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EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Guidance on the content and format of the National Reform Programmes

January 2013

Introduction

The National Reform Programmes (NRPs) are policy documents prepared by Member States in accordance with their national traditions and reflecting domestic priorities. They also play a central role at EU level, alongside the Stability or Convergence Programmes (SCPs), in enabling the collective monitoring and multilateral discussion of policy challenges and reforms.

The NRPs should provide sufficiently comprehensive yet concise information to allow for more in-depth review at EU level. They should be compiled following a process that ensures broad ownership at national level.

It is also important to strike the right balance between reporting on commitments taken and progress made over the last year, and setting out new policy proposals, including available evidence on possible impact and financial estimates consistent with the SCP.

Purpose and scope of this guidance

The guidance provided here is based on the experience over the last two years and reflects the level of ambition of the new EU economic governance and the need for clarity and transparency of reporting. Guidance is provided in the form of a check-list for coordinators of NRPs to facilitate their work:

- Annex 1 presents a template for the NRP.

- Annex 2 (divided into two parts) presents an outline for a reporting table for the response to country-specific recommendations and key macro-structural reforms: this table can be presented as a separate document and/or annex to the NRP.

- Annex 3 presents a template for a reporting table on Europe 2020 targets and other key commitments: this should also be presented as a separate document and/or annex to the NRP.

Provisions for Member States subject to an EU/IMF lending programme

Member States receiving EU/IMF financial assistance subject to conditionality under a macro-economic adjustment programme are not required to submit an NRP and SCP, given that the regular reporting in the programme context satisfies the relevant reporting requirements.

However, these Member States are asked to report to the Commission on: 1) their Europe 2020 targets, state-of-play and any possible updates; 2) their Euro Plus Pact commitments, state-of-play and possible new commitments for the coming year, and 3) the fiscal tables of the SCP. Such reporting can take the form of a letter.

Practical arrangements and timetable

Regulation 1466/97 as recently amended sets the deadline for submission of the programmes in April, preferably by mid-April. In order to alleviate the time pressure at the end of the European Semester, Member States are invited to present their programmes **by 15 April**.

NRPs may be transmitted either in paper form or electronically. Paper copies of the documents should be sent to the Commission marked for the attention of the Secretary General. Electronic copies should be sent to the functional mailbox: EC-EUROPEAN-SEMESTER@ec.europa.eu

The Commission will continue to post NRPs (as well as letters of commitment) on the Europe 2020 website upon receipt: http://ec.europa.eu/europe2020/index_en.htm

Since the reporting tables are considered to be part of the NRP, the latter will also be published.

<u>ANNEX 1</u>

OUTLINE FOR THE NATIONAL REFORM PROGRAMME

1. Introduction [1-2 pages]

This section should contain overall information on:

- *The overall strategy at national level, including the main reform priorities.*
- *The relation between the measures presented in the NRP and the orientations provided by the Commission in its Annual Growth Survey and the guidance by the Spring European Council.*

2. Macroeconomic context and scenario [2-3 pages]

2.1 Macroeconomic outlook for the period covered by the programme

This section should provide for a summary of the main elements of, and appropriate cross-reference with, the macroeconomic scenario described in the SCP (in order to avoid repetitions and overlaps), including an outlook for employment and labour force participation.

2.2 Macroeconomic impact of structural reforms

Member States are invited to specify the macroeconomic impact of structural reforms included in the macroeconomic scenario.

This section should notably contain a summary of the main quantitative results in terms of GDP, employment and other main macroeconomic variables involved in the exercise, as well as other relevant economic, social and environmental impacts. Methodological considerations should be included in an annex to the NRP.

This section should be consistent with the information contained in the reporting table in annex 2.

3. Implementation of the country-specific recommendations [1-2 pages for each recommendation]

This section should include subsections for each country-specific recommendation specifying the list of measures taken to implement them and reporting on progress (or explain the reasons for lack of progress). The reporting of measures without a well-defined implementation strategy and timetable should be avoided.

For each recommendation, this information should include:

- *The current state-of-play in the implementation of main measures adopted in this area over the last 12 months (focusing on the impact of measures rather than on legal details) as well as information on the next (legal, administrative, budgetary and operational) steps in their implementation.*
- *Any information on (possible) changes in the previously scheduled timetable and/or changes in the legal instruments used for the implementation of these measures and on any other concrete issue related to their implementation.*
- *If evidence is available, details of concrete evolution in the situation in the corresponding areas, e.g. a change in youth unemployment rate.*

- *Information on whether further concrete reforms are planned or envisaged in this field.*

The readability of this section can benefit from cross-references to the reporting table in annex 2, as the latter will provide more detailed information on each recommendation.

For measures related to fiscal policy, taxation, pension and health systems, it is also suggested to introduce cross-references to the information provided in the SCP in order to avoid repetitions and overlaps.

