



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Guidance on the content and format of the National Reform Programmes

October 2013

Introduction

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

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

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

Purpose and scope of this guidance

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

- Annex 1 presents a template for the NRP.
- Annex 2 presents tables that can be used to outline the response to country-specific recommendations (where relevant related to the macroeconomic imbalances procedure) and key macro-structural reforms and for reporting on Europe 2020 targets.

In the absence of Country Specific Recommendations, Member States shall follow this guidance *mutatis mutandis*, reflecting e.g. the implementation of policy measures under the macro-economic adjustment programme

and reform plans ahead for the key policy areas.

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

In line with Regulation 472/2013, Member States receiving EU/IMF financial assistance subject to conditionality under a macro-economic adjustment programme are not required to submit an NRP and SCP, given that the regular reporting in the programme context satisfies the relevant reporting requirements.

However, these Member States are asked to report to the Commission on: 1) their Europe 2020 targets, state-of-play and any possible updates; and 2) the fiscal tables of the SCP (the content of the SCP is integrated in the macroeconomic adjustment programme). Such reporting can take the form of a letter.

Practical arrangements and timetable

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

NRPs may be transmitted either in paper form or electronically. Paper copies of the documents should be sent to the Commission marked for the attention of the Secretary General. Electronic copies should be sent to the functional mailbox:

EC-EUROPEAN-SEMESTER@ec.europa.eu

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

If the reporting tables form part of the NRP, the latter will also be published.

ANNEX 1: OUTLINE FOR THE NATIONAL REFORM PROGRAMME

1. Introduction [1-2 pages]

This section should contain overall information on:

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

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

2.1 Macroeconomic outlook for the period covered by the programme

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

2.2 Macroeconomic impact of structural reforms

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

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

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

This section should summarise the response to the CSRs. It shall include subsections for each country-specific recommendation specifying the list of measures taken to implement them and reporting on progress (or explain the reasons for lack of progress). Where relevant, reporting should also specify measures addressing findings in in-depth reviews and recommendations related to the macroeconomic imbalances procedure. The reporting of measures without a well-defined implementation strategy and timetable should be avoided.

For each recommendation, this information should include:

- *The current state-of-play in the implementation, describing the main measures (planned or already enacted) to address the CSR, main policy objective and foreseen impact, type of measure (e.g. legal/administrative), timetable, budgetary implications and potential implementation risks*
- *If evidence is available, details of concrete evolution in the situation in the corresponding area(s), e.g. a change in youth unemployment rate.*

This section shall include cross-references to the reporting tables in Annex 2, if filled in, to avoid provision of overlapping information.

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

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

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

This section shall include subsections for each Europe 2020 headline target specifying the main measures contributing to their achievement and reporting on progress (or explain the reasons for lack of progress). Member States should distinguish between reform measures already implemented (the state of play and the corresponding progress need to be reported), the main planned measures and provide information on the estimated impacts of measures to the extent they are not yet covered in section 3.

For each target, Member States should notably report on:

- *The main reform measures taken/to be taken to achieve the national targets contributing to the Europe 2020 headline targets. When these are already covered in chapter 3, cross-references can be used.*
- *Specifically, in relation to the Europe 2020 employment headline target, Member States are invited to outline their National Job Plan covering employment, labour market, education and skills, including job-creating measures targeting specific sectors such as the green, ICT and health-care sectors, and measures addressing the implementation of the youth opportunities initiative and youth guarantee.*
- *In relation to the target on poverty and social exclusion, Member States are invited to outline their efforts in implementing active inclusion strategies, including income support, measures to tackle poverty, including child poverty, as well as broad access to affordable and high-quality services such as social and health services, childcare and energy supply.*
- *In relation to the Europe 2020 headline target to improve the conditions for research and development, Member States are invited to outline their actions to complete the European Research Area.*
- *For the reporting on the energy efficiency targets and progress, the framework put forward by the energy efficiency Directive needs to be taken into account¹.*

This section shall also include cross-references to the reporting table 3 in Annex 2, if filled in, to avoid provision of overlapping information.

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

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

This also includes measures taken in the context of the Europe 2020 strategy but not necessarily related to a specific Europe 2020 target, such as actions envisaged as part of Resource Efficiency policies, the digital agenda and industrial policy.

In addition, specifically for the 2014 NRP, Member States should shortly outline the consistency between their funding priorities for the period 2014-2020 and their national Europe 2020 targets under the Europe 2020 strategy.

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

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

6. Institutional issues and stakeholder involvement [2 pages]

Involvement and participation of all actors is essential to ensure ownership and facilitate progress on the implementation of country specific recommendations, objectives and targets. This section should thus explain the institutional process for the approval of the NRP as well as the involvement of the national institutional actors (national parliament, regional/local authorities, social partners/civil society).

