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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**Annual Monitoring Report on the implementation of the Structural Reform Support  
Programme 2018**

{COM(2019) 641 final}

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## GLOSSARY

<i>Term or acronym</i>	<i>Meaning or definition</i>
AMI	Appel à manifestation d'intérêt (call for expressions of interest)
CMU	capital markets union
CSP	cooperation and support plan
CSR	Country-Specific Recommendations
EBRD	European Bank for Reconstruction and Development
EFSI	European Fund for Strategic Investments
ESIF	European Structural and Investment Funds
EU	European Union
PPP	public private partnerships
SMEs	small and medium-sized enterprises
SRSP	Structural Reform Support Programme
SRSS	Structural Reform Support Service
TAIEX	Technical Assistance and Information Exchange

## 1. INTRODUCTION

Structural reforms are crucial if we are to modernise our economies, encourage investment, create jobs and raise living standards. Overall successful implementation of reforms requires efficient and effective public administration, since this affects the performance of all public policy domains, including reform efforts. For this reason, adequate administrative capacity (in terms of competences, mobility, incentives, changes to work processes, etc.) is crucial for well-functioning economies and to underpin the success of structural reforms.

The Structural Reform Support Programme (SRSP), established in May 2017, covers the 2017- 2020 period<sup>1</sup>. Its objective is to strengthen the Member States' capacity to prepare and implement growth-enhancing reforms, including by providing assistance for the efficient and effective use of Union funds. The final decisions on the design, structure and implementation of reforms lie with the Member States, however.

Support from the SRSP is available to all EU Member States upon request<sup>2</sup>, requires no co-financing and involves a relatively small administrative burden for Member States. It is managed by the Commission's Structural Reform Support Service (SRSS).

The Commission monitors how support measures financed by the programme are implemented and provides the European Parliament and the Council with an annual monitoring report<sup>3</sup> for each year of implementation.

Member States wishing to receive support under the SRSP can submit a request by 31 October of each calendar year<sup>4</sup>. This report provides an overview of the implementation of measures selected for funding under the 2018 SRSP round. In addition, section 5 of the report (progress in relation to the programme's objectives) describes the progress of some measures selected for financing under the 2017 SRSP round and covered by the previous annual monitoring report for the 2017 SRSP.

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<sup>1</sup> Under 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 (the SRSP Regulation).

<sup>2</sup> Article 7 of the SRSP Regulation.

<sup>3</sup> In accordance with Article 16 of the SRSP Regulation.

<sup>4</sup> In accordance with Article 7 of the SRSP Regulation.

## **Article 16 of the SRSP Regulation Monitoring and evaluation**

[...]

2. The Commission shall provide the European Parliament and the Council with an annual monitoring report on the implementation of the Programme. That report shall include information on:

- a) requests for support submitted by Member States, referred to in Article 7(1);
- b) analyses of the application of the criteria, referred to in Article 7(2), used to analyse the requests for support submitted by Member States;
- c) cooperation and support plans, referred to in Article 7(2);
- d) participation of reform partners, referred to in Article 9;
- e) special measures adopted, referred to in Article 13(6); and
- f) implementation of support measures<sup>5</sup>.

## **2. BACKGROUND INFORMATION**

### **2.1. Budget of the programme**

The budget for the implementation of the Programme over the 2017-2020 period is **€222.8 million** (following the amendment to the original SRSP Regulation)<sup>6</sup>. The budget available for 2018 was **€30.5 million**<sup>7</sup>.

In addition to the SRSP budget, Article 11 of the SRSP Regulation and Article 25 and 59 of Regulation (EU) No 1303/2013 (the Common Provisions Regulation) also enable the programme to be financed through additional voluntary contributions from Member States, using resources provided for technical assistance at the initiative of the Member States under the European Structural and Investment Funds (ESI Funds)<sup>8</sup>. In 2018, two Member States, Greece and Bulgaria, made such voluntary contributions. These followed a request by Greece on 30 January 2018 to transfer €20 million from its technical assistance operational programme and from Bulgaria on 31 January 2018 to transfer €1.5 million from the ‘good governance’ operational programme. The overall budget for 2018 (including both the dedicated SRSP 2018 budget and the transferred resources) thus amounted to €52 million.

### **2.2. Objectives and scope of the programme**

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<sup>5</sup> Point (f) of Article 16 was added by Regulation (EU) 2018/1671, amending Regulation (EU) 2017/825 (see below).

