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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing a Technical Support Instrument – Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 28 May 2020, the Commission adopted a proposal for a Regulation of the European Parliament and of the Council establishing a Technical Support Instrument (TSI).
2. The proposal was examined by the Working Party of Financial Counsellors on 2 and 8 June under the Croatian Presidency as well as 1 July, 14 July and 22/23 September 2020 under the German Presidency.
3. On 22 July 2020, the Permanent Representatives Committee agreed on the partial mandate on the Presidency compromise proposal, set out in doc. ST 9714/20. On 30 September 2020, the Permanent Representatives Committee agreed on a full mandate for negotiations with the European Parliament (doc. ST 11058/20) and invited the Presidency to conduct negotiations.
4. On 1 October 2020, the Committee on Budgets and the Committee on Economic and Monetary Affairs of the European Parliament adopted their report and mandate for negotiations. On 7 October 2020 the Committees' decision to enter into inter-institutional negotiations was confirmed in Plenary.

II. STATE OF PLAY

5. Five informal meetings between the European Parliament, the Council and the Commission took place on 13 October, 16 October, 21 October, 23 October and 15 December 2020.
6. The outcome of the informal meetings is set in annex to this note.

III. CONCLUSIONS

7. Against this background, the Permanent Representatives Committee is invited to:
 1. approve the final compromise text, as set out in Annex to this note;
 2. to authorise the Presidency to send a letter to the Chairs of the European Parliament's Committee on Budgets (BUDG) and Committee on Economic and Monetary Affairs (ECON) confirming that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form agreed at the informal meeting held between the three institutions on 15 December 2020, the Council would, in accordance with Article 294 paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in that wording subject, if necessary, to revision by the legal linguists of both institutions;
 8. Unless objected by the Permanent Representatives Committee, this document will be made public by the General Secretariat of the Council after endorsement.
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Changes to the Commission proposal are indicated as follows: additions are marked in ***bold and italics***, deletions are indicated with the **■** symbol.

2020/0103(COD)

REGULATION (EU) 2020/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

establishing a Technical Support Instrument

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 and Article 197(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C , , p. .
² OJ C , , p. .

Whereas:

- (1) In accordance with Articles 120 and 121 of the Treaty on the Functioning of the European Union ('the Treaty'), Member States are required to conduct their economic policies with a view to contributing to the achievement of the objectives of the Union and in the context of the broad guidelines that the Council formulates. Under Article 148 of the Treaty Member States shall implement employment policies that take into account the guidelines for employment. The coordination of the economic policies of the Member States is therefore a matter of common concern.
- (2) Article 175 of the Treaty provides, inter alia, that Member States should coordinate their economic policies in such a way as to attain the objectives on economic social and territorial cohesion set out in Article 174.

³ Position of the European Parliament of ... (not yet published in the Official Journal) and decision of the Council of ...

- (3) The ■ COVID-19 pandemic in early 2020 changed the economic *and social* outlook for the years to come in the *Union* and in the world. In the Union, new priorities have emerged, linked with the crisis, specifically focussing on recovery and resilience. *Those priorities* require an urgent and coordinated response from the Union in order to cope with the economic, *social and health-related* consequences for Member States as well *as* to mitigate the social and economic fallouts. *In particular women have been hit especially hard by economic consequences of the COVID-19 pandemic.* The ■ COVID-19 pandemic as well as the previous economic and financial crisis have shown that developing sound and resilient economies and financial systems built on strong *and sustainable* economic and social structures helps Member States to respond more efficiently to shocks and recover more swiftly from them. *Also the need for preparedness of health systems, essential public services and effective social protection mechanisms was clearly demonstrated.* Growth enhancing, *sustainable, smart, and socially responsible* reforms and investments, *sound fiscal policies and the creation of high-quality jobs to respond to the new challenges and* address structural weaknesses of the economies and strengthen their resilience will therefore be essential to set the economies and societies back on a sustainable recovery path and *to* overcome the economic, social and territorial divergences in the Union *in the interest of the well-being of Union citizens and in line with relevant fundamental rights principles.*

