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## 'I' ITEM NOTE

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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  
– Partial mandate for negotiations with the European Parliament

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### 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).

### II. WORK WITHIN THE COUNCIL

2. The proposal was examined by the Working Party of Financial Counsellors on 2 and 8 June 2020 under the Croatian Presidency as well as 1 July and 14 July 2020 under the German Presidency. During those meetings Member States expressed support for the Commission proposal with very few changes including: references in the recitals to fundamental right principles and gender equality, and for the Commission to consider requests for technical support for the preparation and implementation of the recovery and resilience plans a matter of priority. In addition, Financial Counsellors agreed to a new article allowing for additional contributions from Member States to the budget of the Instrument on a voluntary basis, to be used for their own benefit.

3. Since the TSI Regulation is a proposal linked to the Multiannual Financial Framework (MFF), all provisions with budgetary implications or of a horizontal nature have been set aside (in square brackets) for the time being - and thus excluded from this partial mandate for negotiations - pending further progress on the MFF. These provisions under the TSI Regulation are: the overall target of the EU budget expenditures supporting climate objectives (recital 7), the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States (recital 21) and the financial envelope (Article 6.1). Following the Working Party of Financial Counsellors on 14 July 2020, the Presidency is of the view that a balanced compromise text has emerged which has been supported by a majority of Member States.

### **III. CONCLUSIONS**

4. Against this background the Permanent Representatives Committee is invited to:
- agree on the partial mandate with regard to the proposed Regulation, as set out in Annex to this note;
  - invite the Presidency to conduct negotiations with the European Parliament on the basis of this mandate.
5. 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 highlighted as follows: new text is set out in **bold underlining**, while ~~striketrough~~ indicates deletions.

2020/0103 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**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) **and Article 322(1)(a)** 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 Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

**Having regard to the opinion of the European Court of Auditors<sup>3</sup>,**

Acting in accordance with the ordinary legislative procedure,

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

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> **OJ C , , p. .**

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) The outbreak of the COVID-19 pandemic in early 2020 changed the economic outlook for the years to come in the EU and in the world. In the Union, new priorities have emerged, linked with the crisis, specifically focussing on recovery and resilience. They require an urgent and coordinated response from the Union in order to cope with the economic consequences for Member States as well to mitigate the social and economic fallouts. The current 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 economic and social structures helps Member States to respond more efficiently to shocks and recover more swiftly from them. Growth enhancing reforms and investments to 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 overcome the economic, social and territorial divergences in the Union, **while being in line with relevant fundamental rights principles.**
- (4) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reform priorities. 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.
- (5) Regulation (EU) 2017/825 of the European Parliament and the Council<sup>4</sup> 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 that programme 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.
- (6) Member States have increasingly taken up technical support under the SRSP in the past, therefore, through this Regulation, a technical support instrument should be established with a view to continuing to support 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'

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<sup>4</sup> 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).

Sustainable Development Goals, the technical support instrument will contribute to mainstreaming climate actions and to the achievement of an overall target of [25]% of the EU budget expenditures supporting climate objectives. 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 and the support to the circular economy and be in line with the 2030 Agenda for Sustainable Development.

- (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 necessary to achieve economic and social recovery, resilience and convergence. To that effect, it should support the strengthening of the administrative capacity of the Member States to implement Union law, in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.
- (9) The specific objectives of the technical support instrument should be to assist national authorities in their endeavours to design, develop and implement reforms, including through exchange of good practices, appropriate processes and methodologies and a more effective and efficient human resources management.
- (10) With a view to helping Member States address reform needs 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, business environment, the financial sector, markets for products, services and labour, education and training, **gender equality**, sustainable development, public health and social welfare. Specific emphasis should be given to the actions that foster the green and digital transitions.
- (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 management<sup>5</sup>, for the European Parliament and the Council during the annual budgetary procedure.
- (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, in accordance with the procedure thereof. 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) Member States should be able to make additional contributions to the Instrument on a voluntary basis. Additional contributions from the Member States should be treated as external assigned revenue for the purposes of the Financial Regulation and be used**

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<sup>5</sup> 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. 1–14)

**under the rules of this Regulation for the benefit of the Member State concerned. The cases listed in Article 21(2)(a) of the Financial Regulation should be supplemented by the new case of external assigned revenues envisaged in Article 6a of this Regulation.**

- (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 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 and implementation of recovery plans to be undertaken under Regulation (EU) No 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 consider requests for technical support for the preparation and implementation of the recovery plans as a matter of priority.**
- (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 provided to the European Parliament and the Council and communication activities should be carried out by the Commission as appropriate.
- (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 Member States in 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 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 Member State 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.

- (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 to the European Parliament and the Council on the implementation of this Regulation. 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. 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 apply to this Regulation. These rules are laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the Financial Regulation)<sup>6</sup> 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 concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.]
- (22) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>7</sup>, Council Regulation (Euratom, EC) No 2988/95<sup>8</sup>, Council Regulation (Euratom, EC) No 2185/96<sup>9</sup> and Council Regulation (EU) 2017/1939<sup>10</sup>, the financial interests of the Union are to be protected through proportionate

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<sup>6</sup> 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).

<sup>7</sup> 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 L248, 18.9.2013, p. 1)

<sup>8</sup> 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)

<sup>9</sup> 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)

<sup>10</sup> 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 L283, 31.10.2017, p.1)

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 Council<sup>11</sup>. 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 EPPO and the European Court of Auditors 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.

