



EUROPEAN COMMISSION

June 2020

**Guidance for the  
Economic Reform Programmes 2021-2023 of the Western  
Balkans and Turkey**

## I. INTRODUCTION

The outbreak of the Covid-19 pandemic has had a strong impact on the different areas of the economy, hampering growth and posing significant challenges to the social and health care systems. The initial measures to cope with the crisis were already reflected in the policy guidance jointly adopted at the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey in May 2020. In this context, the 2021-2023 Economic Reform Programmes will have to focus on the post Covid-19 recovery, while integrating mid-term reforms that make this recovery sustainable and build up economic resilience in line with the EU green, digital and just transition priorities.

The Economic Reform Programmes 2021-2023 should be submitted to the Commission no later than 31 January 2021. The programme should closely follow the instructions of this guidance note, which takes into account lessons learned from the previous year.

A strong link between the macroeconomic and fiscal scenario and the structural reform agenda is essential for the comprehensiveness, coherence, focus and credibility of the programme. All reform measures included in the ERP must include details on their estimated cost and financing and be fully reflected in the fiscal framework. Details of the cost and financing of each reform measure shall be included in tables 10a and 10b of the annex. Technical assistance (TA) is available to support partners in the costing exercise. Detailed guidance can also be found here:

[https://www.cef-see.org/files/Costing\\_Guidance.pdf](https://www.cef-see.org/files/Costing_Guidance.pdf)

Preparation of the ERP should be centrally coordinated and endorsed at the highest level. An official coordinator should be appointed within the government who steers the process and ensures a widespread consensus. In addition, ERP coordinators should be appointed within each relevant line-Ministry. Together they would form an ERP working group that would ensure broad ownership of the ERP process. Close involvement of the national IPA coordinator (NIPAC) is crucial to reinforce the link between the ERP reform priorities and the IPA programming.

To create ownership and the broadest possible political support, it is crucial to involve and consult other stakeholders such as the business community, social partners and civil society, as well as the national parliament and regional and local authorities. These actors should ideally be involved throughout the process and be consulted on i) the analysis of obstacles to competitiveness and inclusive growth identified by the government, ii) the reporting on the implementation of the jointly adopted policy guidance, including the measures addressing the Covid-19 crisis, and previous reform programmes, and iii) the identification, prioritisation and formulation of key reforms, in particular those supporting the post Covid-19 crisis recovery. However, at a minimum, a first complete draft of the ERP should be subject to a wide public consultation whereby the draft is made public for a minimum of two weeks. Input should be shared with the European Commission in an annex to the ERP. This public consultation should be launched no later than 23 November 2020 to allow sufficient time to incorporate comments into the draft. Adequate consultations with the social partners' organisations in line with the national tripartite consultation mechanisms should take place as well.

## II. MACRO-FISCAL FRAMEWORK

- a) With respect to the common external assumptions we suggest to use as far as possible the Commission's autumn forecast, which will be published in early November. The required information is also available in the forecast document.<sup>1</sup> The latest Commission forecasts can be found on DG ECFIN's website:

[http://ec.europa.eu/economy\\_finance/eu/forecasts/index\\_en.htm](http://ec.europa.eu/economy_finance/eu/forecasts/index_en.htm)

- b) Countries are invited to supply quantitative information by submitting the standardised set of tables 1-8 in the Annex also as a spreadsheet file, readable by common office programmes.
- c) To improve the comparability of different submissions, support the analysis of the macroeconomic framework and help candidate and potential candidate countries getting acquainted with the data requirement for stability and convergence programmes, the ERP should include, as complete as possible, the standardised Annex tables. The tables should provide aggregate data on a country-wide level including local government finances. If the programme could benefit from additional, non-standardised, tables, these should, of course, be added.

In all cases, the status of the quantitative information should be clearly established. To the extent currently possible, the concepts used should be in line with the standards established at the EU level, notably in the context of the European System of Accounts (ESA). It should be noted if data is based on concepts which deviate from these standards.

## III. STRUCTURAL REFORMS

- a) The ERP 2021-2023 will cover the following eight areas:

1. Energy and transport market reform;
2. Agriculture, industry and services;
3. Business environment and reduction of the informal economy;
4. Research, development and innovation and the digital transformation;
5. Economic integration reforms;
6. Education and skills;
7. Employment and labour market;
8. Social protection and inclusion;

Structural reforms in the above eight areas should be as much as possible progressively aligned with the EU inclusive growth strategy of the Green Deal, aiming at a resource-efficient, decarbonised and competitive economy. A particular attention will be paid to the post-Covid 19 recovery measures.

- b) The ERP is a rolling programme. Therefore, activities included in the ERP 2021-2023 should be the same as those included in the ERP 2020-2022 for the years 2021 and 2022 if the priorities remain the same, while also taking into account the Commission assessment of the measures in the ERP assessments of April 2020. Some reforms may however need to be reprioritised to support in the most adequate way the recovery from the Covid-19 crisis.

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<sup>1</sup> The Commission's technical assumptions on interest rates, exchange rates and oil prices can usually be found in chapter 1 of the forecast text, in a special box on technical elements behind the forecast. Estimates on global GDP growth and world trade are presented in the publication's statistical annex, in the tables 55-60. Projections on commodity prices can be found in table 62 of the data annex.

- c) The structural reform priorities should be consistent with key documents developed in the bilateral relations with the European Commission and with national and regional strategies and targets, keeping in mind that ensuring competitiveness and inclusive growth is the overall objective of the structural reforms included in the ERP. The structural reform priorities should in particular contribute to the achievement of the economic criteria for EU accession.
- d) The European Commission will provide assistance to the Western Balkans and Turkey in the preparation of the Economic Reform Programmes 2021-2023 including with the support of the Centre of Excellence in Finance (CEF) and possible TAIEX expert missions.

#### **IV. FORMATTING**

- a) The ERP shall be written in font size 12 and shall not exceed 85 pages in length, with 40 pages for the macroeconomic framework and the fiscal framework together. The section on structural reforms shall not contain more than 20 reforms and shall not exceed 40 pages in length. A separate annex shall be added that provides information on the results and the organisation of the consultation process with external stakeholders including any written contributions and a list of the directly consulted institutions. Further information and analysis should be added as additional annexes to the main document.

#### **V. CONTACT POINTS AT THE EUROPEAN COMMISSION**

- a) In case of questions or comments related to the macroeconomic and fiscal framework, please contact Mr Uwe Stamm in DG ECFIN at [Uwe.Stamm@ec.europa.eu](mailto:Uwe.Stamm@ec.europa.eu). For questions or comments related to structural reform areas 1-5, please contact Ms Barbara Banki in DG NEAR at [Barbara.BANKI@ec.europa.eu](mailto:Barbara.BANKI@ec.europa.eu). For questions or comments related to structural reform areas 6-8, please contact Mr Lluís Prats in DG EMPL at [Lluís.Prats@ec.europa.eu](mailto:Lluís.Prats@ec.europa.eu).



EUROPEAN COMMISSION

## **ECONOMIC REFORM PROGRAMME (ERP) 2021-2023**

### **OUTLINE**

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The expected structure and content of the ERP is described in more detail below. The outline is meant to guide partner countries in drafting the ERP to guarantee that the provided information is suitable and comparable across countries.

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## **1. OVERALL POLICY FRAMEWORK AND OBJECTIVES (MAX 1 PAGE)**

This section will briefly explain the status of the ERP in the context of national procedures, e.g. specifying whether it has been adopted by parliament and whether it has been subject to a wide-reaching national consultation process with external stakeholders. Furthermore, it should briefly describe the country's key economic challenges, particularly in the context of recovery from the Covid-19 crisis, the current policy framework for the medium term and spell out the main policy objectives embedded in that framework. Countries are encouraged to include cross-references to the Commission's assessment in the respective annual report of the enlargement package.

## **2. IMPLEMENTATION OF THE POLICY GUIDANCE (MAX 2 PAGES)**

Provide a concise overview of the measures taken or planned to be taken over the duration of the programme to implement *the policy guidance* that was adopted in the Economic and Financial Dialogue in May 2020, including the short-term to medium-term measures to mitigate the impact of the Covid-19 pandemic. The following sections on the medium-term macroeconomic and fiscal framework and structural reforms should be consistent with these measures implementing the 2020 policy guidance and should refer back to them and their expected impact where appropriate. While also reporting on the implementation of immediate short-term measures to mitigate the Covid-19 crisis in 2020, the structural reforms for 2021-2023 should again focus on measures supporting the country's medium-term economic development, duly adjusted to the context of recovery from the crisis.

## **3. MACROECONOMIC FRAMEWORK (MAX 15 PAGES)**

The economic framework should start with a short overview of the programme's expectations on the development of the world economy and a brief description of the programme's underlying technical assumptions.<sup>2</sup>

### **3.1. Recent economic developments**

This sub-section will present a brief overview of developments during 2020, focusing upon key economic aggregates such as output, consumption, investment, employment, productivity, wages, the external sector, inflation, monetary and credit variables, as well as the exchange rate.<sup>3</sup> A more in-depth analysis of particular macroeconomic issues should be developed in the following sub-section.

Furthermore, the text will compare the economic trends occurred since the last submission to those envisaged in the previous document. The comparison should highlight the reasons for any significant deviation from expected trends.

### **3.2. Medium-term macroeconomic scenario**

The programme is expected to provide a realistic and consistent medium-term macroeconomic scenario. Significant divergences between the national and the Commission services' autumn 2020 forecasts (if available) will be explained in some detail. In such cases, it would be useful to give some indications on the effect that adopting the European Commission external assumption would

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<sup>2</sup> Table 8 in the Annex should summarise the key data for this sub-section. In case of major revisions compared to the previous programme or of significant deviations between the programme's assumptions and those of the European Commission, comments in Table 8 should be used for clarification.

