EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Guidance on the content and format of the National Reform Programmes

December 2015

Introduction

The National Reform Programmes (NRPs) are policy documents prepared by Member States in accordance with their national traditions and reflecting national priorities. They 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 on reform implementation and initiatives in the country. They should be compiled following a process that ensures broad ownership at national level.

The NRPs allow Member States to respond to the Commission analysis of main macroeconomic challenges and, for the countries concerned, macroeconomic imbalances, as set out in the Country Reports. The NRPs should be forward-looking, presenting policy initiatives aimed at overcoming these challenges and imbalances, including available evidence on possible impact and financial estimates consistent with the SCP. Countries with excessive imbalances need to include detailed description of the policies aimed at tackling the excessive imbalances. For euro-area Member States, the discussion and ensuing common understanding on priorities for the euro area as a whole, building on the recommendations for the euro area presented in November, should also be taken into account.

Purpose and scope of this guidance

The guidance provided here is based on the revamped European Semester cycle, as set out in the Communication on steps towards Completing Economic and Monetary Union.[1] It reflects the level of ambition of the new EU economic governance and the need for clarity and transparency of reporting. The NRP is an important tool to further increase national ownership and the implementation of reforms. The Communication therefore insists on delivering on two important features of the NRPs: a stronger involvement of social partners in their elaboration and a close involvement of national Parliaments.

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 progress towards the Europe 2020 targets.

Provisions for Member States subject to a macroeconomic adjustment programme

Member States receiving financial assistance subject to conditionality under a macroeconomic 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[2].

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. 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 strongly encouraged to present their programmes **by 15 April**.

[1] COM(2015) 600 final

[2] In line with Regulation 472/2013

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

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

Since the reporting tables 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, the guidance by the Spring European Council and, for euro-area Member States, the recommendations for the euro area as a whole.*

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, labour force participation and the social situation.

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 refer to Table 2 and 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 could be included in an annex to the NRP.

3. Key policy response to major economic challenges [1-2 pages for each challenge]

This section should give an overview of the Member States' policy response to the main economic challenges as identified in the Country Report, taking into account the state of play of implementation of the country-specific recommendations as set out in Table 1. It shall include subsections for each major economic challenge specifying the list of measures that are being taken and reporting on the state of play. The reporting of measures without a well-defined implementation strategy and timetable should be avoided.

For each major economic challenge, this information should include:

- *The current state of play of the main measures that are being taken, focussing on information about the next (legal, administrative, budgetary and operational) steps in their elaboration and/or implementation and providing foreseen impact of measures.*
- *The relationship between these policy initiatives and the country-specific recommendations as well as previous action taken in this area over the last 12 months. This should as much as possible cross-reference to reporting table 1, as this will provide more detailed information on each recommendation.*
- *Any information on (possible) changes in the previously scheduled timetable and/or changes in the legal instruments used for the implementation of these measures and on any other concrete issue related to their implementation.*
- *If evidence is available, details of concrete evolution in the situation in the corresponding areas, e.g. a change in youth unemployment rate.*

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 [3 pages]

In this section, Member States should take stock of progress towards their national Europe 2020 targets and inform about possible changes in the levels of ambition of the national targets. This section should give an overview based on information contained in reporting Table 1 (column 9) and in reporting Table 3.

This section shall include subsections for each Europe 2020 headline target specifying the main measures contributing to their achievement and reporting on progress (or explaining 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 that they are not yet covered in section 3.

Specifically Member States are invited to report on employment, labour market, education and skills, including job-creating measures targeting specific sectors such as the green, ICT and healthcare sectors, and measures addressing the implementation of the youth employment initiative, youth guarantee, and the integration of the long-term unemployed into the labour market. 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 long-term care, and energy supply.

5. EU funds [as necessary]

Member States should shortly outline the consistency between their European Structural and Investment Funds' funding priorities for the period 2014-2020 and the priorities identified in the Country Reports, the country-specific recommendations where relevant, and national Europe 2020 targets.

6. Institutional issues and stakeholder involvement [2 pages]

Involvement and participation of all actors is essential to ensure ownership and facilitate progress on reform implementation. This section should explain the national 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 and civil society stakeholders).

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 latest country-specific recommendations.*
- *How social partners and civil society stakeholders were involved in the preparation of the NRP.*
- *How social partners were involved in the design and implementation of policies and reforms*

- *How regional and local authorities (as relevant, depending on the division of competences in individual Member States) were involved in the preparation of the NRP and in the implementation and/or elaboration of reforms.*

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

ANNEX 2: REPORTING TABLES

REPORTING ON THE ASSESSMENT OF THE POLICY RESPONSE TO COUNTRY-SPECIFIC RECOMMENDATIONS

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 impact of the measures taken in response to the country-specific recommendations.*
- ***Table 2**, containing columns 13-18, covers **quantitative impact** of the measures taken in response to the country-specific recommendations. Quantitative impacts can be reported per country-specific recommendation or per sub-category of a country-specific recommendation, as relevant.*

Table 1. Description of the measures taken and information on their qualitative impact

			Information on planned and already enacted measures								**Foreseen impacts**
CSR number (1)	**CSR sub-categories (2)**	**Number and short title of the measure (3)**	**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/ Administra-tive 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									

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

	b)	Measure 1									
		Measure 2									
		Measure 3									

Explanatory notes to Reporting Table 1:

(1) Reference should be made to the number of the country-specific recommendation and its content (or a summary thereof).

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

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

(4) This column should include for each measure a description of 1-3 sentences about the main objectives in terms of economic, budgetary or labour market policy, and how the measure is relevant to address the country-specific recommendation. 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 macroeconomic 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 country-specific recommendation contains a significant number of different measures, only those that are likely to have the most significant contribution to the achievement of the objective should be elaborated.

(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 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 of implementation).

(8) This column should provide a timetable on the progress expected in the future. Each date should be accompanied by 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 education 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 macroeconomic 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 country-specific recommendation and its content (or a summary thereof).

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

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

(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 new active labour market policies measures; or which increase in the proportion of unemployed will be covered by an increase in the budget of active labour market policies).

REPORTING ON NATIONAL EUROPE 2020 TARGETS

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**	**Estimated impacts of the measures (qualitative and/or quantitative)[3]**
National Europe 2020 headline targets		
National employment target [..]		
National R&D target [..]		
National GHG emission reduction target [..]		
National renewable energy target [..]		
National energy efficiency target [..]		
National early school leaving target [..]		
National target for tertiary education [..]		
National poverty target [..]		

[3] Cross references with column 9 of Table 1