- (4) At Union level, the European Semester of economic policy coordination is the framework to identify ***challenges and*** national reform priorities and monitor ***the*** implementation of ***those priorities***. Member States develop their own national multiannual investment strategies in support of ***the*** reform priorities, ***also in the context of the European Semester***. Those strategies are presented alongside the yearly National Reform Programmes as a way to outline and coordinate priorities to be supported by national and/or Union funding. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the programmes supported by the Union under the structural and cohesion funds, and from other programmes. ***With regard to the challenges identified in the context of European Semester, the Technical Support Instrument has a clear added value in assisting Member States in enhancing their capacity to effectively address the country- specific recommendations.***
- (5) Regulation (EU) 2017/825 of the European Parliament and the Council⁴ established the Structural Reform Support Programme (SRSP) for the period 2017 to 2020, with a budget of EUR 142 800 000. The SRSP was established to strengthen the capacity of Member States to prepare and implement growth-sustaining administrative and structural reforms, including through assistance for the efficient and effective use of the Union funds. Technical support under ***the SRSP*** is provided by the Commission, upon request from a Member State, and can cover a wide range of policy areas. This Regulation is designed as a continuation of that programme which has been positively received by the Member States, ***while incorporating relevant adjustments.***

⁴ Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013 (OJ L 129, 19.5.2017, p. 1).

- (6) Member States have increasingly taken up technical support under the SRSP ■ . **Therefore,** ■ this Regulation ***should establish***, a technical support instrument ■ with a view to continuing ***and enhancing*** support ***for*** Member States in the implementation of reforms.
- (7) Reflecting the European Green Deal as Europe's growth strategy and the translation of the Union's commitments to implement the Paris Agreement and the United Nations' Sustainable Development Goals, the technical support instrument will contribute to ***the implementation of the European Green Deal***, mainstreaming climate actions and to the achievement of an overall target of ***30 %*** of the ***Union*** budget expenditures supporting climate objectives ***and the ambition of 7.5% of the budget reflecting biodiversity expenditures from 2024 and 10% in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals***. Relevant actions should be identified during the instrument's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. This should also tackle broader environmental and social challenges within the Union, including the protection of natural capital, ***preserving biodiversity*** and the support to the circular economy and ***the energy transition***, in line with the 2030 Agenda for Sustainable Development. ***The Technical Support Instrument should also support the digital transition and contribute to creating a Digital Single Market.***

- (8) The general objective of the **Technical Support Instrument** should be to promote the Union's economic, social and territorial cohesion by supporting Member States efforts to implement reforms. ***This is necessary to encourage public and private investments, support sustainable and fair economic and social recovery and convergence, achieve resilience, reduce poverty and inequality, promote gender equality, increase competitiveness, to effectively address the challenges identified in the adopted country-specific recommendations and implement Union law. This is also necessary to support Member States' efforts to strengthen their institutional and administrative capacity and judicial framework, including at regional and local levels, and to implement policy objectives to facilitate socially inclusive, green and digital transitions, in line with the Paris Agreement, the Union's 2030 climate and energy targets and climate neutrality by 2050, the United Nations Sustainable Development Goals and the European Pillar of Social Rights.***
- (9) The specific objectives of the **Technical Support Instrument** should be to assist national authorities in their endeavours to design, develop and implement reforms ***and to prepare, amend, implement and revise national recovery and resilience plans pursuant to Regulation (EU) YYY/XX***, including through exchange of good practices, appropriate processes and methodologies, ***stakeholder involvement, where appropriate***, and a more effective and efficient human resources management.

- (10) With a view to helping Member States *to design, develop and implement reforms* in all the key economic and societal areas, technical support should continue to be provided by the Commission, upon request from a Member State, in a broad range of policy domains, which include areas related to public financial and asset management, institutional and administrative reform, *judicial reform*, business environment, the financial sector *and improving financial literacy*, markets for products, services and labour, education and training, *gender equality*, sustainable development, public health, social welfare *and care as well as early detection and coordinated response capabilities*. Specific emphasis should be given to the actions that foster the green and digital transitions. *This instrument should also support the preparation for euro-area membership.*
- (11) This Regulation lays down a financial envelope for the Technical Support Instrument, which is to constitute the prime reference amount, within the meaning of the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁵, for the European Parliament and the Council during the annual budgetary procedure. *The annual appropriations should be authorised by the European Parliament and the Council in the framework of the annual budgetary procedure, within the limits of the MFF and taking into account demand for the instrument.*

⁵ Interinstitutional agreement between the European Parliament, the Council of the European Union and the European Commission on better law-making of 13 April 2016 (OJ L 123, 12.5.2016, p. 1).