<sup>3</sup> The discussion in this sub-section should be based on the data provided in Tables 1 and 2 in Annex and any other table the authorities may wish to add.

have on the main variables in the programme framework (growth, inflation, budget balance and current account balance). Due attention should be paid to the issue of the economic policy mix supporting the envisaged macroeconomic developments.

The macroeconomic framework should discuss the outlook of each of the following core macroeconomic areas separately and explain any significant revision in projected trends relative to the previous submission, thereby duly reflecting the changed context following the Covid-19 crisis.

#### *Real sector*

The programme will provide sufficient information about the outlook of the real sector to allow an analysis of the cyclical position of the economy further to the impact of the Covid-19 crisis. The assumptions on real GDP growth should be underpinned by an indication of the expected sources of growth, both in terms of changes in factors of production and aggregate demand, also resulting from ongoing recovery measures if applicable, as well as structural reforms with large expected impacts on growth. Indicate here which five structural reform measures from the list of 15-20 measures included in section 5 you believe will have the largest impact on growth in the medium-term.

#### *Monetary and exchange rate policy and inflation*

The programme will present briefly the current policy stance and the intended monetary policy and their relationship to price stability, the exchange rate regime and, more generally, the policy mix. The authorities are invited to provide a description of current exchange rate arrangements and any proposed changes in light of the medium-term sustainability of current arrangements. In addition, the authorities should present the expected path for inflation, and explain the policy instruments which will be used to achieve any inflation target.

Significant changes in policy targets or instruments relative to the previous submission should be noted and explained, for both the monetary and exchange rate policy and inflation parts.<sup>4</sup>

#### *External sector and its medium-term sustainability*

This sub-section will assess the past and expected future evolution of the current account balance, including its main contributing elements (e.g. goods/services balance, net primary income balance, current transfers). It will also assess to what extent the evolution of the current account is structural or cyclical, also reflecting the impact of the Covid-19 crisis. As to assess balance of payment vulnerabilities, the programme will also provide an analysis of capital flows and their composition (FDI inflows, portfolio investments, bank lending etc.), clearly identifying expected debt-creating flows over the programme's horizon.

In order to complement the flow analysis with stock assessments, the discussion should also refer to the evolution of the country's net international investment position (NIIP) and/or gross external debt. As to better assess vulnerabilities, it is recommended to focus separately on liabilities that require repayment of principal or interest as opposed to non-debt generating liabilities. In this respect, the major risks that could affect the sustainability of external debt will be identified by assessing vulnerabilities arising from potential interest rate and exchange rate shocks and the maturity composition of the debt. Projected developments in external reserves relative to imports and short-term debt will also be covered.

The discussion will be complemented by an analysis of the prospects for the country's export performance, including the expected evolution of its geographical and sector composition. Developments in the country's price and cost competitiveness position will also be assessed by

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<sup>4</sup> Table 1a and 1b in Annex could be referred to.



making use of conventional indicators, such as the Real Effective Exchange Rate<sup>5</sup>, the Nominal Unit Labour Costs, etc. In addition, changes in overall export market shares of goods and services will also be assessed so as to evaluate both price and non-price competitiveness. This part will end with a short overall assessment of the medium-term sustainability of the country's external position.

In addition, and in order to complement the macro analysis above, this sub-section should provide a qualitative assessment of national markets for goods and services regarding their openness to international competition and their level of integration with the EU economy. It will be based upon recent developments in: (i) trade openness, (ii) FDI performance and (iii) obstacles to trade in goods and services, and to cross-border investments, also reflecting the impact of the Covid-19 crisis.

In the event that any potential problems are identified, the authorities are expected to provide a description of their policy proposals. Significant changes in policy targets or instruments relative to the previous submission should be noted and explained.<sup>6</sup>

### *Financial sector*

The authorities should provide quantitative and qualitative information on the development of the financial sector, including on its intermediary role between investors and savers and how it was affected by the implications of the Covid-19 pandemic and mitigating policy measures. A discussion of projected developments in domestic credit should be included, in particular referring to the development of private sector credits and private sector debt. Projected trends in the composition and currency denomination of domestic credit flows will be discussed on the basis of data on the foreign currency liabilities of different sectors of the economy to the banking system, to non-banking financial institutions and to external creditors. The stability of the domestic financial and banking system should be assessed and any weaknesses, which could potentially threaten its stability, will be highlighted. Risks related to the possible feed-back loops between the real economy and the financial sector should be assessed.

The programme will also provide information on any planned financial sector reform; in particular, prudential, supervisory and regulatory changes foreseen over the programme period to foster financial stability should be highlighted, along with measures to address NPL resolution.

### **3.3. Alternative scenarios and risks**

This sub-section should provide an assessment of the main upside and downside risks, related to both the external and the domestic environment, underlying the macroeconomic scenario. It should take into account potential downside risks to domestic demand, such as large uncertainties about Covid-19 related health and economic developments, delays in the implementation of critical structural reforms, under-implementation of public investment, political uncertainties curbing confidence, or adverse developments in households' disposable income. In the case that risks to the baseline scenario are identified, an alternative macroeconomic scenario is strongly encouraged, clearly specifying all the differences in assumptions and trends between scenarios.

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<sup>5</sup> Please provide a brief explanation, how the REER is calculated, including information on the weighting of the currency basket and the deflator used.

<sup>6</sup> Tables 1a, 1d, 1f, 1g and 8 in Annex could be referred to.

## 4. FISCAL FRAMEWORK (MAX 25 PAGES)

### 4.1. Policy strategy and medium-term objectives

This sub-section will serve as an introduction and should explain the programme's overall fiscal policy strategy, following the large fiscal implications of the Covid-19 crisis. Particular attention will be devoted to putting the fiscal policy objectives into the broader context of the overall economic policy framework. The programme will also include an assessment of the structure and efficiency of revenue systems as well as of the composition and effectiveness of expenditure and highlight changes to be introduced by the fiscal strategy. References shall be made to the Commission's assessment of the previous ERP and the Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey from May 2020.

### 4.2. Budget implementation in 2020

In this part, the programme will describe the budgetary implementation for 2020. The development of the main expenditure and revenue categories should be briefly described and compared with the budget for 2020<sup>7</sup> and reasons for deviations should be fully assessed. This section will also provide a box with a summary overview of all fiscal implications of the Covid-19 crisis. The box should also contain an overview table; a suggested format for the table is shown below whereby figures would be presented in percentage of the estimated 2020 GDP.

| <b>Estimated fiscal impact of the Covid-19 crisis in 2020</b> | <b>Due to one-off discretionary measures (in % of GDP)</b> | <b>Due to further discretionary measures (in % of GDP)</b> | <b>Due to the slowdown of economic activity (in % of GDP)</b> |
|---|--|--|---|
| On budget expenditure   |  |  |   |
| On budget revenue   |  |  |   |
| Total budget impact   |  |  |   |
| On public debt  |  |  |   |
| On contingent liabilities                                     |  |  |   |

### 4.3. Budget plans for the ERP submission year

In this part, the programme will describe the budgetary plans for the ERP submission year. The development of the main expenditure and revenue categories should be briefly described and compared with the budget plan and outcome of the previous year. Reasons for deviations from the previous year should be explained and assessed.

### 4.4. Medium-term budgetary outlook

This sub-section will describe for the whole programme period the budgetary and other economic measures being taken, or proposed, to achieve the fiscal objectives of the programme. It will include the fiscal plan for 2022-2023, and a description and quantification of the underlying

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<sup>7</sup> Where relevant, the comparison should also be made with the revised 2019 budget.

policies and measures. The programme should illustrate the feasibility of the government's fiscal objectives by means of a projection of the main fiscal aggregates. It should be assessed to what extent the expected budgetary balance might depend on the accomplishment of structural reforms.

To allow for a comprehensive understanding of the path of the government balance and of the budgetary strategy in general, the programme will spell out expenditure and revenue ratios and their components. This is expected to be underpinned by quantitative and qualitative information on the most significant policy measures on the revenue and expenditure sides that will support the outlined fiscal strategy or could impact the achievement of the fiscal targets, such as in the area of taxation (including estimates for tax expenditures), public sector wages and employment, social benefit system, subsidy reforms etc. One-off and other temporary measures should be clearly distinguished from permanent ones.

With cross-reference to the list of the five structural reform measures with the largest expected impact on growth outlined in section 3.2 “real sector”, make an estimate of the expected budgetary impact of these five measures.

The programme will also provide information on the plans to finance current and future government deficits and on the sources and expected costs of such financing (including, where possible, EU resources), and any plans to access debt markets.<sup>8</sup>

#### **4.5. Structural balance (cyclical component of the deficit, one-off and temporary measures, fiscal stance)**

Notwithstanding the very high degree of uncertainty related to estimates of potential GDP and structural fiscal balances in the light of strong Covid-19-induced economic volatility and highly uncertain forecasts of the underlying variables, countries are invited to present their views on the cyclical position of the economy and its impact on the budgetary position. The text should discuss the factors affecting potential growth and cyclical developments as well as the parameters, data and methodology used for the projections. One-off and temporary measures should be clearly identified and estimates of their budgetary impact (including as a share of GDP) should be presented for the previous year and the whole programme period.

#### **4.6. Debt levels and developments, analysis of below-the-line operations and stock-flow adjustments**

The programme will describe the institutional arrangements governing the management of public and publicly guaranteed domestic and external debt. Any proposed changes to these arrangements should be specified. In those cases where borrowing limits have been introduced, the programme should explain the key elements of the ceilings.