Member States should notably report on:

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

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

ANNEX 2: REPORTING TABLES

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

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

The reporting shall be divided into two tables:

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

Table 1. Description of the measures taken and information on their qualitative impact											
CSR number (1)	CSR sub-categories (2)	Number and short title of the measure (3)	Information on planned and already enacted measures								Foreseen impacts
			Description of main measures of direct relevance to address the CSRs					Europe 2020 targets	Challenges/ Risks	Budgetary implications	Qualitative elements
			Main policy objectives and relevance for CSR (4)	Description of the measure (5)	Legal/ Administrative instruments (6)	Timetable on progress achieved in the last 12 months (7)	Timetable on upcoming steps (8)	Estimated contribution to Europe 2020 targets (9)	Specific challenges/ risks in implementing the measures (10)	Overall and yearly change in government revenue and expenditure (reported in mln. national currency) Contribution of	Qualitative description of foreseen impacts and their timing (12)

										EU funds (source and amounts) (11)	
CSR 1	a)	Measure 1									
		Measure 2									
		Measure 3									
	b)	Measure 1									

			CSR 2	
			a)	
Measure 3	Measure 2	Measure 1	Measure 3	Measure 2

	b)	Measure 1									
		Measure 2									
		Measure 3									

Explanatory notes to Reporting Table 1:

- (1) Reference should be made to the number of the CSR and its content (or a summary thereof).
- (2) To allow for clear linking of the measures to particular elements of each CSR, the latter should be broken down into "subcategories", where relevant.
- (3) This column should contain "Measure 1", Measure 2" etc and short titles e.g. Energy tax reform.
- (4) This column should include for each measure a description of 1-3 sentences about the main objectives in terms of economic, budgetary or labour market policy, and how the measure is relevant to address the CSR. If these objectives relate to several measures, it is sufficient to provide

references to the corresponding measure where the objective has been spelled out. If the measure addresses a recommendation under the macro-economic imbalances procedure, it should also be mentioned.

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

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

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

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

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

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

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

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

Table 2. Quantitative assessment of the measures

CSR number (1)	CSR sub-categories (2)	Number and short title of the measure (3)	Methodological elements		Quantitative elements						
			Relevant features of the model used/estimation technique (13)	Main macroeconomic/simulation assumptions (14)	Main outcome of macroeconomic simulations (15)					Other impacts/indicators (18)	
					Description (16)	Yearly and cumulated effect on GDP and other main macroeconomic variables (17)					
						Year t	Year t+1	Year t+2	Year t+3		Year t+n
CSR 1	a)	Measure 1			GDP						
					Private Consumption						
					Gross capital formation						
					Net exports						
					Employment						
					Contribution of production factors to potential GDP (labour capital, TFP)						

Measure 2			GDP						
			Private Consumption						
			Gross capital formation						
			Net exports						
			Employment						
			Contribution of production factors to potential GDP (labour capital, TFP)						
Measure 3			GDP						
			Private Consumption						
			Gross capital formation						
			Net exports						
			Employment						
			Contribution of production factors to potential GDP (labour capital, TFP)						

Explanatory notes to Reporting Table 2:

- (1)** Reference should be made to the number of the CSR and its content (or a summary thereof).
- (2)** To allow for clear linking of the measures to particular elements of each CSR, the latter should be broken down into "subcategories", where relevant.
- (3)** This column should contain "Measure 1", Measure 2" etc and short titles e.g. Energy tax reform.
- (13)** This column should include all relevant information on the analytical and methodological approach used in the empirical exercise. This would include: (a) the type of the model used/estimation technique (e.g. econometric estimations or simulation based assessments with DSGE/dynamic CGE/static CGE models, etc.); (b) data sources and the frequency of macroeconomic data used in the empirical exercise; (c) if available, the list of references related to the main methodological paper(s) that describes the structure of the country-specific model underlying the empirical exercise.
- (14)** This column should encompass the main macroeconomic and simulation assumptions underlying the estimation.
- (15)** This column summarises the main macroeconomic variables involved as well as the quantitative results of the macroeconomic simulations exercise.
- (16)** Specifically, this column contains the list of the macroeconomic variables which are assumed to be affected by the enacted or planned structural reforms presented in the programmes. The list reported in the reporting table is illustrative (but not exhaustive) and can be changed and/or broadened according to the type of reforms implemented at national level.
- (17)** This column reports the quantitative impact of the structural reforms expressed as the yearly and/or cumulated effect on the GDP and the other main macroeconomic variables (components of aggregate demand, employment and contribution of the production factors to the potential output growth) involved in the simulation as well as the policy simulation horizon (which does not necessary coincide with the programme period). The macroeconomic impact of structural reforms needs to take the form of a number expressing the difference (in percentage points) with respect to the reference scenario, i.e. the scenario that does not include the structural measures)
- (18)** This column shall contain other relevant indicators that can also demonstrate economic, social or environmental impacts. Examples would include resource efficiency indicator or social impacts (other than on employment). This can also include information on the expected direct results from the measure (e.g. how many people are expected to be supported by a new ALMP measures; or which increase in the proportion of unemployed will be covered by an increase ALMP budget).

**REPORTING ON NATIONAL EUROPE 2020 TARGETS
AND OTHER KEY COMMITMENTS**

Explanatory notes to Reporting Table 3:

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

Table 3. Description of the measures taken and information on their qualitative impact		
Progress on implementation	List of measures and their state of play that were implemented in response to the commitment	The estimated impacts of the measures (qualitative and/or quantitative)²
<i>National 2020 headline targets</i>		
National 2020 employment target [..]		
National 2020 R&D target [..]		
GHG emission reduction target [..]		
Renewable energy target [..]		
National energy efficiency target [..]		
National early school leaving target [..]		
National target for tertiary education [..]		
National poverty target [..]		

² Cross references with column 9 of Table 1

REPORTING ON MAIN REFORM PLANS FOR THE NEXT 12 MONTHS

Explanatory notes to Reporting Table 4:

Only key reform commitments for the next 12 months should be included. Commitments under the National Job Plan should be reported separately

Table 4. Overview of main reform commitments for the 12 months		
Main (new or updated) commitments in the NRP for the next 12 months	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)
Main commitments under the National Job Plan	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)