



PULSAR – FINCOP & EDUCOP

CHALLENGES AND TRENDS OF PSA

The role of the Multilateral Development Agencies

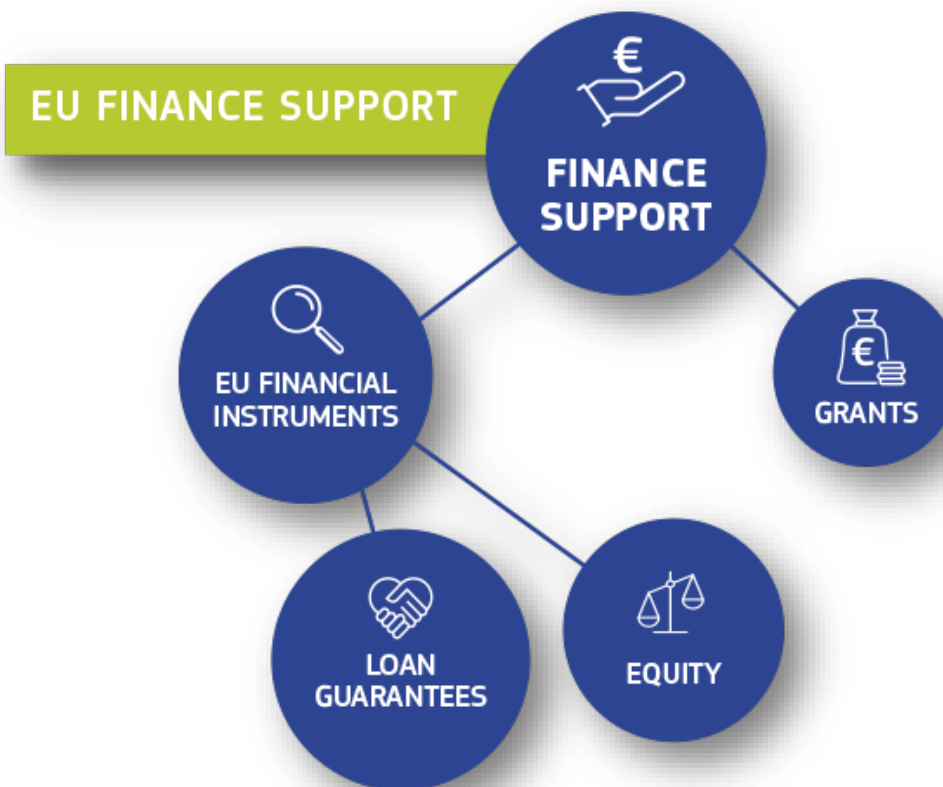
Lívia Shinn Straková - EPSAS Team, EUROSTAT