- (12) In order to cater for additional needs under the Technical Support Instrument, Member States should have the possibility to transfer to the budget of that instrument resources programmed in shared management under the Union funds *and transfer back of uncommitted resources*, in accordance with the procedure thereof *and Article 21 of the [CPR Regulation]*. Transferred resources should be implemented in accordance with the rules of that instrument and should be used exclusively for the benefit of the Member State concerned. The Commission should provide feedback to the Member State concerned on the use of the additional voluntary contributions.
- (12a) *In order to cater for additional needs under the Technical Support Instrument, a Member State should be able to request additional technical support and pay for the cost of such support in addition to the budget of the Technical Support Instrument. Such payments should constitute external assigned revenues in line with the Financial Regulation and should be used exclusively for the benefit of that Member State.*

- (13) The Technical Support Instrument should be provided on request, in order to support the implementation of reforms undertaken at the initiative of the Member States, reforms in the context of economic governance processes, ***in particular those effectively addressing the country-specific recommendations***, or actions related to the implementation of Union law, and reforms in relation to the implementation of economic adjustment programmes. It should also provide technical support for the preparation, ***amendment***, implementation ***and revision*** of recovery plans to be undertaken under Regulation (EU) YYY/XX.
- (14) In line with the rules and practice already existing under the previous programme, the SRSP, a light process for the submission of requests for technical support should be established. For this reason, requests by Member States should be submitted by 31 October of a calendar year. Respecting the overarching principle of equal treatment, sound financial management and transparency, appropriate criteria for the analysis of the requests submitted by Member States should be laid down. Those criteria should be based on the urgency, the severity and extent of the problems, as well as on the support needs identified in respect of the policy areas where technical support is envisaged. ***The Commission should organise additional dedicated calls in response to specific emerging Member State needs, including, as a matter of priority, for the preparation, amendment, implementation and revision of the national recovery and resilience plans.***

- (14a) *Member States should be able, when requesting for technical support, to consult, where appropriate, relevant stakeholders, such as local and regional authorities, social partners and civil society in line with national laws and practices.*
- (15) The content of the cooperation and support plans detailing the measures for the provision of technical support to Member States should also be specified. To that end, the technical support measures envisaged and the related estimated global financial contribution should take into account the actions and activities financed by Union funds or Union programmes.
- (16) For the purposes of accountability, transparency and to ensure visibility of the Union action, subject to certain conditions that protect sensitive information, the cooperation and support plans should be *transmitted simultaneously* to the European Parliament and the Council. *The Commission should be able to engage in* communication activities **■**. *The Commission should publish on its website a list of approved technical support requests.*
- (16a) *In order to ensure greater transparency as regards technical input to the national decision-making process, the Commission should establish a single online public repository through which it should be able, subject to applicable rules and on the basis of consultation with the Member States concerned, make available final studies or reports produced as part of eligible actions. In order to protect sensitive and confidential information related to their public interests, Member States should be able to request, where justified, that the Commission not disclose such documents without their prior agreement.*

- (17) Provisions on the implementation of the Technical Support Instrument should be laid down, in particular the management modes, the forms of funding for the technical support measures and the content of work programmes, which should be adopted by way of implementing acts. In view of the importance of sustaining the efforts of ***national authorities*** pursuing and implementing reforms, it is necessary to allow for a co-financing rate for grants of up to 100% of the eligible costs. To allow for a rapid mobilisation of technical support in case of urgency, provision should be made for the adoption of special measures for a limited period of time. To that effect, a limited amount of the budget within the work programme of the Technical Support Instrument, ***not exceeding 30 % of the yearly allocation***, should be set aside for special measures.
- (18) In order to ensure an efficient and coherent allocation of funds from the Union budget and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding for the same expenditure. In particular, the Commission and the ***national authorities*** should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding, including technical assistance thereof, ***to avoid duplications or overlaps***.

- (19) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement for Better Law-Making of 13 April 2016, there is a need to evaluate the instrument established by this Regulation on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, should include measurable indicators, as a basis for evaluating the effects of the instrument on the ground.
- (20) It is opportune that Commission provides an annual report *simultaneously* to the European Parliament and the Council on the implementation of this Regulation. ***In addition, an independent mid-term evaluation, looking at the achievement of the objectives of the instrument established by this Regulation, the efficiency of the use of its resources and its added value should be carried out. In this context, the European Parliament should be able to invite the Commission to participate in an exchange of views with the competent committee of the European Parliament to discuss the annual report and the implementation of the instrument.*** An independent ex-post evaluation should, in addition, deal with the long-term impact of the instrument.