<sup>6</sup> On 6 December 2017, the Commission proposed amending the SRSP Regulation to increase the budget of the programme by €80 million and add support for euro-area membership to the goals to which the programme contributes. Regulation (EU) 2018/1671 of the European Parliament and of the Council of 23 October 2018 amending Regulation (EU) 2017/825 increasing the financial envelope of the Structural Reform Support Programme and adapting its general objective entered into force on 13 November 2018 (OJ L 284, 12.11.2018, p. 3–5).

<sup>7</sup> Excluding support expenditure.

<sup>8</sup> A Member State wishing to contribute additional funds to the SRSP under Article 11 should submit a formal letter requesting to transfer technical assistance funds to the SRSP. After the request for transfer of funds is approved, the Member State concerned can submit requests for support under Article 11 of the SRSP Regulation. The Commission will assess and approve these requests in accordance with the criteria and principles laid down in the SRSP Regulation. The support provided to the Member State under Article 11 of the SRSP Regulation will be mentioned in a separate annex to the cooperation and support plan concluded with that Member State.

The **general objective** of the SRSP is to contribute to institutional, administrative and growth-sustaining structural reforms in the Member States<sup>9</sup>. This is achieved by providing support to national authorities with the aim of reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges.

The overarching goal is to enhance cohesion, competitiveness, productivity, sustainable growth, job creation, and investment, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds<sup>10</sup>.

The **specific objectives** of the programme<sup>11</sup> are to:

- a) support the initiatives of Member States' national authorities to design their reforms according to their priorities;
- b) enhance the national authorities' capacity to formulate, develop and implement reform policies and strategies and pursue an integrated approach;
- c) support the efforts of national authorities to define and implement appropriate processes and methodologies; and
- d) assist the national authorities in enhancing the efficiency and effectiveness of human resources management.

The support therefore covers all stages of reform, from inception to implementation and evaluation of results.

Support can be provided for reforms which fall under the following main broad **policy areas**<sup>12</sup>:

- a) revenue administration and public financial management;
- b) governance and public administration;
- c) growth and business environment (including energy and climate action);
- d) labour market, education, health and social issues; and
- e) financial sector and access to finance.

### **2.3. European added value**

The Commission should ensure that actions and activities selected for funding are likely to produce results that show a clear European added value<sup>13</sup>.

European added value is ensured in particular by:

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<sup>9</sup> In accordance with Article 4 of the SRSP Regulation.

<sup>10</sup> The general objective of the programme was amended by Regulation No 2018/1671, which entered into force on 13 November 2018. However, submission of requests for support under the 2018 SRSP round took place before the amendment entered into force. How the amended general objective of the programme has been achieved will therefore be covered in the next annual monitoring report (since it applies to requests for support submitted for funding under the SRSP 2019 annual budget).

<sup>11</sup> In accordance with Article 5 of the SRSP Regulation.

<sup>12</sup> For the full list, please refer to Article 5(2) of the SRSP Regulation.

<sup>13</sup> In accordance with Article 3 of the SRSP Regulation.

- a) the development and implementation of solutions that address local, regional or national challenges that have an impact on cross-border or Union-wide challenges, and which may also contribute to social, economic and territorial cohesion;
- b) their complementarity and synergy with other Union programmes and policies at regional, national, Union and international level, as appropriate;
- c) their contribution to the consistent and coherent implementation of Union law and policies, as well as the promotion of European values, including solidarity;
- d) their contribution to the sharing of good practices, also with a view to increasing the visibility of the reform programmes, and to building a Union-wide platform and network of expertise; and
- e) the promotion of mutual trust between beneficiary Member States and the Commission and of cooperation among Member States.

## 2.4. Implementation of the programme and forms of support

The support provided under the SRSP is tailored to the country's needs. Experts accompany national authorities throughout different stages of the reform process (scoping, prioritising, designing, road mapping, implementing, evaluating). The support depends on the nature of the reform, the urgency of action, the resources available and the obligations deriving from the EU Financial Regulation.

In concrete terms, the technical support can take the form of<sup>14</sup>:

- **long-term or short-term presence of experts**, and cooperation on the ground with the national authorities throughout the reform process or at certain stages;
- **actions to help address specific needs** – diagnostic analyses, recommendations on how to address the situation, a strategy, draft of a new law/act or modification of an existing one; proposals for (new) working and organisational procedures; and/or
- **wider actions that increase administrative capacity** – seminars, training, working visits, development of methodologies, collection of data, establishment of benchmarks, etc.

