameworks and strong institutions as integral to economic transition. Relevant for the action:

- The EBRD promotes legal and related institutional development in its countries of operations primarily through its Legal Transition Programme (LTP). The LTP is a team of lawyers, each with a specific area of legal expertise. Since 1996 they lead the EBRD's efforts in legal reform in their specialist areas and the related legal technical assistance projects.
- Similarly since its establishment, the EBRD has been supporting legal and institutional transition in public procurement and ensuring that investments in the public sector contribute to the development of the economy.
- The EBRD is currently piloting several initiatives on state institutional capacity building, focused specifically on e-governance. In the Western Balkans, the EBRD is supporting the governments of the region to connect their national registries through a unified regional portal. The EBRD has successfully implemented various projects in this respect.

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 action aims at improving the quality of public administration in Slovenia with regard to the administrative capacity. In particular, the action will aim at:

- Increasing the administrative capacity of institutions and bodies to improve their functioning and capacity to identify reforms and areas for improvement
- Developing the capacity of the national administration to continuously improve its operations, in particular in the area of procurement.

The activities will cover, among others:

- (a) expertise related to policy advice, policy change, formulation of strategies and

- reform roadmaps, as well as to legislative, institutional, structural and administrative reforms;
- (b) collection of data and statistics, development of common methodologies and indicators or benchmarks; and also
 - (c) organisation of seminars, conferences and workshops.

The expected results of the activity are improved processes in the area of procurement and the development of a specific approach for the revision of procurement processes.;

1.2.2. **Indirect Management of the European Bank for Reconstruction and Development to strengthen the performance and governance of State Owned Enterprises (SOEs) in Slovenia**

Amount

EUR 250 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD has over 20 years of experience in supporting policy and regulatory reform in its countries of operation in their transition to market economies. Working with SOEs has been the cornerstone of the EBRD activities, which stems from the institutional commitment to enhancing the private sector in countries of operation. Slovenia has been an EBRD member and country of operation since 1992 and the Bank has a local office on the ground. Among the main focuses of EBRD in Slovenia is a restructuring of the corporate sector and the promotion of good corporate governance.

The EBRD has also been entrusted with the implementation of relevant projects on SOE governance in another EU country (Croatia) under the preparatory action of the SRSP and SRSP 2017. The EBRD is therefore well equipped to act as the implementing entity for the proposed action. The EBRD will outsource and steer the action as needed.

Overall objective and purpose of the action

The overall objective of the support measures is to enhance the governance and management of state-owned enterprises in Slovenia. In this respect, the authorities requested support with a view to enhancing efficiency of the Slovenian Sovereign Holding (SDH), setting up a framework for monitoring and assessing performance of SOEs and enhancing the competences of SOEs' supervisory boards.

In the context of improving governance and management of SOEs, in particular with focus on improving the corporate governance of the Slovenian Sovereign Holding, the framework for monitoring and assessing the performance of SOEs and the competences of SOEs' supervisory boards, the following activities are envisaged:

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms;
- (b) collection of data and statistics, development of common methodologies and indicators or benchmarks; and also
- (c) organisation of seminars, conferences and workshops.

The expected results of the activities are the development of a unified framework for setting targets and monitoring the financial and non-commercial performance of SOEs as well as increased capacity of the Slovenian Sovereign Holding, Ministry of Finance and SOEs boards with a view to enhancing decision-making, producing ambitious Business Plans of SOEs and establishing sustainable management processes.

1.2.3. Indirect Management of European Bank for Reconstruction and Development to Establish an Investment Evaluation Unit in Slovenia

Amount

EUR 180 000

Implementing entity

European Bank for Reconstruction and Development (EBRD)

The EBRD has over 20 years of experience in supporting policy and regulatory reform in its countries of operation in their transition to market economies. Slovenia has been an EBRD member and country of operation since 1992 and the Bank has a local office on the ground. The EBRD has been supporting very important investment projects in Slovenia. In its latest strategy for Slovenia, the Bank states that it stands ready to support Slovenia through its investments and policy dialogue. The EBRD has substantial experience in assisting governments to build capacity to identify, select and evaluate investment projects. The EBRD is therefore well equipped to act as the implementing entity for the proposed action. The EBRD will outsource and steer the action as needed.

Overall objective and purpose of the action

The overall objective of the support measures is to support the establishment of an investment evaluation unit in Slovenia with a view to strengthening the authorities' capacity regarding financial construction of investment projects. In this context, the authorities requested support on the design, structure and institutional role of the investment evaluation unit as well as on capacity building activities.

In the context of setting up an investment evaluation unit, in particular with focus on designing its structure, analysing the institutional framework and processes and building capacity to perform its role, the following activities are envisaged:

- (a) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms;
- (b) collection of data and statistics, development of common methodologies and indicators or benchmarks; and also
- (c) organisation of seminars, conferences and workshops.

The expected results of the support measures is the establishment of an investment evaluation unit responsible for the assessment of investment documentation with a view to facilitating a more efficient use of resources and providing a basis for decision making on the financial construction of investment projects.

1.2.4. **Indirect Management of the European Bank for Reconstruction and Development for capital market development**

Amount

EUR 890 000

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. Over the 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 development.

Activities will be implemented with the EBRD under indirect management where, together with their overall knowledge of capital market development, it is deemed that the EBRD is the most appropriate provider given their experience in the Member State that has submitted the request and their 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 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 in a strategy for the development of the national capital markets. Further to such national strategies, the support will be to assist the national authorities in introducing concrete legislative or regulatory reforms, which will remove impediments to the development of the national capital markets or increase access to finance, in particular for SMEs. Support will also, when appropriate, aim at identifying impediments to access to finance for SMEs, with reform priorities identified based on these impediments. Furthermore, where requested, measures will be targeted at increasing the administrative capacity of the authorities to supervise capital market entities.

Support will be provided to carry out, amongst others, 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;
- (b) organisation of seminars, conferences and workshops;
- (c) organisation of study visits to relevant Member States;
- (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.

The activities carried out by the EBRD are expected to result in 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.

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:

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.

1.3. Other actions or expenditures

1.3.1. Administrative Agreement with the European Securities and Markets Authority for increasing capacity to supervise issuer's financial statements in Croatia

Amount

EUR 150 000

Description and objective of the implementing measure

Within the area of reinforcing financial stability, this action will support the Croatian authorities in the application of Directive 2004/109/EC, as amended, (the "Transparency Directive") and the related ESMA guidelines, and in building the capacity of the Croatian supervisory authority's staff who will conduct supervision of financial statements. Such support is contained under an overall objective of improving financial stability within Croatia.

Support will be provided to carry out, amongst others, the following activities:

- 1) expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to institutional, structural and administrative reforms;
- 2) development of common methodologies and, indicators or benchmarks;
- 3) studies, research, analyses and surveys, evaluations, and the development of guides and reports.

The action is expected to contribute towards significantly raising the standard of supervision of issuer statements in Croatia. In particular, the action is expected to produce, amongst others:

- Recommendations for data collection from issuers and design of automated reports;
- A manual for conducting supervision of financial statements for Croatian supervisory staff; and
- Training (workshops) for Croatian supervisory staff in financial reporting frameworks and standards for financial statements (IAS; IFSR).