- (21) The work programmes for the implementation of technical support should be established. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty *on the Functioning of the European Union* apply to this Regulation. These rules are laid down in ■ the Financial Regulation⁶ and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also *include a general regime of conditionality for the protection of the Union budget* ■ .

⁶ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (22) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council⁷, Council Regulation (Euratom, EC) No 2988/95⁸, Council Regulation (Euratom, EC) No 2185/96⁹ and Council Regulation (EU) 2017/1939¹⁰, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹¹. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, **the European Court of Auditors, and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO** and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights to the Commission, OLAF, the EPPO and the European Court of Auditors.

⁷ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

⁸ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

⁹ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L292, 15.11.96, p. 2).

¹⁰ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

¹¹ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (23) Since the objective of this Regulation cannot be sufficiently achieved by the Member States alone, but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond that which is necessary to achieve that objective.
- (24) This Regulation should not affect the continuation and modification of support measures approved by the Commission on the basis of Regulation (EU) 2017/825 or any other Union act applying to that assistance by 31 December 2020. Measures approved under Regulation (EU) 2017/825 should therefore remain valid. To that effect, a transitional provision should also be laid down.
- (25) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

General provisions

Article 1

Subject matter

This Regulation establishes a Technical Support Instrument ('the instrument').

It lays down the ***general and specific*** objectives of the instrument, the budget for the period 2021 – 2027, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'technical support' means measures that help Member ***States' national authorities*** to ***implement*** institutional, administrative and ***structural reforms that are sustainable*** and resilience-enhancing, ***strengthen the economic, social and territorial cohesion and support the public administration in the preparation of sustainable and resilience-enhancing investments;***
- (2) 'national authority' means one or more public authority at the level of government, including those at regional and local levels, as well as Member State organisations within the meaning of Article 2(42) of the Financial Regulation, cooperating in a spirit of partnership in accordance with the Member States' institutional and legal framework;

- (3) ‘Union funds’ means the funds covered by Regulation (EU) YYY/XX of the European Parliament and of the Council [CPR successor]¹²;
- (4) ‘international organisation’ means an organisation within the meaning of Article 156 of the Financial Regulation, and organisations assimilated with such an international organisation pursuant to that Article;
- (4a) *‘European Semester for economic policy coordination’ or ‘European Semester’ means the process set out in Article 2a of Council Regulation (EC) No 1466/97 of 7 July 1997¹³;*
- (4b) *‘country-specific recommendations’ means the Council recommendations addressed to each Member State in accordance with Articles 121(2) and 148(4) TFEU in the context of the European Semester.*

¹² OJ C , , p. .

¹³ *Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1).*

Article 3

General objective

The general objective of the instrument shall be to promote the Union's economic, social and territorial cohesion by supporting Member States efforts to implement reforms. ***This is necessary to encourage investments, increase competitiveness as well as to achieve sustainable economic and social convergence, resilience and recovery. This is also necessary to support Member States' efforts to strengthen their institutional and administrative capacity, including at regional and local levels, to facilitate socially inclusive, green and digital transitions, to effectively address the challenges identified in the country-specific recommendations and to implement Union law*** .

Article 4

Specific objectives

To achieve the general objective set out in Article 3, the instrument shall have the specific objectives of assisting national authorities in improving their capacity to:

- (a) design, develop and implement reforms;
- (b) ***prepare, amend, implement and revise national recovery and resilience plans pursuant to Regulation (EU) YYYY/XX.***

Those specific objectives shall be pursued in close cooperation with the Member States concerned, ***including through exchange of good practices, processes and methodologies, stakeholder involvement, where appropriate, and a more effective and efficient human resources management.***

Article 5

Scope

The specific objectives set out in Article 4 shall refer to policy areas related to cohesion, competitiveness, education, productivity, research and innovation, smart, fair, sustainable, and inclusive growth, jobs and investment, with specific emphasis to actions that foster the **digital and just green** transitions, and in particular **focus on** one or more of the following:

- (a) public financial and asset management, budget process, **including green and gender budgeting**, macro-fiscal framework, debt and cash management, expenditure and tax policy, tax compliance, **fighting** aggressive tax planning, tax fraud, evasion **and avoidance** and revenue administration and customs union;
- (b) institutional reform and efficient and service-oriented functioning of public administration and e-government, **simplification of rules and procedures, auditing, enhancing capacity to absorb EU funds, promotion of administrative cooperation**, effective rule of law, reform of the justice systems, **capacity building of competition and antitrust authorities** and reinforcement of the fight against fraud, corruption and money laundering, **and strengthening of financial supervision**;

- (c) business environment, including for small and medium-sized enterprises, ***self-employed, entrepreneurs and*** social economy enterprises, re-industrialisation ***and relocation of production into the Union***, private sector development, product and service markets, ***public and private investments, including into physical and virtual infrastructure, project promoters and nurseries***, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition and ***efficient and transparent*** public procurement, sustainable sectoral development and support for research and innovation and digitisation;
- (d) education, ***life-long learning*** and training, ***vocational education and training, youth policies***, labour market policies, including social dialogue, for the creation of jobs, ***increased labour market participation of under-represented groups***, up- and re-skilling, in particular digital skills, media literacy, active citizenship ***and active ageing***, the fight against poverty and ***income inequality, all forms of discrimination***, gender equality, the promotion of social inclusion, ***as well as civil protection, border and migration policies***;
- (da) ***accessible, affordable and resilient public healthcare, systems for social security, care and welfare, and childcare***;

- (e) policies for ***mitigation of climate change***, the digital and ***just*** green transitions, e-government solutions, e-procurement, connectivity, data access and governance, ***data protection solutions***, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, ***transport and*** mobility, promoting the circular economy, energy and resource efficiency, renewable energy sources, achieving energy diversification, ***tackling energy poverty*** and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, fisheries and the sustainable development of rural, ***remote and insular*** areas; ■
- (f) financial sector policies ***and regulation***, including ■ financial literacy, financial stability, access to finance and lending to the real economy, ***in particular for SMEs, self-employed and entrepreneurs, as well as*** production, provision and quality monitoring of data and statistics;
- (fb) ***preparation for euro-area membership; and***
- (fc) ***early detection and coordinated response to substantial public health or security risks, as well as ensuring business and service continuity for essential public and private institutions and sectors.***

Article 6

Budget

1. The financial envelope for the implementation of the instrument for the period 2021-2027 shall be EUR **864 000 000** in current prices.
2. The financial envelope for the instrument may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, which are required for the management of the instrument and the achievement of its objectives, in particular studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the Union, in so far as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, including corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the instrument. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of technical support projects on the ground and the costs of peer counselling and experts for the assessment and implementation of structural reforms.
3. ***In addition to the financial envelope set out in paragraph 1, resources allocated to Member States under shared management may, at their request, and in accordance with the conditions and the procedure set out in Article 21 of Regulation [CPR successor] be transferred to the instrument for the purpose of financing clearly identified technical support requests, and transferred back if not committed within the relevant time limits. Those resources shall be used exclusively for the benefit of the Member State making the transfer, including at regional and local levels.***

Article 6a
Payments for additional technical support

1. *Member States may request additional technical support under the Instrument and pay for the cost of such support in addition to the budget set out in Article 6.*
2. *The payments made by a Member State on the basis of paragraph 1 shall constitute external assigned revenues provided by the basic act in line with Article 21(5) of the Financial Regulation and shall be used exclusively for the benefit of that Member State.*

CHAPTER II
Technical support

Article 7
Eligible actions for technical support

Pursuant to the objectives set out in Articles 3 and 4, the instrument shall finance, in particular, the following types of action:

- (a) ***provision of*** expertise related to policy advice, policy change, formulation of strategies and reform roadmaps, as well as to legislative, institutional, structural and administrative reforms;
- (b) the short-term or long-term provision of experts, including resident experts, 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) institutional, administrative or sectoral capacity building and related supporting actions at all governance levels, also contributing to the empowerment of civil society, including social partners, as appropriate, in particular:
 - (i) seminars, conferences and workshops, ***with stakeholder involvement, where appropriate;***
 - (ii) ***exchanges of best practices, including, where appropriate,*** working visits to relevant Member States or third countries to enable officials to acquire or increase their expertise or knowledge in relevant matters;
 - (iii) training actions and the development of online or other training modules to support the necessary professional skills and knowledge relating to the relevant reforms;
- (d) collection of data and statistics, development of common methodologies, ***including gender and climate mainstreaming and tracking,*** and, where appropriate, indicators or benchmarks;
- (e) organisation of local operational support in areas such as asylum, migration and border control;
- (f) IT capacity building, including expertise related to development, maintenance, operation and quality control of the IT infrastructure and applications needed to implement the relevant reforms, cybersecurity, ***open software and hardware solutions, data protection solutions*** as well as expertise related to programmes geared towards the digitalisation of public services, ***in particular in services such as healthcare, education or the judiciary;***

- (g) studies, *including feasibility studies*, research, analyses and surveys, evaluations and impact assessments, *including gender impact assessments* and the development and publication of guides, reports and educational material;
- (h) communication projects *and strategies* for learning, including e-learning, cooperation, awareness raising, dissemination activities and exchange of good practices; organisation of awareness-raising and information campaigns, media campaigns and events, including corporate communication and **■**, *where appropriate, communication* through social networks *and/or platforms*;
- (i) compilation and publication of materials to disseminate information and the results of technical support provided under the instrument, including through the development, operation and maintenance of systems and tools using information and communication technologies; and
- (j) any other relevant activity in support of the general and specific objectives set out in Articles 3 and 4.

Article 8
Request for technical support

1. A Member State wishing to receive technical support under the instrument shall submit a request for technical support to the Commission, identifying the policy areas and the priorities for support within the scope as set out in Article 5. **Such** requests shall be submitted by 31 October of a calendar year. The Commission may provide guidance on the main elements to be included in the request for support.
- 1a. In order for the reforms pursued to gather wide support and ownership, Member States wishing to benefit from the instrument may consult relevant stakeholders when requesting technical support, in line with national laws and practices and where appropriate.*

2. Members States may submit a request for technical support in the following circumstances linked to:
- (a) the implementation of reforms by Member States, undertaken on their own initiative *and in line with the general and specific objectives set out in Articles 3 and 4;*
 - (aa) *the implementation of growth-sustaining and resilience-enhancing reforms in the context of economic governance processes, in particular the country-specific recommendations issued in the context of the European Semester or actions related to the implementation of Union law;*
 - (b) the implementation of economic adjustment programmes for Member States that receive Union financial assistance under existing instruments, in particular in accordance with Regulation (EU) No 472/2013 of the European Parliament and of the Council¹⁴ as regards the Member States whose currency is the euro and Council Regulation (EC) No 332/2002¹⁵ as regards Member States whose currency is not the euro;
- I**
- (d) the preparation, ***amendment and revision*** of recovery and resilience plans pursuant to Regulation (EU) YYY/XX and the implementation thereof undertaken by Member States;

¹⁴ Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

¹⁵ Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002, p. 1).

- 2a. *The Commission shall organise additional dedicated calls in response to specific emerging Member State needs, such as for the submission of requests linked to the circumstances in point (d) of paragraph 2.*
3. Taking into account the principles of transparency, equal treatment and sound financial management, and further to a dialogue with the Member State, including in the context of the European Semester, the Commission shall analyse the request for support referred to in paragraph 1 based on the urgency, breadth and depth of the **challenges** identified, support needs in respect of the policy areas concerned, analysis of socioeconomic indicators **and institutional** and general administrative capacity of the Member State.
- Based on that analysis, and taking into account the existing actions and measures financed by Union funds or other Union programmes, the Commission shall come to an agreement with the Member State concerned on the priority areas for support, the objectives, an indicative timeline, the scope of the support measures to be provided and the estimated global financial contribution for such technical support, which shall be set out in a cooperation and support plan.
4. The cooperation and support plan referred to in paragraph 3 shall identify, separately from other technical support, the measures linked to the recovery and resilience plans for the Member States pursuant to Regulation (EU) YYY/XX.

Article 9

Information to the European Parliament and the Council and communication on the cooperation and support plans

1. The Commission shall transmit, with the consent of the Member State concerned, the cooperation and support plan *simultaneously* to the European Parliament and the Council without undue delay. The Member State concerned may refuse to give such consent in the case of sensitive or confidential information, the disclosure of which would jeopardise public interests of the Member State.
2. Notwithstanding the provisions of paragraph 1, the Commission shall transmit the cooperation and support plan to the European Parliament and the Council in the following circumstances:
 - (a) as soon as the Member State concerned has redacted all sensitive or confidential information, the disclosure of which would jeopardise public interests of the Member State;
 - (b) after a reasonable period of time, when the disclosure of relevant information would not adversely affect the implementation of the support measures, and in any case no later than two months after the delivery of such measures under the cooperation and support plan.