## 2.5. Data collection

All data on the implementation of the SRSP is stored by the European Commission in an internal IT tool managed by the SRSS. The tool facilitates monitoring and reporting on the implementation of support projects managed by the SRSS. It has provided data for this report.

# 3. IMPLEMENTATION OF SUPPORT MEASURES FUNDED BY THE SRSP 2018 BUDGET

## 3.1. Introduction

2018 was the second year of activities under the SRSP<sup>15</sup>. As indicated previously, the budget for support measures in 2018 amounted to €30.5 million, available to all EU Member States.

<sup>14</sup> In accordance with Article 6 of the SRSP Regulation.

<sup>15</sup> Regulation (EU) 2017/825 of the European Parliament and the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 entered into force on 20 May 2017.

An additional €21.5 million transferred by Greece and Bulgaria were used exclusively for these countries (corresponding to the amount of their contribution). On 7 March 2018, the Commission adopted the second annual work programme for the SRSP<sup>16</sup>, setting out priorities for the year, objectives, expected results and outlined actions to be implemented throughout 2018. The annual work programme for 2018 was sent to the European Parliament and the Council on 4 May 2018<sup>17</sup>. The focus of this report is the support measures selected for funding in 2018, and it also covers the implementation of support measures selected in 2017<sup>18</sup>.

### **3.2. Requests for support submitted by the Member States**

Member States were invited to submit their requests for support by 31 October 2017<sup>19</sup>, and provide information on the following elements:

- a) problem/need to be addressed by the requested support measures;
- b) the breadth of the problems identified (impact on other areas in the economy);
- c) and depth of the problems identified (severity);
- d) the urgency of the request for support;
- e) relevant socio-economic indicators to be taken into consideration when analysing the request, the indicative duration and estimated cost;
- f) expected results/use of the results of the support measures requested;
- g) information on the administrative capacity of the Member State to implement the results of the support measures and potential providers.

In their request for support, Member States also identified the relevant circumstances<sup>20</sup> under which they were submitting the requests:

- a) the implementation of reforms undertaken by Member States at their own initiative, in particular to achieve sustainable economic growth and job creation;
- b) the implementation of economic adjustment programmes (for Member States that receive Union financial assistance); and
- c) the implementation of growth-sustaining reforms in the context of economic governance processes, in particular of European Semester country-specific recommendations, or of actions related to the implementation of Union law.

The requests for support from interested Member States were submitted centrally by designated coordinating authorities<sup>21</sup>, i.e. authorities responsible for submitting requests on behalf of a Member State.

Each coordinating authority was invited to prioritise requests for its Member State. The requests for support could come from the national authorities of the Member States, i.e. authorities at central, regional or local level, or independent authorities.

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<sup>16</sup> Commission Implementing Decision on the adoption of the work programme for 2018 and on the financing of Structural Reform Support Programme, 2018, C(2018) 1358 final.

<sup>17</sup> In line with Article 13(5) of the SRSP Regulation.

<sup>18</sup> The implementation period covered by this report (of the support measures selected for funding in 2018) is 31 August 2017 - 31 November 2019.

<sup>19</sup> In line with Article 7(1) of the SRSP Regulation.

<sup>20</sup> In accordance with Article 7(3) of the SRSP Regulation.

<sup>21</sup> The role of the coordinating authorities is defined in section 18.2 of the cooperation and support plans signed with all Member States benefiting from the programme.