This sub-section will also provide a description of the key features of the existing debt stock and a projection of its evolution and its determinants on all government levels. Key assumptions, such as those concerning interest rate and exchange rate movements, should be made explicit. To allow a comprehensive understanding of the path of the debt ratio, information should be provided, to the extent possible, on components of the stock-flow adjustment, planned privatisation receipts, and other financial operations. Where relevant, sensitivity analyses are encouraged.

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<sup>8</sup> Data should be provided on the basis of Tables 2, 3, 6 and 7 in the Annex and be comparable with those of the fiscal notification. Only if this should still be impossible due to the limited availability and/or preliminary nature of ESA 2010 fiscal data, GFS data should be used as an alternative. The exact reasons for doing so should be clearly stated along with a detailed calendar setting out the actions needed to correct these outstanding methodological weaknesses.

### *Contingent liabilities*<sup>9</sup>

This sub-section will provide an estimate of contingent liabilities of central and local governments such as state guarantees on non-sovereign borrowing, legal obligations, financial obligations arising from PPPs, power purchase agreements and concessions, the obligations of state-owned financial institutions and state-owned/public enterprises, the obligations of quasi-governmental organisations, bank bail-outs, and the accumulation and/or clearing of governmental as well as public enterprise arrears and liabilities. It will provide a breakdown of factors behind the evolution of contingent liabilities as summarised in the Annex Table 7a, and provide specific information on contingent liabilities incurred as part of the Covid-19 response measures such as credit guarantee schemes. In this context, it could prove useful to describe envisaged "fall-back positions", i.e. compensatory measures to be taken if necessary, and contingency reserves.

#### **4.7. Sensitivity analysis and comparison with the previous programme**

##### *- Sensitivity of the budgetary projections to alternative scenarios and risks*

This sub-section will provide an assessment of the main upside and downside risks to the fiscal scenario over the programme period, in particular related to the uncertainty about the recovery path from the Covid-19 crisis.

It will be accompanied by a sensitivity analysis of the impact of changes to main economic assumptions (in particular, GDP growth, interest rates and exchange rates) and/or the alternative macroeconomic scenario presented in section 2 on the fiscal position.

##### *- Comparison with the previous programme*

Budgetary outcomes and current policy plans should be briefly compared with the targets presented in the previous programme, assessing the reasons for any significant difference in outcomes and future targets.

#### **4.8. Quality of public finances**

This section will describe the policy strategy and concrete measures to improve the quality of public finances. It should elaborate on recently implemented and envisaged changes in the composition of public spending and measures to improve its growth-friendliness and its contribution to social inclusion, including by supporting investments in physical infrastructure and human capital (e.g. share of capital spending, share of education and health expenditure - Table 3 in the Annex). The section will also identify major reforms related to the efficient use of resources in the public sector. The information on spending should be complemented by a description of the strategy and measures to improve the structure and efficiency of revenues, and of any reform plan in this area. In this respect, the section will usefully present steps to address taxation with major distortionary effects, such as a high fiscal burden on labour hindering job creation and inducing informality. When appropriate, the section should also refer to redistributive effects of taxation and the sustainability of social security systems vs contributions.

#### **4.9. Fiscal governance and budgetary frameworks**

The programme will describe envisaged changes to the country's fiscal governance, i.e. to the set of arrangements, rules, and institutions that underlie the conduct of fiscal policy, such as: (1) numerical fiscal rules; (2) independent fiscal institutions to monitor fiscal performance and/or advise the government on fiscal policy matters; (3) medium-term budget frameworks; (4) use

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<sup>9</sup> ESA 2010 (5.01) defines contingent assets and contingent liabilities as agreements whereby one party (in this case the general government) is obliged to provide a payment or series of payments to another unit only where certain specific conditions prevail.

of realistic, unbiased forecasts for budget planning and their regular evaluation; (5) availability and quality of fiscal data and alignment with ESA standards. The programme should present the compliance with the country's fiscal rules over the programme period.

#### **4.10. Sustainability of public finances**

The authorities are expected to spell out their policy strategy with respect to the sustainability of public finances. In support of this strategy, the programmes will present an analysis of the long-term sustainability of public finance, especially in light of the envisaged trends in pension and health care expenditures<sup>10</sup>.

The underlying policies should be appropriately described and projections should be based on a "current policy scenario". In case of planned but not yet implemented reforms, an alternative "reform scenario" table should also be provided and reforms, such as in the area of pension and health care, should be outlined.

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<sup>10</sup> Table 7 in Annex could be referred to.

## 5. STRUCTURAL REFORMS IN 2021-2023 (MAX 40 PAGES)

This section will first provide a concise overview of the main structural obstacles to competitiveness and inclusive growth at national level as reviewed in the light of the impact of the Covid-19 crisis. Following this overview, the analysis of structural obstacles for the country as a whole shall be broken down by area (outlined below) to explain in more details the current state of the economy. Based on this analysis, the section should then identify 15-20 reform measures, spread across the areas, which will be implemented over the period 2021-2023 to tackle the most important structural obstacles and thereby support the post-Covid-19 recovery. The expected outcome or impact of reforms should be elaborated in detail. It is important to include specific activities with a detailed timeline for each reform measure.

The structural reforms to foster economic recovery should aim at supporting an economic growth model which is more resource-efficient, less carbon-intensive and more resilient towards environmental and health issues. This should imply the progressive mainstreaming of environmental and climate sustainability in all relevant reforms.

For further clarifications on the definition of a structural reform and a measure, please see the Guidance note from 2018 found here:

[https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance\\_en](https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en)

### 5.1. UPDATE ON KEY OBSTACLES TO COMPETITIVENESS AND INCLUSIVE GROWTH (MAX 3 PAGES)

This section should give a concise overview of the main underlying structural obstacles to competitiveness and inclusive growth at national level. It should update the analysis from the previous programme to show whether the already identified obstacles have become more or less constraining due to economic developments and implemented structural reforms. It should also identify any new obstacles that may have emerged, especially in the context of the Covid-19 crisis. The (country-wide) overview should be limited to an analysis of key obstacles and challenges across sectors and **should not report on implemented reforms or reform plans**.

The *OECD ERP Diagnostic Tool* (link: [https://www.oecd.org/south-east-europe/programme/ERP\\_Diagnostic\\_Tool.pdf](https://www.oecd.org/south-east-europe/programme/ERP_Diagnostic_Tool.pdf)) can provide practical guidelines for the development of this section and it is strongly recommended to make full use of this tool.

### 5.2. Summary of reform measures (max 1 page)

This section should include a table with the 15-20 reform measures identified below in order to give an overview. **Where a reform is linked to previous years' policy guidance, this should be identified and indicated in the table.**

Measures which still constitute a main priority of the government and respond to the identified key structural challenge should be rolled over from the previous year's ERP. As a rule, measures should only be discontinued if they i) have been fully implemented, ii) do not effectively address a key constraint or iii) are no longer considered a priority for the government, especially in the context of Covid-19 crisis. When discontinuing a measure, provide an explanation in the ERP in Annex table 11. Delays in implementation are not a valid reason to drop a measure.

Measures should be selected based on the identified key obstacles to competitiveness and inclusive growth in section 5.3 below. The medium-term structural reform measures maintained in the policy guidance from May 2020 should also inform the prioritisation of structural reform measures in the ERP 2021-2023 as they feature the main structural reform needs supporting the medium-term recovery of each economy as jointly agreed. Any 2019 policy guidance which has not yet been implemented but which was not included in the 2020 policy guidance

(due to their replacement by short-term emergency measures to mitigate the Covid-19 crisis) may also still help in the prioritisation of measures for 2021-2023. A transparent, criteria-based prioritisation methodology is illustrated in the *OECD ERP Prioritisation Tool* (link: [https://www.oecd.org/south-east-europe/programme/ERP\\_Prioritisation\\_Tool.pdf](https://www.oecd.org/south-east-europe/programme/ERP_Prioritisation_Tool.pdf)).

### **5.3. Analysis by area and structural reform measures (max 35 pages)**

Each area should be structured in the following way (please include subtitles in the ERP to provide structure):

#### **a. Analysis of main obstacles**

This should include a clear identification of key obstacles and their effects on competitiveness, growth and social outcomes on employment and gender equality by updating the analysis from the previous programme and identifying any new obstacles, which may have emerged, especially due to the Covid-19 crisis. If applicable, provide an overview which urgent/short-term measures were introduced to mitigate the impact of the Covid-19 pandemic in the respective area and how are they linked to the emerged obstacles.

Obstacles to regional economic integration, including the implementation of the Regional Economic Area Multiannual Action Plan (REA MAP), should also be considered in the relevant areas. A comprehensive set of indicators to describe the state of play, as well as examples of structural obstacles and their impact on competitiveness and growth for each ERP policy area can be found in the *OECD ERP Diagnostic Tool*, which could be used as a reference document for the development of this section.

#### **b. Reform measures**

This section should include a maximum of 20 reform measures *clearly enumerated*. The 15-20 reform measures do not have to cover all the eight areas above. However, even when there is no priority reform measure in one of the areas, an analysis of main obstacles must still be included. Each reform measure should include *only* the following information:

##### **1. Description of measure**

Give a concise description of the measure, including its main objective and the obstacle to be addressed, and provide information on its relations with national strategic documents or sector strategies and wider reform efforts. Where relevant, shortly refer to how the measure supports the achievement of the economic criteria for EU accession. If applicable, clearly state and briefly explain how the envisaged reform measure will contribute towards the implementation of the European Green Deal and/or achievement of the United Nations Sustainable Development Goals (SDGs). If the measure is rolled over from the previous year, indicate whether the activities planned in previous years have been implemented. If they have not, include an explanation for the delays.