3. The Commission may engage in communication activities to ensure the visibility of Union funding for support measures envisaged in the cooperation and support plans, including through joint communication activities with the national authorities, *and the representation offices of the European Parliament and of the Commission in the Member State concerned. The Commission shall publish on its website a list of approved technical support requests. That list shall be regularly updated. The Commission shall regularly inform the representation offices of the European Parliament and of the Commission about projects in the Member States concerned.*

Article 11

Complementary funding

Actions financed under the instrument may receive support from other Union programmes, instruments or funds under the Union's budget provided that such support does not cover the same costs.

Article 12

Implementation of *the* technical support *instrument*

1. The Commission shall implement the instrument in accordance with the Financial Regulation.
2. The measures under the instrument may be implemented either directly by the Commission or, indirectly, by entities and persons other than Member States in accordance with Article **62(1)** of the Financial Regulation. In particular, Union support for actions pursuant to Article 7 shall take the form of:
 - (a) grants;
 - (b) public procurement contracts;
 - (c) reimbursement of costs incurred by external experts, including experts from the national, regional or local authorities of Member States providing or receiving support;
 - (d) contributions to trust funds set up by international organisations; and
 - (e) actions carried out through indirect management.

3. Grants may be awarded to the national authorities of Member States, the European Investment Bank group, international organisations, public or private bodies and entities legally established in:

(a) Member States;

(b) European Free Trade Association countries which are party to the European Economic Area Agreement, in accordance with the conditions laid down therein.

The co-financing rate for grants shall be up to 100 % of the eligible costs.

4. Technical support measures may be provided with the cooperation of other Member States' entities and international organisations.

5. Technical support may also be provided by individual experts, who may be invited to contribute to selected activities organised wherever that is necessary for the achievement of the specific objectives set out in Article 4.

6. In order to implement the technical support, the Commission shall adopt work programmes by way of implementing acts, and inform the European Parliament and the Council thereof.

Work programmes shall set out:

a) the allocation for the instrument;

b) the measures ***referred to in paragraph 2 of this Article, in accordance*** with the general and specific objectives referred to in Articles 3 and 4 ***of this Regulation respectively and within the scope and the spirit referred to in Article 5 and Article 7 of this Regulation;*** and

c) the selection and award criteria for grants, and all the elements required by the Financial Regulation.

7. To ensure timely availability of resources, a limited part of the work programme, ***not exceeding 30 % of the yearly allocation***, shall be reserved for special measures in the event of unforeseen and duly justified grounds of urgency requiring an immediate response, including a serious disturbance in the economy or significant circumstances seriously affecting the economic, social ***or health*** conditions in a Member State going beyond its control.

The Commission may, on request by a Member State wishing to receive technical support, adopt special measures in accordance with the objectives and actions defined in the instrument to provide technical support to the national authorities in addressing urgent needs. Such special measures shall be interim in nature, and shall be linked the circumstances laid down in Article 8(2). The special measures shall end within six months and may be replaced by technical support measures in accordance with the conditions set out in Article 8.

CHAPTER III
Complementarity, monitoring and evaluation

Article 13
Coordination and complementarity

1. The Commission and the Member States concerned shall, in a measure commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the ■ instrument and other Union programmes and instruments, and in particular with measures financed by the Union funds. For that purpose, they shall:
 - (a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, regional ***and local*** levels, in particular in relation to measures financed by Union funds, both in the planning phase and during implementation;
 - (b) optimise mechanisms for coordination to avoid duplication of effort ***or overlaps***;
 - (c) ensure close cooperation between those responsible for implementation at Union, national and, where appropriate, regional ***and local*** levels to deliver coherent and streamlined support actions under the instrument.
2. The Commission shall endeavour to ensure complementarity and synergies with support provided by other relevant international organisations.

