Mario Nava

Director General, DG REFORM, European Commission

Technical Support, DG REFORM and the recovery and resilience of EU Member States

On 27 May 2020, the European Commission put forward a very wide-ranging package combining the future Multiannual Financial Framework (MFF) and a specific Recovery effort under Next Generation EU (NGEU)[1] in order to respond to the impact of the coronavirus pandemic. A key element of the proposed Recovery effort is the Recovery and Resilience Facility (RRF). The special European Council of 21 July 2020 agreed on a comprehensive package, which includes the proposed RRF. Of course, this Council Agreement is a very important step opening but not the end of the road as the European Parliament still has to vote on the whole package of the MFF and the Recovery Instrument.

The proposed RRF will provide large-scale financial support to reforms and investments undertaken by Member States, with the aim of mitigating the economic and social impact of the coronavirus pandemic and of making the EU economies more sustainable, resilient and better prepared for the challenges posed by the green and digital transitions.

The support will take the form of up to EUR 360 billion in grants and up to EUR 312.5 billion in loans and will be demand-driven. To access the proposed RRF, Member States should prepare recovery and resilience plans setting out their reform and investment agendas for the subsequent four years, until 2024. These plans should comprise both reforms and public investment projects through a coherent package.

Following the 21 July agreement in the European Council on a powerful, modern and revamped 2021-2027 long-term EU budget with NextGenerationEU at its heart, a Recovery and Resilience Task Force was created within the European Commission's Secretariat-General. Under President von der Leyen's authority, the Task Force supports Member States with the elaboration of their recovery and resilience plans, ensures that plans comply with the regulatory requirements and deliver on the objectives of the green and digital transitions and monitors the implementation of financial support and coordinates the European Semester in this period of time.

However, as we know all too well, money alone will not ensure recovery. Investment and reforms are both essential components of the economic recovery and of the strengthening of the economic resilience. Member States will require support in designing and implementing such investments and reforms. The Commission created in January 2020 the Directorate-General for Structural Reform Support (DG REFORM), which took over the mandate previously carried out by the Structural Reform Support Service.

DG REFORM supports EU Member States carry out reforms to stimulate job creation and sustainable growth. EU Member States can ask DG REFORM for tailor-made support and expertise in a wide range of policy areas covering EU priorities and EU law or areas of national interests and initiatives. The support offered covers the whole reform cycle, from identifying needs to implementation, monitoring and evaluating outcomes. Today, DG REFORM is engaged in over 1 000 projects in all 27 EU Member States.

To deliver the support to Member States, DG REFORM has been managing a dedicated programme – the Structural Reform Support Programme (SRSP) – with a budget of EUR 222.8 million for 2017 to 2020. The Commission proposed to replace the SRSP as of 2021 by a new proposed Technical Support Instrument (TSI). The proposed TSI puts particular emphasis on support to the recovery and resilience of Member States, including support to the green and digital transitions. It also provides, as a matter of priority, for the support to the preparation and implementation of recovery and resilience plans.

The European Parliament will soon vote on the EU Council of 21 July affirming that the Technical Support Instrument (TSI) will improve Member States' administrative capacity to design, develop and implement reforms, and that TSI will be available for all Member States with a financial envelope, for the period 2021-2027, of EUR 767 million. ●

1. COM(2020) 456 final.