##### **a. Activities planned in 2021**

Describe the activities planned in 2021 and *indicate which Government body/ministry or other stakeholder is responsible for the implementation of each activity*.

##### **b. Activities planned in 2022**

Describe the activities planned in 2022 and *indicate which Government body/ministry or other stakeholder is responsible for the implementation of each activity*.

##### **c. Activities planned in 2023**

Describe the activities planned in 2023 and *indicate which Government body/ministry or other stakeholder is responsible for the implementation of each activity*.

Activities are the individual steps that directly contribute to the implementation of a measure. They need to be clearly specified in terms of the expected output (immediate result) and support the precise costing of the measure.

## 2. Results Indicators

In a simple table, include 2-3 country-wide or sectoral results indicators for monitoring and evaluating the results of each reform measure on specific segments or sectors in the economy. These indicators should be specific for each reform measure. Further information on the selection of indicators can be taken from the *OECD ERP Monitoring Tool* (link: [https://www.oecd.org/south-east-europe/programme/ERP\\_Monitoring\\_Tool.pdf](https://www.oecd.org/south-east-europe/programme/ERP_Monitoring_Tool.pdf)).

Example:

| Indicator | Baseline (year) | Intermediate target (year) | Target (year) |
|-----------|-----------------|----------------------------|---------------|
|           |                 |                            |               |

The reform measures of the ERP process can help drive national economic and employment policies towards the achievement of the United Nations SDGs and the implementation of the European Green Deal by monitoring progress and ensuring closer coordination of national efforts.

To further align the ERP process with the European Semester, the contribution of a reform measure to the achievement of SDGs may also be mentioned where corresponding data are available (ideally based on indicators in line with Eurostat's EU SDG indicator set<sup>11</sup>).

## 3. Expected impact on competitiveness (not relevant for the area "social protection and inclusion")

The purpose of this section is to estimate the expected quantified impact on competitiveness and/or growth. The ERP should identify 1-3 country-wide high-level outcome indicators that can be applied to each reform measure to estimate and then report on the impact. Further information on the selection of indicators can be taken from the OECD ERP Monitoring Tool. Such outcome indicators should help answer the following questions: How do the sectors or businesses etc. targeted by the reform measure contribute to GDP, GDP growth, exports or export growth now and to what extent is this expected to change after the implementation of the reform? When looking at the potential effect, a longer time horizon should be used; some reforms (e.g. education) will only fully unfold their impact 10 or 20 years from now.

## 4. Estimated cost of the activities and the source of financing

Estimate the annual additional cost of the implementation of all the activities of the measure. State the source of financing used to cover the full costs. However, do not mention the specific donor or lender by name. Further guidance on costing and financing of structural reform can be found in the *CEF Guidance on Costing* (link:

[https://www.cef-see.org/files/Costing\\_Guidance.pdf](https://www.cef-see.org/files/Costing_Guidance.pdf)).

In the ERP 2021-23, realistic costing may be challenging due to the higher uncertainty of budgetary frameworks in the recovery from the Covid-19 crisis. Uncertainties and

<sup>11</sup> The latest information on Eurostat SDG set of indicator is available at <https://ec.europa.eu/eurostat/web/sdi/overview>



assumptions related to cost and funding estimations should be explained. Only funds that are already secured should be planned and the use of 'to be determined' category should be avoided. For measures which require substantial funding or whose costs are highly uncertain, a contingency scenario should be developed with an indication of which activities would be implemented as priority in the case that not all the planned funding will be available. For measures which do not immediately result in direct expenditures (e.g.: loan guarantees or reductions of taxes and fees), the ensuing contingent liabilities or reductions of revenues should also be specified in this section.

**5. Expected impact on social outcomes, such as employment, poverty reduction, gender equality and access to health care**

Estimate the expected qualitative and/or quantitative impact of the measure on social outcomes, such as employment, poverty reduction, equality, gender and access to health care in the short-, medium- and/or long-term. If the measure is considered neutral in terms of gender impact, please make this clear.

**6. Expected impact on the environment**

Estimate the expected impact of the measure on the environment (quantitative) in the short, medium and/or long term in line with the targets set by the European Green Deal and the international commitments of the country (if applicable). If the measure is neutral in terms of environmental impact, please make this clear.

**7. Potential risks**

Fill in and include the below table for each measure. In the table, identify the main risks that may affect the implementation of the measure and the actions you will take to minimise the risk or to mitigate the effects of the risk if it materialises.

| <b>Risk</b> | <b>Probability (low or high)</b> | <b>Planned mitigating action</b> |
|-------------|----------------------------------|----------------------------------|
|             |                                  |                                  |

**I. Energy and transport market reform**

Public policies directly affecting the competitiveness of the transport and energy markets (e.g. liberalisation of energy markets, strengthening of regulation and oversight etc.) will be covered under this sub-section.

Reform measures in this area could focus on supplying clean, affordable and secure energy and on building and renovating in an energy and resource efficient way, unlocking the renewable energy potentials and reducing the environmental and health impact of the energy and transport sectors.

**II. Agriculture, industry and services**

Public policies directly affecting the competitiveness of a sector will be covered under this sub-section. This includes sector specific and cross-sector development strategies across any of the three sectors of the economy (agriculture, industry/manufacturing and services). Policies increasing the diversification and complexity of economy for increased exports will also be included in this section.

Reform measures in these sectors could focus on sustainable production and consumption as well as decarbonisation and modernisation of energy-intensive industries. They can also promote the introduction of circularity in the business models, in terms of resource use. The measures in the

agriculture could target the development of more sustainable food production systems with a neutral or positive environmental impact.

### **III. Business environment and reduction of the informal economy**

Public policies directly affecting the business environment (e.g. regulatory and administrative reforms including on public procurement, reduction of costs of doing business including para-fiscal charges, improvement in property rights, contract enforcement, access to finance, support to SMEs etc.), subsidy and state aid policies, privatisation, SOE restructuring and corruption will be covered under this sub-section. Public policies aiming to reduce the informal economy should also be covered here.

### **IV. Research, development and innovation and the digital transformation**

Public policies directly affecting the capacity of the economy/businesses to absorb technology and to innovate (e.g. public investments and incentives for private investments in research & development, SMART specialisation and inter-linkages between research institutions and businesses, innovation-specific support to SMEs etc.) will be covered under this sub-section. Measures related to the digital transformation in line with the European Commission's priorities will also be covered under this sub-section but can be mainstreamed in other areas as well.

### **V. Economic integration reforms**

Public policies fostering trade integration of the countries at regional, EU and global levels (policies aiming at integration into global value chains, investment policy, quality infrastructure, safety standards, conclusion or deepening of trade agreements, customs reforms, removing technical barriers to trade, export and investment promotion, etc.) will be covered under this sub-section.

Particular attention could be given to the reforms deriving from the regional economic integration agenda (Regional Economic Area, including CEFTA).

### **VI. Education and skills**

Public policies to strengthen access to and quality of education, training and life-long learning at all levels will be covered in this sub-section. This includes comprehensive reforms of the education systems from pre-school to tertiary, improving the provision of basic skills in pre-school and general education, increasing educational attainment levels and promoting an appropriate supply of relevant knowledge, skills and competences, including digital, to manage successfully transition in the labour market (e.g. developing Vocational Education and Training (VET) and promoting work-based learning systems). Specific reference should also be made to the provision of digital skills through the corresponding training of teachers and digital education. The latest available PISA (Programme for International Students Assessment) and where applicable PIAAC (Programme for International Assessment of Adult Competencies) rating should be included for reference as well.

### **VII. Employment and labour markets**

Public policies to promote quality employment, equal opportunities and access to the labour market and fair working conditions will be covered in this sub-section. In the context of the Covid-19 pandemic, this section should also inform on the short-term work schemes that were introduced in order to mitigate the impact of the pandemic on the labour market. This includes boosting demand for labour, promoting productivity and employability through enhancing the functioning of the labour markets, active support for employment, effective and inclusive public employment services, social dialogue, and labour inspection with effective enforcement of labour rules across the entire territory as well as tackling high unemployment and inactivity, in

particular of young people, women, long-term unemployed and those most vulnerable on the labour market. This section should also look at measures addressing any kind of discrimination to access the labour market.

### **VIII. Social protection and inclusion, including health care**

This section will cover public policies modernising social protection systems to provide effective, efficient, transparent and adequate protection throughout all stages of a person's life, fostering social inclusion, promoting equal opportunities and addressing inequalities and poverty, particularly in view of the impact of the Covid-19 crisis. This includes adequate activation support and income for (re)integration in the labour market and society, and sustainability and adequacy of pension systems and access to quality services such as early childhood education and care, housing, healthcare and essential services and long-term care.

This section should provide an assessment and include the relevant reform measures related to the universality of health insurance, and the accessibility, adequacy and affordability of healthcare services, as well as the sustainability of its financing.

### **6. THE COST AND FINANCING OF STRUCTURAL REFORMS**

This section should summarise the costs and financing sources of the structural reforms in Section 5.3. and Annex tables 10a and 10b., i.e. whether they are financed by the budget, by external lenders or by external donors. Please indicate totals and percentages for each source. The total cost should also be compared to the previous programme. It should also provide an overview as to what type of measure is most common in the programme (infrastructure/administrative/legislative/direct grants/credit guarantee scheme). In the case of financing through the budget, it should be shortly explained how the fiscal space for financing reforms was provided in the budget and in the budgetary outlook.