Article 14
Monitoring of implementation

1. The Commission shall monitor the implementation of the instrument and measure the achievement of the general and specific objectives set out in Articles 3 and 4, ***including by making use of the cooperation and support plans***. Indicators to be used for reporting on progress and for the purpose of monitoring and evaluation of this Regulation towards the achievement of the general and specific objectives are set in the Annex. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the instrument.
2. The performance reporting system shall ensure that data for monitoring the implementation of the instrument and results are collected efficiently, effectively, **■** in a timely manner ***and, where relevant and feasible, in a gender-disaggregated form***. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.

Article 15
Annual report

1. The Commission shall provide an annual report *simultaneously* to the European Parliament and the Council on the implementation of this Regulation.
2. The annual report shall include information on:
 - (a) requests for support submitted by Member States pursuant to Article 8(1);
 - (b) the analysis of the application of the criteria, referred to in Article 8(2), used to analyse the requests for support submitted by Member States;
 - (c) cooperation and support plans *as* referred to in Article 8(3);
 - (d) special measures adopted pursuant to Article 12(7); ■
 - (e) *the* implementation of support measures, *where appropriate also at national and regional level; and*
 - (ea) *the communication activities carried out by the Commission.*
- 2a. *The European Parliament may invite the Commission to participate in an exchange of views with the competent committee of the European Parliament to discuss the annual report referred to in paragraph 1 and the implementation of the instrument.*

Article 16

Mid-term evaluation and ex-post evaluation

1. Four years after the entry into force of this Regulation, the Commission shall provide the European Parliament, **■** the Council, the European Economic and Social Committee and the Committee of the Regions with an independent mid-term evaluation report on the implementation of this Regulation. The Commission shall also provide those institutions with an independent ex post evaluation report no later than three years after the end of the period specified in Article 1.
2. The mid-term evaluation report shall, in particular, assess *the* extent *to which* the objectives of the instrument referred to Articles 3 and 4 have been achieved, *the adequacy and* the efficiency of the use of resources and the European added value. It shall also consider the continued relevance of all objectives and actions. *If appropriate the results of the mid-term evaluation report may be used for any relevant legislative proposals.*
3. The ex-post evaluation report shall consist of a global assessment of the implementation of this Regulation and shall include information on its impact in the long-term. *It shall be provided simultaneously to the European Parliament and the Council.*

Article 16a
Transparency

The Commission shall establish a single online public repository through which it may, subject to applicable rules and on the basis of consultation with the Member States concerned, make available final studies or reports produced as part of eligible actions under Article 7. The Member States concerned may request, where justified, the Commission not to disclose such documents without their prior agreement.

CHAPTER IV
Transitional and final provisions

Article 17
Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin ***of those funds*** and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the instrument, its actions and its results, ***including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and the Commission in the Member State concerned.*** Financial resources allocated to the instrument shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Articles 3 and 4.

Article 18
Transitional provision

1. Technical support actions and activities initiated on or before 31 December 2020 pursuant to Regulation (EU) 2017/825 shall continue to be governed by that Regulation until their completion.
2. The financial envelope set out in Article 6(1) may also cover technical and administrative assistance expenses, including monitoring, communication and evaluation required pursuant to Regulation (EU) 2017/825 and not completed by 31 December 2020.
3. *If* necessary, appropriations may be entered in the budget beyond 2020 to cover the expenses provided for in Article 6(2) relating to the management of actions not completed by 31 December 2020.

Article 19
Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

ANNEX

Indicators

The achievement of the objectives referred to in Articles 3 and 4 shall be measured on the basis of the following indicators, broken down by Member State and by area of intervention.

Indicators shall be used in accordance with data and information available, including quantitative and/or qualitative data.

Output indicators:

- (a) number of cooperation and support plans concluded;
- (b) number of technical support activities carried out;
- (c) deliverables provided by the technical support activities such as action plans, roadmaps, guidelines, handbooks, and recommendations;

Result indicators:

- (d) outcomes of the technical support activities provided, such as adoption of a strategy, adoption of a new law /act or modification of an existing one, adoption of (new) procedures and actions to enhance the implementation of reforms;

Impact indicators:

- (e) the objectives set in the cooperation and support plans, which have been achieved due, inter alia, to the technical support received.

The ex-post evaluation referred to in Article 16 shall be undertaken by the Commission also with the purpose of establishing the links between the technical support provided and the implementation of the relevant measures in the Member State concerned with a view to enhancing resilience, sustainable growth, jobs and cohesion.