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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

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INTRODUCTION

Without growth-enhancing reforms, economies stagnate and decline. The implementation of well-designed reforms helps to improve productivity, speed up convergence, strengthen the resilience of the economy and improve the delivery of public services like justice, health and education. The **Structural Reform Support Programme** (SRSP) helps EU Member States design and implement growth-enhancing reforms by providing the right expertise to national authorities. The support can, for example, take the form of strategic and legal advice, studies, training and expert visits on the ground. It can be provided by international organisations, public bodies, consultancies, or by the European Commission's own staff. **With a budget of EUR 222.8 million for 2017-2020**, the programme is managed by the Directorate-General for Structural Reform Support (DG REFORM).

In line with the SRSP Regulation[1], the programme was subject to a **mid-term evaluation**. The purpose was to examine how the SRSP had performed so far against five evaluation criteria (relevance, effectiveness, efficiency, coherence and EU added value) and draw lessons for possible future improvements. In this report, the Commission's staff presents and reflects on the findings.

METHOD

The mid-term evaluation covered the programme's 2017 and 2018 budgetary cycles, the 2016 Preparatory Action[2] and projects funded through the voluntary transfers of additional resources[3] to the SRSP budget by Greece and Bulgaria in 2018. An independent external contractor did an evaluation study for this purpose.[4] The study was carried out over a period

[1] Article 16 of Regulation (EU) 2017/825 of the European Parliament and of the Council, OJ L 129, 19.5.2017, p. 1–16, as amended by Regulation (EU) 2018/1671, OJ L 284, 12.11.2018, p. 3–5.

[2] European Commission (2017), Annex to Commission Decision of 26.1.2017 amending Commission Decision C (2016) 4011 concerning the adoption of a financing decision towards the preparatory action 'Capacity development and institution building to support the implementation of economic reforms', C (2017) 304 final, Brussels.

[3] Article 11 of the SRSP Regulation refers to the voluntary contributions that a Member State can transfer from the European Structural and Investment Funds to the SRSP for the use of that particular Member State.

[4] Ernst & Young, 'Mid-term Evaluation of the Structural Reform Support Programme (SRSP) 2017-2020' (2020), available on https://data.europa.eu/doi/10.2887/656262. Executive summaries are available on https://data.europa.eu/doi/10.2887/584399 (English), https://data.europa.eu/doi/10.2887/244815 (French), and https://data.europa.eu/doi/10.2887/530192 (German).

of 12 months, starting in November 2018. **In total, the evaluation analysed over 300 technical support projects in 24 Member States**, using a variety of data collection methods. These included desk research, analysis of data from the Commission's internal IT system used by DG REFORM to manage the SRSP, targeted interviews with stakeholders, targeted online consultation and case studies. The Commission also carried out a public consultation to collect input from the general public, businesses, trade associations and interest groups.

The Commission considers the quality of the collected evidence satisfactory. The most important limitation to the robustness of the findings was the fact that the SRSP had only very recently been established when the evaluation took place and many technical support projects were still in progress. This report therefore provides only initial conclusions and lessons learned, which might evolve as the programme continues to be implemented.

IMPLEMENTATION OF THE PROGRAMME

SRSP 2017 and SRSP 2018 had a budget of EUR 53 million[5]**.** Under the 2017 budgetary cycle, 159 requests from 16 Member States were selected for funding out of the 271 submitted. For the 2018 budgetary cycle, 146 requests from 24 Member States were selected for funding out of the 444 requests submitted. Under both budgetary cycles, **over half of the technical support requests selected were related to the implementation of challenges identified in the context of economic governance processes**, in particular to the implementation of European Semester country-specific recommendations.