### **7. INSTITUTIONAL ISSUES AND STAKEHOLDER INVOLVEMENT (MAX 1 PAGE)**

Involvement and participation of all actors is essential to ensure ownership and facilitate progress on the implementation of the policy guidance and reforms. This section should thus explain the institutional process for the preparation and approval of the Economic Reform Programme as well as the public consultation.

The section should include information on:

- The government ministries and agencies involved in the process and how the coordinator arbitrated different interests.
- The process by which regional and local authorities were involved in the preparation of the programme and in the implementation of the past policy guidance and commitments.
- When the programme was presented to the national Parliament and the outcome of the discussions.
- The process by which social partners (employers' associations and trade unions) and civil society were consulted in the preparation of the programme and their main comments and the extent to which their comments have been taken on board.

In addition to explanations given in this section, partner countries are asked to include the main comments of civil society and any written contributions from external stakeholders in Annex 2.

This section should not be longer than 1 page.

N.B. It is not enough to include information on previously conducted external consultations on other national strategies, agendas and programmes. **The ERP should be subject to a specific and separate external consultation, giving stakeholders the opportunity and sufficient time to comment on a draft version of the ERP.**

**ANNEX 1: TABLES TO BE CONTAINED IN THE ECONOMIC REFORM PROGRAMMES AND THEIR UPDATES<sup>12</sup>**

**Table 1a: Macroeconomic prospects**

|   | ESA Code    | Year X - 2 | Year X - 2     | Year X - 1 | Year X | Year X + 1 | Year X + 2 |
|---|-------------|------------|----------------|------------|--------|------------|------------|
|   |             | Level (€)  | Rate of change |            |        |            |            |
| 1. Real GDP at market prices  | B1*g        |            |                |            |        |            |            |
| 2. GDP at market prices   | B1*g        |            |                |            |        |            |            |
| <b>Components of real GDP</b>   |             |            |                |            |        |            |            |
| 3. Private consumption expenditure                                    | P3          |            |                |            |        |            |            |
| 4. Government consumption expenditure                                 | P3          |            |                |            |        |            |            |
| 5. Gross fixed capital formation                                      | P51         |            |                |            |        |            |            |
| 6. Changes in inventories and net acquisition of valuables (% of GDP) | P52+<br>P53 |            |                |            |        |            |            |
| 7. Exports of goods and services                                      | P6          |            |                |            |        |            |            |
| 8. Imports of goods and services                                      | P7          |            |                |            |        |            |            |
| <b>Contribution to real GDP growth</b>                                |             |            |                |            |        |            |            |
| 9. Final domestic demand  |             |            |                |            |        |            |            |
| 10. Change in inventories and net acquisition of valuables            | P52+<br>P53 |            |                |            |        |            |            |
| 11. External balance of goods/services                                | B11         |            |                |            |        |            |            |

<sup>12</sup> Please replace in the tables the placeholders (Year X+/-n) indicating the programme period with the concrete years, with the year X being the year of the submission deadline.

**Table 1b: Price developments**

|   |           | Year<br>X-2 | Year<br>X-1 | Year<br>X | Year<br>X +<br>1 | Year<br>X +<br>2 |
|---|-----------|-------------|-------------|-----------|------------------|------------------|
| 1. GDP deflator                             | %,<br>yoy |             |             |           |                  |                  |
| 2. Private consumption deflator             | %,<br>yoy |             |             |           |                  |                  |
| 3. HICP                                     | %,<br>yoy |             |             |           |                  |                  |
| 4. National CPI change                      | %,<br>yoy |             |             |           |                  |                  |
| 5. Public consumption deflator              | %,<br>yoy |             |             |           |                  |                  |
| 6. Investment deflator                      | %,<br>yoy |             |             |           |                  |                  |
| 7. Export price deflator (goods & services) | %,<br>yoy |             |             |           |                  |                  |
| 8. Import price deflator (goods & services) | %,<br>yoy |             |             |           |                  |                  |

**Table 1c: Labour markets developments**

|   | ESA<br>Code | Year<br>X - 2 | Year<br>X -<br>2 | Year<br>X-1 | Year<br>X | Year<br>X +<br>1 | Year<br>X +<br>2 |
|---|-------------|---------------|------------------|-------------|-----------|------------------|------------------|
|   |             | Level         | Rate of change   |             |           |                  |                  |
| 1. Population (thousands)                         |             |               |                  |             |           |                  |                  |
| 2. Population (growth rate in %)                  |             |               |                  |             |           |                  |                  |
| 3. Working-age population (persons) <sup>13</sup> |             |               |                  |             |           |                  |                  |
| 4. Participation rate                             |             |               |                  |             |           |                  |                  |
| 5. Employment, persons <sup>14</sup>              |             |               |                  |             |           |                  |                  |
| 6. Employment, hours worked <sup>15</sup>         |             |               |                  |             |           |                  |                  |
| 7. Employment (growth rate in %)                  |             |               |                  |             |           |                  |                  |

<sup>13</sup> Age group of 15-64 years

<sup>14</sup> Occupied population, domestic concept national accounts definition

<sup>15</sup> National accounts definition

|   |    |  |  |  |  |  |  |
|---|----|--|--|--|--|--|--|
| 8. Public sector employment (persons)               |    |  |  |  |  |  |  |
| 9. Public sector employment (growth in %)           |    |  |  |  |  |  |  |
| 10. Unemployment rate <sup>16</sup>                 |    |  |  |  |  |  |  |
| 11. Labour productivity, persons <sup>17</sup>      |    |  |  |  |  |  |  |
| 12. Labour productivity, hours worked <sup>18</sup> |    |  |  |  |  |  |  |
| 13. Compensation of employees                       | D1 |  |  |  |  |  |  |

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<sup>16</sup> Harmonised definition, Eurostat; levels

<sup>17</sup> Real GDP per person employed

<sup>18</sup> Real GDP per hour worked

**Table 1d: Sectoral balances**

| % of GDP   | ESA code        | Year X - 2 | Year X - 1 | Year X   | Year X + 1 | Year X + 2 |
|--|-----------------|------------|------------|----------|------------|------------|
| 1. Net lending/borrowing vis-à-vis the rest of the world | B.9             |            |            |          | optional   | optional   |
| of which:  |                 |            |            |          |            |            |
| - Balance of goods and services                          |                 |            |            |          |            |            |
| - Balance of primary incomes & transfers                 |                 |            |            |          |            |            |
| - Capital account  |                 |            |            |          |            |            |
| 2. Net lending/borrowing of the private sector           | B.9/<br>EDP B.9 |            |            |          |            |            |
| 3. Net lending/borrowing of general government           |                 |            |            |          |            |            |
| 4. Statistical discrepancy                               |                 |            | optional   | optional | optional   | optional   |



**Table 1e: GDP, investment and gross value added**

|   | ESA<br>Code | Year<br>X - 2 | Year<br>X - 1 | Year<br>X | Year<br>X + 1 | Year<br>X + 2 |
|---|-------------|---------------|---------------|-----------|---------------|---------------|
| <b>GDP and investment</b>   |             |               |               |           |               |               |
| GDP <i>level at current</i> market prices<br>(in domestic currency)       | B1g         |               |               |           |               |               |
| Investment ratio (% of GDP)   |             |               |               |           |               |               |
| <b>Growth of Gross Value Added, percentage changes at constant prices</b> |             |               |               |           |               |               |
| 1. Agriculture  |             |               |               |           |               |               |
| 2. Industry (excluding construction)                                      |             |               |               |           |               |               |
| 3. Construction   |             |               |               |           |               |               |
| 4. Services   |             |               |               |           |               |               |

**Table 1f: External sector developments**

| Euro mill. Unless otherwise indicated                    | Year<br>X - 2 | Year<br>X - 1 | Year<br>X | Year<br>X + 1 | Year<br>X + 2 |
|--|---------------|---------------|-----------|---------------|---------------|
| 1. Current account balance (% of GDP)                    |               |               |           |               |               |
| 2. Export of goods                                       |               |               |           |               |               |
| 3. Import of goods                                       |               |               |           |               |               |
| 4. Trade balance   |               |               |           |               |               |
| 5. Export of services                                    |               |               |           |               |               |
| 6. Import of services                                    |               |               |           |               |               |
| 7. Service balance                                       |               |               |           |               |               |
| 8. Net interest payments from abroad                     |               |               |           |               |               |
| 9. Other net factor income from abroad                   |               |               |           |               |               |
| 10. Current transfers                                    |               |               |           |               |               |
| 11. <i>Of which</i> from EU                              |               |               |           |               |               |
| 12. Current account balance                              |               |               |           |               |               |
| 13. Foreign direct investment                            |               |               |           |               |               |
| 14. Foreign reserves                                     |               |               |           |               |               |
| 15. Foreign debt   |               |               |           |               |               |
| 16. <i>Of which</i> : public                             |               |               |           |               |               |
| 17. <i>O/w</i> : foreign currency denominated            |               |               |           |               |               |
| 18. <i>O/w</i> : repayments due                          |               |               |           |               |               |
| 19. Exchange rate vis-à-vis EUR (end-year)               |               |               |           |               |               |
| 20. Exchange rate vis-à-vis EUR (annual average)         |               |               |           |               |               |
| 21. Net foreign saving (lines 21-25: percentages of GDP) |               |               |           |               |               |
| 22. Domestic private saving                              |               |               |           |               |               |

|                                 |  |  |  |  |  |
|---------------------------------|--|--|--|--|--|
| 23. Domestic private investment |  |  |  |  |  |
| 24. Domestic public saving      |  |  |  |  |  |
| 25. Domestic public investment  |  |  |  |  |  |