Where relevant, it can also be specified whether a measure aimed at addressing a country-specific recommendation also contributes to the achievement of commitments under the Euro Plus Pact or Europe 2020 targets. Cross-references to the reporting table in annex 3 can also help.

4. Progress towards national Europe 2020 targets [5 pages]

In this section, Member States should take stock of progress towards their national Europe 2020 targets, informing about possible changes in performances and/or levels of ambition.

The same approach as suggested for chapter 3 can be followed. This means inter alia that Member States should distinguish between reform measures already implemented (the state of play and the corresponding progress need to be reported), the main planned measures and provide information on the estimated impacts of measures to the extent they are not yet covered in chapter 3.

For each target, Member States should notably report on:

- *The main reform measures taken/to be taken to achieve the national targets contributing to the Europe 2020 headline targets. When these are already covered in chapter 3, cross-references can be used.*

- *Specifically, in relation to the Europe 2020 employment headline target, Member States are invited to outline their National Job Plan covering employment, labour market, education and skills, including job-creating measures targeting specific sectors such as the green, ICT and health-care sectors, and measures addressing the implementation of the youth opportunities initiative and youth guarantee.*

- *In relation to the target on poverty and social exclusion, Member States are invited to outline their efforts in implementing active inclusion strategies, including income support, measures to tackle poverty, including child poverty, as well as broad access to affordable and high-quality services such as social and health services, childcare and energy supply.*

- *In relation to the Europe 2020 headline target to improve the conditions for research and development, Member States are invited to outline their actions to complete the European Research Area.*

- *For the reporting on the energy efficiency targets and progress, the framework put forward by the energy efficiency Directive needs to be taken into account*[1].

[1] While Member States are free to express their national energy efficiency targets in different ways, for compatibility, the targets must also be expressed in terms of an absolute level of primary energy consumption and final energy consumption in 2020, with an explanation of how this has been calculated. In order to be of practical use, this explanation should include (i) the assumptions that have been made about GDP growth and (ii) the factors used for the conversion from primary to final energy

5. Additional reform measures and the use of structural funds [as necessary]

This section should report, where relevant, on reform measures to address priorities set out in the Annual Growth Survey and Euro Plus Pact commitments that were not already covered in sections 3 and 4.

This also includes measures taken in the context of Europe 2020 flagship initiatives not necessarily related to a specific Europe 2020 target, such as actions envisaged as part of the "Resource Efficient Europe", "EU Digital Agenda" and "Industrial Policy" flagship initiatives.

This section should spell out the expected contribution of the different EU funding programmes to support the implementation of the measures on-going or envisaged in 2013[2]

In addition, specifically for the 2013 NRP, Member States should provide a short sub-section on the priorities they intend to propose for the 2014-2020 Common Strategic Framework[3] *in the context of the Europe 2020 strategy.*

In terms of content, Member States are invited to follow the approach suggested for section 3.

6. Institutional issues and stakeholder involvement [2 pages]

This section should explain the institutional process for the approval of the NRP as well as the involvement of the national institutional actors (national parliament, regional/local authorities, social partners/civil society).

Member States should notably report on:

- *Whether the NRP was presented to the national Parliament and whether or not it was approved by the national Parliament.*
- *Whether the national Parliament had the opportunity to discuss the Council recommendations on the previous programme.*
- *How social partners and the civil society were involved in the preparation of the NRP and in the implementation of the past guidance and commitments.*
- *How regional and local authorities (as relevant, depending on the division of competencies in individual Member States) were involved in the preparation of the NRP and in the implementation of the past guidance and commitments. Good practice examples on the implementation process of the Europe 2020 strategy and the European Semester at regional and local level may also be included.*

The comments and/or contribution of social partners and other stakeholders may be summarised here and/or provided in annex.

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[2] All Member States will deliver a national "strategic" implementation report on the 2007-2013 ERDF/ESF/Cohesion Fund programmes by end 2012, which can serve as a reference.

[3] Covering the ERDF, Cohesion Fund, ESF, the rural development and fisheries funds, also setting out the interaction with other EU instruments such as Horizon 2020 and the Connecting Europe Facility.

ANNEX 2

(SEPARATE DOCUMENTS)

REPORTING TABLE FOR THE ASSESSMENT OF CONTRY-SPECIFIC RECOMMENDATIONS AND KEY MACRO-STRUCTURAL REFORMS

Explanatory notes for Annex 2:

The reporting table should cover implemented reform measures. It should also cover planned reform measures in so far as they have been announced in sufficient detail and where a timetable and other details on implementation are already available.

The reporting table is divided into two parts:

- *Table 1, containing columns 1-12, covers description and qualitative assessment of impacts of the measures taken in response to the country-specific recommendations.*
- *Table 2, containing columns 13-18, covers quantitative impacts of the measures taken in response to the country-specific recommendations. Quantitative impacts can be reported per CSR or per sub-category of a CSR, as relevant.*

(1) Reference should be made to the number of the CSR and its content (or a summary thereof).