- (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').

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<sup>11</sup> 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)



It lays down the 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 to carry out institutional, administrative and growth-sustaining and resilience-enhancing reforms;
- (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]<sup>12</sup>;
- (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.

## *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 necessary to achieve economic and social recovery, resilience and upward economic and social convergence, and to support Member States’ efforts to strengthen their administrative capacity to implement Union law in relation to challenges faced by institutions, governance, public administration, and economic and social sectors.

## *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 design, develop and implement reforms, including through exchange of good practices, appropriate processes and

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<sup>12</sup> OJ C , , p. .

methodologies and a more effective and efficient human resources management. Those specific objectives shall be pursued in close cooperation with the Member States concerned.

*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 green and digital transitions, and in particular to one or more of the following:

- (a) public financial and asset management, budget process, macro-fiscal framework, debt and cash management, expenditure and tax policy, tax compliance, aggressive tax planning, tax fraud and evasion and revenue administration and customs union;
- (b) institutional reform and efficient and service-oriented functioning of public administration and e-government, 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 small and medium-sized enterprises and social economy enterprises, re-industrialisation, private sector development, product and service markets, investment, public participation in enterprises, privatisation processes, trade and foreign direct investment, competition and public procurement, sustainable sectoral development and support for research and innovation and digitisation;
- (d) education and training, labour market policies, including social dialogue, for the creation of jobs, up- and re-skilling, in particular digital skills, media literacy, active citizenship, the fight against poverty and excessive income inequality, gender equality, the promotion of social inclusion, adequate and inclusive social security and social welfare systems, accessible and affordable public health and healthcare systems, as well as cohesion, asylum, migration and border policies;
- (e) policies for implementing the digital and the green transitions, e-government solutions, e-procurement, connectivity, data access and governance, e-learning, use of Artificial Intelligence based solutions, the environmental pillar of sustainable development and environmental protection, climate action, mobility, promoting the circular economy, energy and resource efficiency, renewable energy sources, achieving energy diversification and ensuring energy security, and for the agricultural sector, soil and biodiversity protection, 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; and production, provision and quality monitoring of data and statistics.

*Article 6*  
*Budget*

1. The financial envelope for the implementation of the instrument for the period 2021-2027 shall be [EUR 864 406 000 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. Resources allocated to Member States under shared management may, at their request, be transferred to the instrument. The Commission shall implement those resources directly in accordance with point (a) of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that Article. Those resources shall be used for the benefit of the Member State concerned.

*Article 6a*

*Additional contributions from Member States to the budget of the instrument*

- 1. In addition to the budget set out in Article 6, the Instrument may be financed through additional contributions from Member States.**
- 2. Additional contributions shall constitute external assigned revenues in addition to the cases listed in Article 21(2)(a) of the Financial Regulation. Article 22(2)(a) of the Financial Regulation shall apply.**
- 3. Additional contributions shall be used under the rules and for the purposes of this Instrument and exclusively for the benefit of the Member State concerned.**

## 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) 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;
  - (ii) 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 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, as well as expertise related to programmes geared towards the digitalisation of public services;
- (g) studies, research, analyses and surveys, evaluations and impact assessments, and the development and publication of guides, reports and educational material;
- (h) communication projects 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 communication, where appropriate, through social networks;

- (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. These 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.
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, in particular to support recovery [in line with Regulation (EU) No YYY/XX], achieve sustainable economic growth and job creation and enhance resilience;
  - (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 Council<sup>13</sup> as regards the Member States whose currency is the euro and Council Regulation (EC) No 332/2002<sup>14</sup> as regards Member States whose currency is not the euro;
  - (c) 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;
  - (d) the preparation of recovery and resilience plans pursuant to Regulation (EU) No YYY/XX and the implementation thereof undertaken by Member States;

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<sup>13</sup> 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)

<sup>14</sup> 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)

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 problems identified, support needs in respect of the policy areas concerned, analysis of socioeconomic indicators 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) No 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 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 the Union funding for the support measures envisaged in the cooperation and support plans, including through joint communication activities with the national authorities concerned.

*Article 10*  
*Transfers of resources to the instrument*

1. In addition to the financial envelope set out in Article 6(1), the technical support budget may be financed through voluntary transfers from Member States made in accordance with Article 21 of Regulation [CPR successor], and pursuant to the procedure set out in that Article, as referred to in Article 6(3) of this Regulation.
2. A transfer made by a Member State in accordance with paragraph 1 shall be used exclusively in that Member State.

*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 XX 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 the allocation for the instrument. They shall also set out the measures needed for their implementation, in line with the general and specific objectives referred to in Articles 3 and 4 and, 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 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 or social 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 technical support 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 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; and
- (c) ensure close cooperation between those responsible for implementation at Union, national and, where appropriate, regional 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. 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, and in a timely manner. 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 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 referred to in Article 8(3);
  - (d) special measures adopted pursuant to Article 12(7); and
  - (e) implementation of support measures.

*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, and 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 to which extent the objectives of the instrument referred to Articles 3 and 4 have been achieved, the efficiency of the use of resources and the European added value. It shall also consider the continued relevance of all objectives and actions.
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.

## **CHAPTER IV**

### **Transitional and final provisions**

*Article 17*  
*Information, communication and publicity*

1. The recipients of Union funding shall acknowledge the origin 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. 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) No 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 No (EU) 2017/825 and not completed by 31 December 2020.

3. Where 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*  
*The President*

*For the Council*

## 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.