**Table 1g: Sustainability indicators**

|   | Dimension | Year<br>X - 5 | Year<br>X - 4 | Year<br>X - 3 | Year<br>X - 2 | Year<br>X - 1 |
|---|-----------|---------------|---------------|---------------|---------------|---------------|
| 1. Current Account Balance                    | % of GDP  |               |               |               |               |               |
| 2. Net International Investment Position      | % of GDP  |               |               |               |               |               |
| 3. Export market shares                       | %, yoy    |               |               |               |               |               |
| 4. Real Effective Exchange Rate <sup>19</sup> | %, yoy    |               |               |               |               |               |
| 5. Nominal Unit Labour Costs                  | %, yoy    |               |               |               |               |               |
| 6. Private sector credit flow                 | % of GDP  |               |               |               |               |               |
| 7. Private sector debt                        | % of GDP  |               |               |               |               |               |
| 8. General Government Debt                    | % of GDP  |               |               |               |               |               |

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<sup>19</sup> Please explain the methodology used (deflators, trade weighing, etc)

**Table 2a: General government budgetary prospects**

|  | ESA code    | Year  | Year     | Year  | Year | Year  | Year  |
|--|-------------|-------|----------|-------|------|-------|-------|
|  |             | X - 2 | X - 2    | X - 1 | X    | X + 1 | X + 2 |
|  |             | Level | % of GDP |       |      |       |       |
| <b>Net lending (B9) by sub-sectors</b>                 |             |       |          |       |      |       |       |
| 1. General government                                  | S13         |       |          |       |      |       |       |
| 2. Central government                                  | S1311       |       |          |       |      |       |       |
| 3. State government                                    | S1312       |       |          |       |      |       |       |
| 4. Local government                                    | S1313       |       |          |       |      |       |       |
| 5. Social security funds                               | S1314       |       |          |       |      |       |       |
| <b>General government (S13)</b>                        |             |       |          |       |      |       |       |
| 6. Total revenue                                       | TR          |       |          |       |      |       |       |
| 7. Total expenditure <sup>20</sup>                     | TE          |       |          |       |      |       |       |
| 8. Net borrowing/lending                               | EDP.B9      |       |          |       |      |       |       |
| 9. Interest expenditure                                | EDP.D4<br>1 |       |          |       |      |       |       |
| 10. Primary balance <sup>21</sup>                      |             |       |          |       |      |       |       |
| 11. One-off and other temporary measures <sup>22</sup> |             |       |          |       |      |       |       |
| <b>Components of revenues</b>                          |             |       |          |       |      |       |       |
| 12. Total taxes (12 = 12a+12b+12c)                     |             |       |          |       |      |       |       |
| 12a. Taxes on production and imports                   | D2          |       |          |       |      |       |       |
| 12b. Current taxes on income and wealth                | D5          |       |          |       |      |       |       |
| 12c. Capital taxes                                     | D91         |       |          |       |      |       |       |
| 13. Social contributions                               | D61         |       |          |       |      |       |       |
| 14. Property income                                    | D4          |       |          |       |      |       |       |
| 15. Other (15 = 16-(12+13+14)) <sup>23</sup>           |             |       |          |       |      |       |       |

<sup>20</sup> Adjusted for the next flow of swap-related flows, so the TR-TE = EDP.B9.

<sup>21</sup> The primary balance is calculated as (EDP.B9, item 8) plus (EDP D41 + FISIM recorded as intermediate consumption, item 9).

<sup>22</sup> A plus sign means deficit-reducing one-off measures

<sup>23</sup> P.11+P.12+P.131+D.39+D.7+D.9 (other than D.91).

|  |    |  |  |  |  |  |  |
|--|----|--|--|--|--|--|--|
| 16 = 6. Total revenue                                  | TR |  |  |  |  |  |  |
| p.m.: Tax burden<br>(D2+D5+D61+D91-D995) <sup>24</sup> |    |  |  |  |  |  |  |

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<sup>24</sup> Including those collected by the EU and including an adjustment for uncollected taxes and social contributions (D995), if appropriate.

**Table 2a (continued)**

|   | ESA<br>code      | Year  | Year     | Year  | Year | Year  | Year  |
|---|------------------|-------|----------|-------|------|-------|-------|
|   |                  | X - 2 | X - 2    | X - 1 | X    | X + 1 | X + 2 |
|   |                  | Level | % of GDP |       |      |       |       |
| <b>Selected components of expenditures</b>          |                  |       |          |       |      |       |       |
| 17. Collective consumption                          | P32              |       |          |       |      |       |       |
| 18. Total social transfers                          | D62 +<br>D63     |       |          |       |      |       |       |
| 18a. Social transfers in kind                       | P31 =<br>D63     |       |          |       |      |       |       |
| 18b. Social transfers other than in kind            | D62              |       |          |       |      |       |       |
| 19 = 9. Interest expenditure                        | EDP.D4<br>1      |       |          |       |      |       |       |
| 20. Subsidies                                       | D3               |       |          |       |      |       |       |
| 21. Gross fixed capital formation                   | P51              |       |          |       |      |       |       |
| 22. Other (22 = 23 - (17+18+19+20+21) <sup>25</sup> |                  |       |          |       |      |       |       |
| 23 = 7. Total expenditures                          | TE <sup>26</sup> |       |          |       |      |       |       |
| p.m. Compensation of public sector employees        | D1               |       |          |       |      |       |       |

<sup>25</sup> D.29+D4 (other than D.41)+ D.5+D.7+D.9+P.52+P.53+K.2+D.8

<sup>26</sup> Adjusted for the next flow of swap-related flows, so the TR-TE = EDP.B9.

**Table 2b: General government budgetary prospects**

|  | ESA code    | Year  | Year   | Year  | Year | Year  | Year  |
|--|-------------|-------|--------|-------|------|-------|-------|
|  |             | X - 2 | X - 2  | X - 1 | X    | X + 1 | X + 2 |
|  |             | Level | Bn NCU |       |      |       |       |
| <b>Net lending (B9) by sub-sectors</b>                 |             |       |        |       |      |       |       |
| 1. General government                                  | S13         |       |        |       |      |       |       |
| 2. Central government                                  | S1311       |       |        |       |      |       |       |
| 3. State government                                    | S1312       |       |        |       |      |       |       |
| 4. Local government                                    | S1313       |       |        |       |      |       |       |
| 5. Social security funds                               | S1314       |       |        |       |      |       |       |
| <b>General government (S13)</b>                        |             |       |        |       |      |       |       |
| 6. Total revenue                                       | TR          |       |        |       |      |       |       |
| 7. Total expenditure <sup>27</sup>                     | TE          |       |        |       |      |       |       |
| 8. Net borrowing/lending                               | EDP.B9      |       |        |       |      |       |       |
| 9. Interest expenditure                                | EDP.D4<br>1 |       |        |       |      |       |       |
| 10. Primary balance <sup>28</sup>                      |             |       |        |       |      |       |       |
| 11. One-off and other temporary measures <sup>29</sup> |             |       |        |       |      |       |       |
| <b>Components of revenues</b>                          |             |       |        |       |      |       |       |
| 12. Total taxes (12 = 12a+12b+12c)                     |             |       |        |       |      |       |       |
| 12a. Taxes on production and imports                   | D2          |       |        |       |      |       |       |
| 12b. Current taxes on income and wealth                | D5          |       |        |       |      |       |       |
| 12c. Capital taxes                                     | D91         |       |        |       |      |       |       |
| 13. Social contributions                               | D61         |       |        |       |      |       |       |
| 14. Property income                                    | D4          |       |        |       |      |       |       |
| 15. Other (15 = 16-(12+13+14)) <sup>30</sup>           |             |       |        |       |      |       |       |

<sup>27</sup> Adjusted for the next flow of swap-related flows, so the TR-TE = EDP.B9.

<sup>28</sup> The primary balance is calculated as (EDP.B9, item 8) plus (EDP D41 + FISIM recorded as intermediate consumption, item 9).

<sup>29</sup> A plus sign means deficit-reducing one-off measures



|  |    |  |  |  |  |  |  |
|--|----|--|--|--|--|--|--|
| 16 = 6. Total revenue                                  | TR |  |  |  |  |  |  |
| p.m.: Tax burden<br>(D2+D5+D61+D91-D995) <sup>31</sup> |    |  |  |  |  |  |  |

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<sup>30</sup> P.11+P.12+P.131+D.39+D.7+D.9 (other than D.91).

<sup>31</sup> Including those collected by the EU and including an adjustment for uncollected taxes and social contributions (D995), if appropriate.