06 October 2021

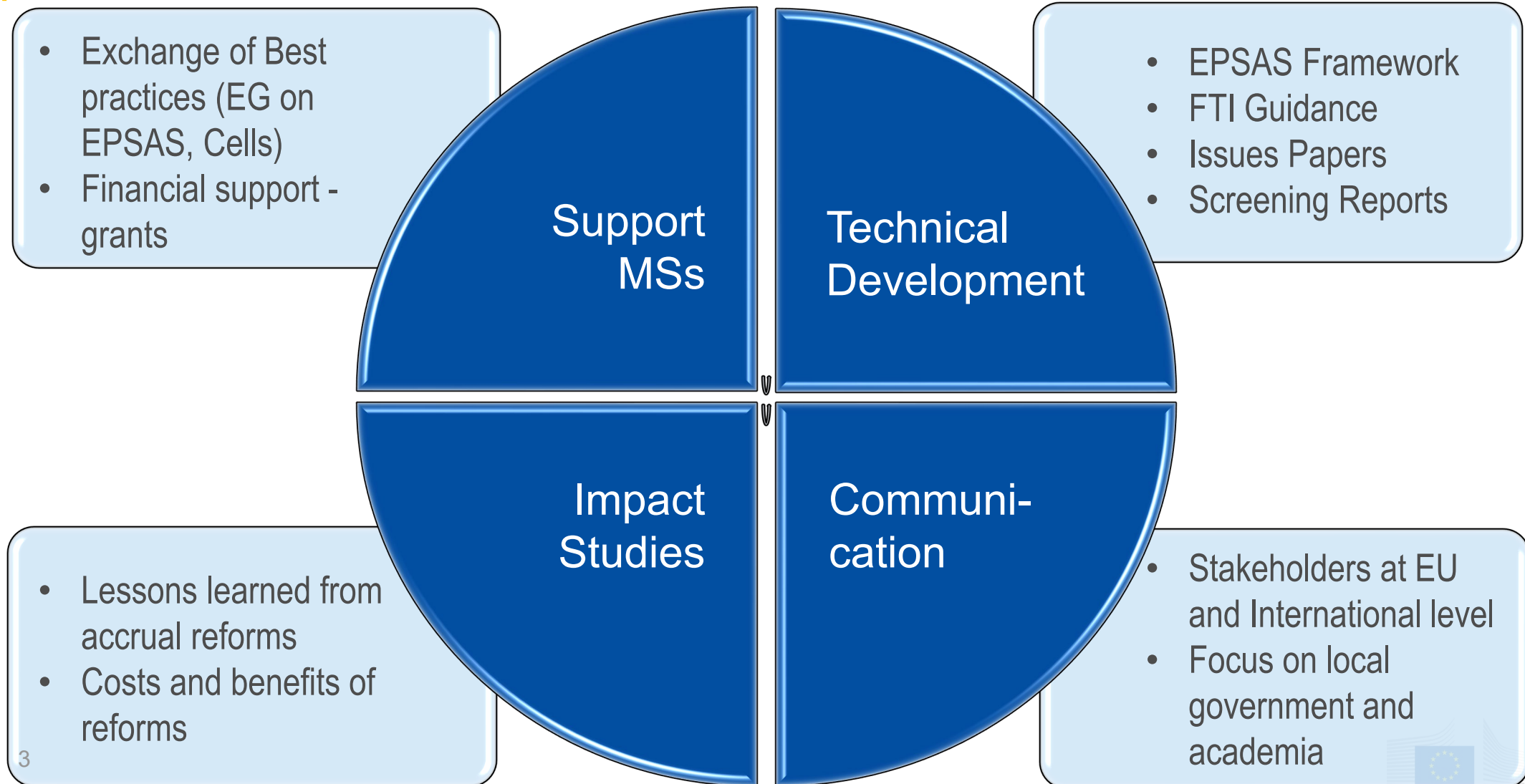
Content

EU Support for Member States' Government Accounting Reforms:

- I. EPSAS
- II. TSI - Technical Support Instrument
- III. RRF - Recovery and Resilience Facility



I. EPSAS Work Streams



EPSAS - Support for voluntary accruals implementation

Since 2014, 13 projects co-financed by Eurostat in eight MSs:

- DE (Hesse), ES (Cantabria), IT, CY, HU, MT, AT (Burgenland, Salzburg and Oberösterreich) and PT

Since 2017, complemented by financial support provided by Structural Reform Support Service (SRSS) for growth-enhancing reforms in the MSs (e.g. EL, LU, IE) to achieve sustainable investment, growth and job creation:

- Financial support for various public financial management reforms, including public sector accruals accounting

II. Technical Support Instrument

The Commission's instrument to provide technical support to Member States:

- To design, develop and implement reforms
- To prepare, amend, implement and revise recovery and resilience plans
- EUR 864 million for the Multi-annual Financial Framework 2021-2027 (approx. 115 million per year) overall for all areas

Successor of Structural Reform Support Program (SRSP) 2017-2020

- Over 1000 reform projects in all Member States
- EUR 222 million (2017-2020) overall for all areas