(2) To allow for clear linking of the measures to particular elements of each CSR, the latter should be broken down into "subcategories", where relevant.

(3) This column should only contain "Measure 1", Measure 2" etc.

(4) This column should include for each measure a description of 1-3 sentences about the main objectives in terms of economic, budgetary or labour market policy, and how the measure is relevant to address the CSR. If these objectives relate to several measures, it is sufficient to provide references to the corresponding measure where the objective has been spelled out. If the measure addresses a recommendation under the macro-economic imbalances procedure**,** it should also be mentioned.

(5) This column will include for each measure a description of 2-3 sentences synthesising key elements of the measure as well as its coverage. If a policy-programme addressing a CSR contains a significant number of different measures, only those should be elaborated which are likely to have the most significant contribution to the achievement of the objective.

(6) Whenever possible, this column should provide concrete references to laws and their official name and numbering. For non-legislative acts, the name of the administrative instrument should be reported (e.g. "*Operational Programme Administrative Capacity*").

(7) This column should provide a timetable on the progress achieved since the previous NRP. Each date should be accompanied by some key words which explain what has been achieved by these dates. Even if a measure is already in the implementation phase, this column should be completed. Information such as "under implementation since XX.XX.XXXX" is not sufficient. Even if a measure has been fully implemented, relevant information on steps afterwards could be included (e.g. on evaluations about the implementation).

(8) This column should provide a timetable on the progress expected in the future. Each date should be accompanied by some key words which explain what is concretely planned by that date. If there are no concrete dates for future steps, months or half years should be indicated when specific progress is planned. Even if a measure has been or will be fully implemented, relevant information on steps afterwards should be included (e.g. on evaluations of implementation). If possible Member States could also provide information about the timing of the impact.

(9) Where relevant, this column should refer to the expected contribution (impact) of the measure to reach the national Europe 2020 headline targets (i.e. in relation to employment rate, R&D investment, climate/energy goals, early school leaving and tertiary degree attainment, poverty reduction).

(10) This column should specify the main challenges / risks pertaining to the implementation of the measures.

(11) This column should include the budgetary implications of the measure, both on the revenue and expenditure side and whenever possible the *indirect* budgetary impact via the macro-economic effects reported in table 2. When EU funds are involved, the source and amounts should be indicated separately. In case of structural measures on public finance, the expected impact on the public debt should also be reported.

(12) This column should include a brief qualitative description of the foreseen impacts of the measure and their expected timing.

(13) This column should include all relevant information on the analytical and methodological approach used in the empirical exercise. This would include: (a) the type of the model used/estimation technique (e.g. econometric estimations or simulation based assessments with DSGE/dynamic CGE/static CGE models, etc.); (b) data sources and the frequency of macroeconomic data used in the empirical exercise; (c) if available, the list of references related to the main methodological paper(s) that describes the structure of the country-specific model underlying the empirical exercise.

(14) This column should encompass the main macroeconomic and simulation assumptions underlying the estimation.

(15) This column summarises the main macroeconomic variables involved as well as the quantitative results of the macroeconomic simulations exercise.

(16) Specifically, this column contains the list of the macroeconomic variables which are assumed to be affected by the enacted or planned structural reforms presented in the programmes. The list reported in the reporting table is illustrative (but not exhaustive) and can be changed and/or broadened according to the type of reforms implemented at national level.

(17) This column reports the quantitative impact of the structural reforms expressed as the yearly and/or cumulated effect on the GDP and the other main macroeconomic variables (components of aggregate demand, employment and contribution of the production factors to the potential output growth) involved in the simulation as well as the policy simulation horizon (which does not necessary coincide with the programme period). The macroeconomic impact of structural reforms needs to take the form of a number expressing the difference (in percentage points) with respect to the reference scenario, i.e. the scenario that does not include the structural measures)

(18) This column shall contain other relevant indicators that can also demonstrate economic, social or environmental impacts. Examples would include resource efficiency indicator or social impacts (other than on employment). This can also include information on the expected direct results from the measure (e.g. how many people are expected to be supported by a new ALMP measures; or which increase in the proportion of unemployed will be covered by an increase ALMP budget).

ANNEX 3

(SEPARATE DOCUMENT)

REPORTING TABLE ON NATIONAL EUROPE 2020 TARGETS AND OTHER KEY COMMITMENTS

Explanatory notes for Annex 3:

Apart from measures relevant for the achievement of the national Europe 2020 targets, only key reform commitments for the next 12 months should be included. The reporting table should cover in more detail measures not yet reported in Tables 1 or 2 of Annex 2 or cross-references to Table 1 or 2 otherwise. Information on impacts should be provided to the extent available.