**Table 2b (continued)**

|   | ESA code         | Year  | Year   | Year  | Year | Year  | Year  |
|---|------------------|-------|--------|-------|------|-------|-------|
|   |                  | X - 2 | X - 2  | X - 1 | X    | X + 1 | X + 2 |
|   |                  | Level | Bn NCU |       |      |       |       |
| <b>Selected components of expenditures</b>          |                  |       |        |       |      |       |       |
| 17. Collective consumption                          | P32              |       |        |       |      |       |       |
| 18. Total social transfers                          | D62 + D63        |       |        |       |      |       |       |
| 18a. Social transfers in kind                       | P31 = D63        |       |        |       |      |       |       |
| 18b. Social transfers other than in kind            | D62              |       |        |       |      |       |       |
| 19 = 9. Interest expenditure                        | EDP.D41          |       |        |       |      |       |       |
| 20. Subsidies                                       | D3               |       |        |       |      |       |       |
| 21. Gross fixed capital formation                   | P51              |       |        |       |      |       |       |
| 22. Other (22 = 23 - (17+18+19+20+21) <sup>32</sup> |                  |       |        |       |      |       |       |
| 23 = 7. Total expenditures                          | TE <sup>33</sup> |       |        |       |      |       |       |
| p.m. Compensation of public sector employees        | D1               |       |        |       |      |       |       |

**Table 3: General government expenditure by function**

| Percentage of GDP           | COFOG Code | Year X - 2 | Year X - 1 | Year X | Year X + 1 | Year X + 2 |
|-----------------------------|------------|------------|------------|--------|------------|------------|
| 1. General public services  | 1          |            |            |        |            |            |
| 2. Defence                  | 2          |            |            |        |            |            |
| 3. Public order and safety  | 3          |            |            |        |            |            |
| 4. Economic affairs         | 4          |            |            |        |            |            |
| 5. Environmental protection | 5          |            |            |        |            |            |
| 6. Housing and community    | 6          |            |            |        |            |            |
| 7. Health                   | 7          |            |            |        |            |            |
| 8. Recreation, culture and  | 8          |            |            |        |            |            |
| 9. Education                | 9          |            |            |        |            |            |

<sup>32</sup> D.29+D4 (other than D.41)+ D.5+D.7+D.9+P.52+P.53+K.2+D.8

<sup>33</sup> Adjusted for the next flow of swap-related flows, so the TR-TE = EDP.B9.

|  |    |  |  |  |  |  |
|--|----|--|--|--|--|--|
| 10. Social protection                                | 10 |  |  |  |  |  |
| 11. Total expenditure (item 7 =<br>23 in<br>Table 2) | TE |  |  |  |  |  |

**Table 4: General government debt developments**

| Percentages of GDP                                    | ESA code | Year X – 2 | Year X – 1 | Year X | Year X + 1 | Year X + 2 |
|---|----------|------------|------------|--------|------------|------------|
| 1. Gross debt <sup>34</sup>                           |          |            |            |        |            |            |
| 2. Change in gross debt ratio                         |          |            |            |        |            |            |
| <b>Contributions to change in gross debt</b>          |          |            |            |        |            |            |
| 3. Primary balance <sup>35</sup>                      |          |            |            |        |            |            |
| 4. Interest expenditure <sup>36</sup>                 |          |            |            |        |            |            |
| 5. Real growth effect                                 |          |            |            |        |            |            |
| 6. Inflation effect                                   |          |            |            |        |            |            |
| 7. Stock-flow adjustment                              |          |            |            |        |            |            |
| of which:   |          |            |            |        |            |            |
| - Differences between cash and accruals <sup>37</sup> |          |            |            |        |            |            |
| - Net accumulation of financial assets <sup>38</sup>  |          |            |            |        |            |            |
| of which:   |          |            |            |        |            |            |
| - Privatisation proceeds                              |          |            |            |        |            |            |
| - Valuation effects and other <sup>39</sup>           |          |            |            |        |            |            |
| p.m. implicit interest rate on debt <sup>40</sup>     |          |            |            |        |            |            |
| <b>Other relevant variables</b>                       |          |            |            |        |            |            |
| 8. Liquid financial assets <sup>41</sup>              |          |            |            |        |            |            |
| 9. Net financial debt (9 = 1 – 8)                     |          |            |            |        |            |            |

<sup>34</sup> As defined in Regulation 3605/93 (not an ESA concept).

<sup>35</sup> Cf. item 10 in Table 2.

<sup>36</sup> Cf. item 9 in Table 2.

<sup>37</sup> The differences concerning interest expenditure, other expenditure and revenue could be distinguished when relevant.

<sup>38</sup> Liquid assets, assets on third countries, government controlled enterprises and the difference between quoted and non-quoted assets could be distinguished when relevant.

<sup>39</sup> Changes due to exchange rate movement, and operation in secondary market could be distinguished when relevant.

<sup>40</sup> Proxied by interest expenditure divided by the debt level of the previous year.

<sup>41</sup> AF1, AF2, AF3 (consolidated at market value, AF5 (if quoted in stock exchange; including mutual fund shares).

**Table 5: Cyclical developments**

| % of GDP  | ESA Code | Year X-2 | Year X-1 | Year X | Year X+1 | Year X+2 |
|---|----------|----------|----------|--------|----------|----------|
| 1. Real GDP growth (%)                                | B1g      |          |          |        |          |          |
| 2. Net lending of general government                  | EDP.B.9  |          |          |        |          |          |
| 3. Interest expenditure                               | EDP.D.41 |          |          |        |          |          |
| 4. One-off and other temporary measures <sup>42</sup> |          |          |          |        |          |          |
| 5. Potential GDP growth (%) <sup>43</sup>             |          |          |          |        |          |          |
| <b>Contributions:</b>                                 |          |          |          |        |          |          |
| - labour  |          |          |          |        |          |          |
| - capital   |          |          |          |        |          |          |
| - total factor productivity                           |          |          |          |        |          |          |
| 6. Output gap   |          |          |          |        |          |          |
| 7. Cyclical budgetary component                       |          |          |          |        |          |          |
| 8. Cyclically-adjusted balance (2-7)                  |          |          |          |        |          |          |
| 9. Cyclically-adjusted primary balance (8-3)          |          |          |          |        |          |          |
| 10. Structural balance (8-4)                          |          |          |          |        |          |          |

**Table 6: Divergence from previous programme**

|   | Year X-2 | Year X-1 | Year X | Year X+1 | Year X+2 |
|---|----------|----------|--------|----------|----------|
| <b>1. GDP growth (% points)</b>                     |          |          |        |          |          |
| Previous  |          |          |        |          |          |
| Current   |          |          |        |          |          |
| Difference  |          |          |        |          |          |
| <b>2. General government net lending (% of GDP)</b> |          |          |        |          |          |
| Previous  |          |          |        |          |          |
| Current   |          |          |        |          |          |
| Difference  |          |          |        |          |          |
| <b>3. General government gross debt (% of GDP)</b>  |          |          |        |          |          |

<sup>42</sup> A plus sign means deficit-reducing one-off measures

<sup>43</sup> Until an agreement on the Production Function Method is reached, countries can use their own figures (SP).

|            |  |  |  |  |  |
|------------|--|--|--|--|--|
| Previous   |  |  |  |  |  |
| Current    |  |  |  |  |  |
| Difference |  |  |  |  |  |

**Table 7: Long-term sustainability of public finances**

| Percentages of GDP  | 2007 | 2010 | 2020 | 2030 | 2040 | 2050 | 2060 |
|---|------|------|------|------|------|------|------|
| Total expenditure   |      |      |      |      |      |      |      |
| <i>of which: age-related expenditures</i>   |      |      |      |      |      |      |      |
| - Pension expenditure   |      |      |      |      |      |      |      |
| - Social security pension   |      |      |      |      |      |      |      |
| - Old-age and early pensions  |      |      |      |      |      |      |      |
| - Other pensions (disability, survivors)  |      |      |      |      |      |      |      |
| - Occupational pensions (if in general government)  |      |      |      |      |      |      |      |
| - Health care   |      |      |      |      |      |      |      |
| - Long-term care ( <i>this was earlier included in the health care</i> )                            |      |      |      |      |      |      |      |
| Education expenditure   |      |      |      |      |      |      |      |
| Other age-related expenditures  |      |      |      |      |      |      |      |
| Interest expenditure  |      |      |      |      |      |      |      |
| Total revenues  |      |      |      |      |      |      |      |
| <i>of which:</i>  |      |      |      |      |      |      |      |
| property income   |      |      |      |      |      |      |      |
| trade-related revenue,<br>royalties, concessions etc.   |      |      |      |      |      |      |      |
| from pensions contributions (or social contributions, if appropriate)                               |      |      |      |      |      |      |      |
| Pension reserve fund assets   |      |      |      |      |      |      |      |
| <i>of which: consolidated public pension fund assets (assets other than government liabilities)</i> |      |      |      |      |      |      |      |
| <b>Assumptions</b>  |      |      |      |      |      |      |      |
| Labour productivity growth  |      |      |      |      |      |      |      |
| Real GDP growth   |      |      |      |      |      |      |      |
| Participation rate males (aged 20-64)   |      |      |      |      |      |      |      |
| Participation rates females (aged 20-64)  |      |      |      |      |      |      |      |
| Total participation rates (20-64)   |      |      |      |      |      |      |      |

|   |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| Unemployment rate                         |  |  |  |  |  |  |  |
| Population aged 65+ over total population |  |  |  |  |  |  |  |

**Table 7a: Contingent liabilities**

| % of GDP  | Year<br>X – 1 | Year<br>X |
|---|---------------|-----------|
| Public guarantees   |               |           |
| <i>Of which: linked to the financial sector</i>                             |               | Optional  |
| Other contingent liabilities  |               |           |
| Increase in contingent liabilities due to COVID-19-crisis related measures. |               | Optional  |



**Table 8: Basic assumptions on the external economic environment underlying the programme framework**

This table should preferably be included in the programme itself; if not, these assumptions should be transmitted to the Commission together with the programme.

|  | Dimension      | Year<br>X –<br>2 | Year<br>X –<br>1 | Year<br>X | Year<br>X +<br>1 | Year<br>X +<br>2 |
|--|----------------|------------------|------------------|-----------|------------------|------------------|
| Short-term interest rate <sup>44</sup> | Annual average |                  |                  |           |                  |                  |
| Long-term interest rate                | Annual average |                  |                  |           |                  |                  |
| USD/EUR exchange                       | Annual average |                  |                  |           |                  |                  |
| Nominal effective exchange rate        | Annual average |                  |                  |           |                  |                  |
| Exchange rate vis-à-vis the EUR        | Annual average |                  |                  |           |                  |                  |
| Global GDP growth, excluding EU        | Annual average |                  |                  |           |                  |                  |
| EU GDP growth                          | Annual average |                  |                  |           |                  |                  |
| Growth of relevant foreign markets     | Annual average |                  |                  |           |                  |                  |
| World import volumes, excluding EU     | Annual average |                  |                  |           |                  |                  |
| Oil prices (Brent, USD/barrel)         | Annual average |                  |                  |           |                  |                  |

<sup>44</sup> If necessary, purely technical assumption.