Of all the projects evaluated under the 2017 and 2018 budgetary cycles, more than half were being implemented in seven Member States (Romania, Croatia, Malta, Cyprus, Lithuania, Slovenia, and Poland). The approved budget of the 2017 and 2018 projects evaluated covered growth and business environment (EUR 13.5 million), labour market, education, health and social services (EUR 11.4 million), revenue administration and public financial management (EUR 9.1 million), financial sector and access to finance (EUR 7 million) and governance and public administration (EUR 6.8 million). The three types of technical support providers most involved in delivering these evaluated projects were international organisations (37%), private companies (22%) and government bodies (8%). **At the time of the mid-term evaluation, 22% of the projects had been completed.**

MAIN FINDINGS

Regarding the **relevance** of the SRSP, the evaluation findings show that the SRSP addresses the needs of Member States to a large extent. According to the stakeholders consulted, the SRSP is a suitable instrument for providing technical support to Member States to design and implement growth-sustaining reforms. The programme is perceived as a significant tool for improving the Member States' capacity to define more efficient processes and methodologies. Furthermore, Member States especially appreciated the high degree of flexibility, the simplicity of the contracting and implementing procedures managed by the Commission and

[5] SRSP 2017: EUR 22.5 million, SRSP 2018: EUR 30.5 million.

the absence of co-financing requirements. In addition, the findings suggest that technical support for reforms continues to be needed. This is also demonstrated by the increased demand from Member State for technical support over the years.

Regarding the **effectiveness** of the SRSP, the findings show that the projects funded under the SRSP are generally well designed and take into account the needs and particular situation of the beneficiary authorities who requested support. Relevant socio-economic impacts are also taken into account, and the designed actions are often feasible and with realistic timelines. Furthermore, the findings demonstrate that the SRSP is progressing towards achieving its objectives. Most of the technical support projects are likely to achieve their results, or have already done so. Evidence shows that changes in the political structure of the beneficiary authorities and a lack of collaboration among stakeholders are important obstacles to the delivery of project outputs. A comprehensive evaluation of the programme's impact will be carried out at a later stage.

The findings from the evaluation indicate that the governance of the SRSP is **efficient**. The Commission's current internal IT system is largely adequate as a monitoring tool, although at the time of evaluation it still needed further improvements. Additionally, all the Commission departments interviewed indicated that their cooperation with DG REFORM was efficient. In terms of cost-effectiveness, the findings suggests that the results achieved are proportional to the budget allocated. Taking into account the limitations of the analysis, the SRSP-funded actions can be considered cost-effective so far. Finally, the evidence demonstrates that the programme's absorption rate is aligned with the two-year duration of the SRSP project cycle. Therefore, it can be concluded that the SRSP is time-efficient in terms of budget execution. At the same time, the findings indicate that common standards for monitoring technical support at national level could be considered. Further attention could be paid to some minor risks of delays in the contracting procedures.

As for the **coherence** of the programme, the analysis demonstrates that the different components of the SRSP's intervention logic are logically linked to one another. The programme is also well integrated in the Commission's European Semester framework for the coordination of economic policy. The evidence shows that DG REFORM has put in place an appropriate technical support coordination mechanism. This coordination mechanism enables timely identification of potential synergies and helps to avoid double funding of activities already being funded by other EU funds and programmes. Interviews with other Commission departments confirm that the complementarities between the SRSP and other programmes are largely safeguarded. However, some of the Commission's Directorates-General also highlighted that the fact that the SRSP support is not aligned to their programming period imposes challenges on other EU programmes with related objectives. The findings also suggest that Member States would need to increase their capacity to perform more in-depth checks to identify double funding.

Lastly, the evaluation highlights the programme's clear **EU added value**. The technical support provided under the SRSP is intended to target those reform challenges that Member States cannot address at national level but for which they need to seek support at EU level due

to capacity or knowledge constraints. In addition, the technical support projects very often provide a platform for sharing good practices and lessons learned among Member States. These are essential features that the SRSP was expected to deliver in terms of EU added value. However, the exchange of information between beneficiary authorities in different Member States could be further improved to allow for an optimisation of synergies and solution sharing.

CONCLUSION

The Commission considers the findings from the mid-term evaluation satisfactory and proportionate to the programme's level of completion. Based on the outcomes of the mid-term evaluation, **the Commission is of the opinion that the Structural Reform Support programme is progressing towards achieving its pre-defined objectives and has the potential to be expanded.** The lessons learned that are outlined above will be taken into due consideration. At the same time, the Commission acknowledges that final conclusions on the programme's performance cannot be drawn at this point, given that the mid-term evaluation took place at an early stage in the programme's implementation. In particular, the Commission will assess the programme's impact as part of the ex post evaluation.