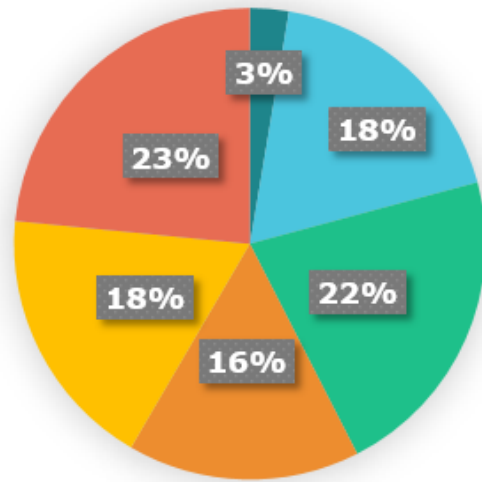
Demand-based provision of expertise, no direct funding

TSI 2021 selection

Per country
(n° of requests)



Per broad policy area
(n° of requests)



- Other
- Labour market, health, education and social services
- Revenue administration and public financial management
- Financial services and access to finance
- Governance and public administration
- Growth and business environment

EPSAS / other accounting reforms

TSI support / request areas and topics

Examples of accounting-related reforms:

- ✓ Feasibility of a reform of the budgetary accounting and financial reporting framework
- ✓ Support on accounting policies
- ✓ Government Accounting Reform
- ✓ Support for the implementation of the accrual IPSAS/EPASAS-based accounting in the public administration
- ✓ Implementation of the accrual accounting reform in all general government entities
- ✓ Accounting reforms and Financial Management Information System
- ✓ Change management to accompany public financial management reforms

III. Recovery and Resilience Facility

The Recovery and Resilience Facility will:

- ✓ provide large scale financial support to both public investments and reforms to accelerate the recovery and to make Member States' economies more resilient and better prepared for the future
- ✓ focus on reforms and investments fostering the green and digital transitions
- ✓ reduce economic and social divergences in the Union
- ✓ be financed by the European Recovery Instrument
- ✓ complement other EU initiatives (such as REACT EU and SURE) focusing on shorter term crisis repair actions.

RRF - Implementation

General Features

- The Facility can provide both **grants and loans**
- Payment in **instalments, upon fulfilment of milestones and targets**
- National Recovery and Resilience Plans to include reforms and investments for the subsequent years (up to mid-2026)
- Member States' reporting **on a bi-annual basis** in the context of the European Semester

Grants

- *2018 prices*: €312.5 bln
- *Cur. prices*: €337.968 bln
- Member States to submit recovery and resilience plans **at the latest by April 2021/22**
- **Maximum allocation formula** based on pre-defined allocation key
- Commitment of **up to 70% of max allocation in 2021-2022**; remaining commitment in 2023.
- **Pre-financing of up to 10%** to be available already in 2021

Loans

- *2018 prices*: €360 bln
- *Cur. prices*: €385.855 bln
- Member States can request a loan **until December 2023**, in addition to their grant
- Request must be justified by higher financial needs linked to **additional reforms and investments**
- Loans are **capped** – not to exceed 6.8% of MS GNI
- The cap can be increased in exceptional circumstances

Communication

European Commission – Eurostat – EPSAS:

<https://ec.europa.eu/eurostat/web/epsas/>

- EPSAS Guidance for the First Time Implementation of Accrual Accounting
- Potential costs and benefits, taking IPSAS as a proxy for future EPSAS, of implementing harmonized accrual accounting in the EU Member States; analyses of IPSAS standards and their application in the EU Member States (2014)
- Further and updated information related to the potential impact of implementing accrual accounting in the public sector (2018)

Stay tuned - follow social media:



[@EU_Eurostat](https://twitter.com/EU_Eurostat)



[@EurostatStatistics](https://www.facebook.com/EurostatStatistics)



[@EU_Eurostat](https://www.instagram.com/EU_Eurostat)

Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