**Table 9: Selected employment and social indicators<sup>45</sup>**

|   | Data source | Year X-2 | Year X-1 | Year X | Year X+1 | Year X+2 |
|---|-------------|----------|----------|--------|----------|----------|
| Labour market participation rate (%) total (20-64 years old)                            |             |          |          |        |          |          |
| - male  |             |          |          |        |          |          |
| - female  |             |          |          |        |          |          |
| 2. Employment rate (%) total (20-64 years old)  |             |          |          |        |          |          |
| - male  |             |          |          |        |          |          |
| - female  |             |          |          |        |          |          |
| 3. Unemployment rate (%) total  |             |          |          |        |          |          |
| - male  |             |          |          |        |          |          |
| - female  |             |          |          |        |          |          |
| 4. Long-term unemployment rate (%) total  |             |          |          |        |          |          |
| - male  |             |          |          |        |          |          |
| - female  |             |          |          |        |          |          |
| 5. Youth unemployment (15-24 years old) rate (%) total                                  |             |          |          |        |          |          |
| - male  |             |          |          |        |          |          |
| - female  |             |          |          |        |          |          |
| 6. Young people (15-24 years old) not in employment, education or training (NEET), in % |             |          |          |        |          |          |
| 7. Early school leavers, in % (Eurostat definition)                                     |             |          |          |        |          |          |
| 8. PISA Rating  |             |          |          |        |          |          |
| 9. PIAAC rating   |             |          |          |        |          |          |
| 10. Participation rate in early childhood education and care                            |             |          |          |        |          |          |

<sup>45</sup> Given the disparate availability of data and variety of definitions used for indicators, countries should use EUROSTAT data when available. In case of data from national or international sources, a footnote should be added for each indicator indicating how it is defined. In case no data are available for an indicator, please see whether any data would be available for a similar indicator and explain so. It is recommended that year X = 2017. In case that no data are available for the year 2017, the data available for previous years (2016, 2015) shall be introduced in the respective columns. For all indicators the values shall be inserted in the table, not the year-on-year change of the values as in some other tables.

|  |   |  |  |  |  |
|--|---|--|--|--|--|
| 11. GINI coefficient   |   |  |  |  |  |
| 12. Inequality of income distribution S80/S20 (Income quintile ratio)  | e |  |  |  |  |
| 13. Social protection expenditure in % of GDP  | e |  |  |  |  |
| 14. Health expenditure in % of GDP   | e |  |  |  |  |
| 15. At-risk-of-poverty before social transfers, % of the population  | e |  |  |  |  |
| 16. Poverty rate<br>(Please indicate which data are available for your country)                              |   |  |  |  |  |
| 17. Poverty gap<br>(Please indicate which data are available for your country)                               |   |  |  |  |  |
| Other indicators used in the EU Social Scoreboard  |   |  |  |  |  |
| 18. Real adjusted GDHI - per capita in PPS (Index 2008=100)  |   |  |  |  |  |
| 19. Impact of social transfers (other than pensions) on poverty reduction                                    |   |  |  |  |  |
| 20. Self-reported unmet need for medical care  |   |  |  |  |  |
| 21. Individuals' level of digital skills (% of individuals with basic or above basic overall digital skills) |   |  |  |  |  |

**Table 10a: Costing of structural reform measure: (NAME OF THE MEASURE) (in EUR) (Fill in one per reform)**

| Year     | Salaries | Goods and services | Subsidies and transfers | Capital expenditure | Total |
|----------|----------|--------------------|-------------------------|---------------------|-------|
| Year X   |          |                    |                         |                     |       |
| Year X+1 |          |                    |                         |                     |       |
| Year X+2 |          |                    |                         |                     |       |

Methodological explanation of the table:

- Only “additional costs” are to be calculated in the table. This means that only those costs are to be calculated that would not be there if the measure would not be implemented. For example, if existing staff is working on implementing a measure, their salaries should not be calculated.
- The table addresses only direct first-level costs of the reform measure. In case the reform measure can be implemented without additional costs, all spaces in the table should be filled with “0” (zero). In case the measure generates first-level implications on the revenue side of public finances (for example, an increase in budget revenues or an increase in pension fund contributions); this should be explained and quantified in a footnote to the table.
- Costing is to be done for a three-year period with the year X being the first year under the ERP, i.e. 2019.
- If a measure is composed of several activities, a sub-table for each of them has to be prepared as an input for the summary table that shows costing for the structural reform measure as a whole – these sub-tables do not have to be included in the ERP.
- Category “*Salaries*” and its costing: The category is composed of costs for salaries to be paid for hiring additional staff that is needed to implement the structural reform measure. Costing of the additional staff has to take into account not only the number of new staff members but also their qualifications as well as salary increases for the existing staff members. Standardised salaries for different categories of new staff members should be applied. Such a table of standardised costs does not need to be included in the ERP. If standardised costs are either not available or not appropriate, expert opinion can be applied.
- Category “*Goods and services*” and its costing: The category is composed of the following categories of costs: (i) training, (ii) expertise, (iii) office equipment, (iv) utilities (rent, electricity, travel). Standardised costs for each category should be applied whenever possible. Such a table of standardised costs does not need to be included in the ERP. If standardised costs are either not available or not appropriate, expert opinion can be applied.
- Category “*Subsidies and transfers*” and its costing: The category includes different types of subsidies and transfers that the beneficiary may get in order to implement the structural reform measure. Expert opinion can be used for calculating this category of costs.
- Category “*Capital expenditures*”: The category includes capital expenditures associated with implementation of the structural reform measure. Expert opinion can be used for calculating forecasted expenditures under this category of costs.
- Category “*Total*”: This is a sum of the categories in the three columns.

**Table 10b: Financing of structural reform measure: (NAME OF THE MEASURE) (in EUR) (Fill in one per reform)**

| Year     | Central budget | Local budgets | Other national public finance sources | IPA funds | Other grants | Project loans | To be determined | Total |
|----------|----------------|---------------|---------------------------------------|-----------|--------------|---------------|------------------|-------|
| Year X   |                |               |                                       |           |              |               |                  |       |
| Year X+1 |                |               |                                       |           |              |               |                  |       |
| Year X+2 |                |               |                                       |           |              |               |                  |       |

Methodological explanation of the table:

- The table should give an overview of funding sources to finance the total costs of the structural reform measure calculated in Table 10a.
- Category “*Central budget*”: The category includes funds to be realistically provided from the central budget either from national public finance revenues or from borrowing in the form of financial loans. For the year X, the funds are actually available under the budget adopted for this year.
- Category “*Local budgets*”: The category includes funds to be realistically provided by budgets at sub-national level, regional level and/or municipal level.
- Category “*Other national public finance sources*”: The category includes funds to be realistically provided from other national public finance sources (apart from central budget and local budget revenues), such as health and pension fund contributions.
- Category “*IPA funds*”: The category includes funds to be realistically disbursed from IPA funds.
- Category “*Other grants*”: The category includes funds to be realistically disbursed in the form of grants from all multilateral and bilateral donors; the category excludes IPA funds.
- Category “*Project loans*”: The category includes funds to be realistically disbursed from foreign multilateral and bilateral lenders in the form of project loans. Financial loans should not be included here, but rather under the “Central budget”.
- Category “*To be determined*”: The category quantifies the portion of funds that is needed for implementing the structural policy measure concerned but for which the funding source(s) is/are yet to be determined. The category should be calculated as a residual between the category “*Total*” and the sum of categories for all already known funding sources for the structural policy measure concerned.
- Category “*Total*”: The category is the sum of the categories and must be equal to the category “*Total*” in Table 10a for each respective year.

**Table 11: Reporting on the implementation of the structural reform measures of the ERP 2020-2022** (Fill in one per reform)

|   | Name and number of reform measure | Stage of reform implementation (0-5) <sup>46</sup> |
|---|-----------------------------------|--|
| Activities planned for 2020   | 1                                 |  |
|   | 2.                                |  |
|   | 3.                                |  |
| Description of implementation and explanation if partial or no implementation | 1.                                |  |
|   | 2.                                |  |
|   | 3.                                |  |

**Comment: each country can on a voluntary basis provide additional tables and heat maps reporting on the implementation of *country-wide*<sup>47</sup> reform measures, although these should not be part of the ERP itself. These could be based on those included in the *OECD ERP Monitoring Tool*.**

<sup>46</sup> 0=no implementation; 1=implementation is being prepared; 2=initial steps have been taken; 3=implementation ongoing with some initial results; 4=implementation is advanced; 5=full implementation

<sup>47</sup> The Commission will not accept any tables reporting on the implementation of entity-level measures.

## **ANNEX 2: External contributions to the ERP 2021-2023**

This Annex should include information on the consultation process of external stakeholders, including the national parliament, local and regional government, social partners and civil society. All contributions should be included in this annex of the ERP.