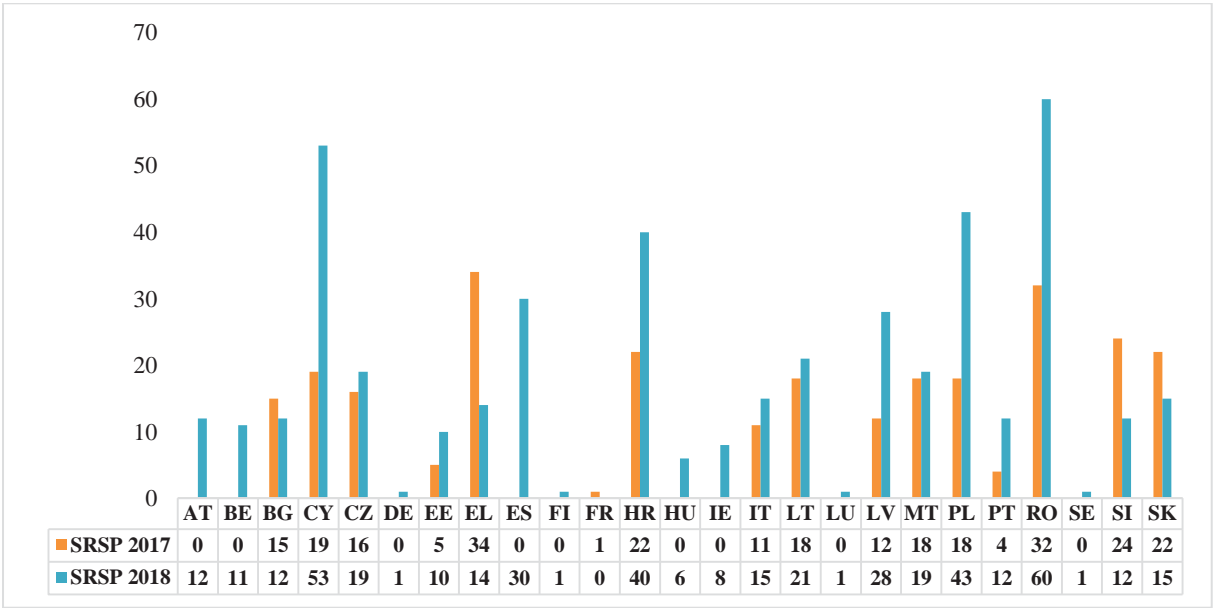


Once the requests for support were selected, the Commission then concluded a cooperation and support plan with the coordinating authority of each beneficiary Member State (see section 3.5).

**Coordinating authorities**

To ensure proper coordination and efficient communication between the Commission and the Member States, Member States designate a coordinating authority to act as the interlocutor of the SRSS for the overall implementation of the country’s cooperation and support plan. The coordinating authorities are responsible at national level for coordinating and prioritising the requests for support submitted by the Member State, and for coordinating the effective implementation of the measures envisaged and the achievement of the objectives set out in their cooperation and support plan. The coordinating authority is also encouraged to initiate corrective actions if needed.

For the 2018 selection round, **444 requests for support were submitted by 24 Member States** for an **estimated amount<sup>22</sup> that was 5 times the available 2018 SRSP budget** (€152 million; the budget is €30.5 million). The chart below shows the number of requests submitted per Member State, and a comparison with the previous round.



**Figure 1: Number of requests submitted for funding under the SRSP 2017 and 2018 rounds, per Member State**

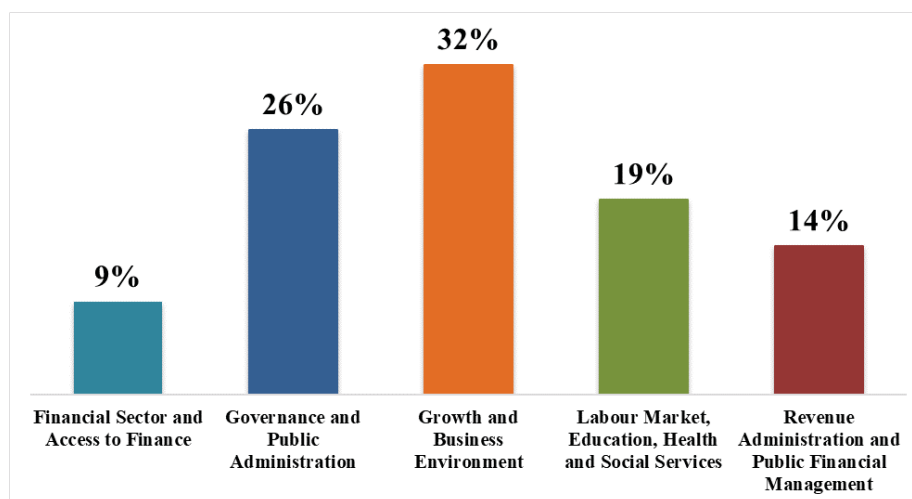
More Member States participated in the Programme in 2018 than under the 2017 SRSP, and the total number of requests was higher.

Greece submitted 48 requests<sup>23</sup> (for €20 million) and Bulgaria submitted 4 requests (for €1.5 million) for financing under the respective amounts transferred voluntarily to the SRSP by the two countries under Article 11 of the SRSP Regulation.

The distribution of requests across the main broad policy areas was as follows:

<sup>22</sup> As estimated by the Member States.

<sup>23</sup> Number of requests submitted by 31 October 2019.



**Figure 2: Number of requests submitted by Member States under the 2018 SRSP – split per main broad policy area (in percentages)**

By comparison, the highest number of requests submitted under the 2017 SRSP were in labour market, education, health and social services (27%) and growth and business environment (23%).

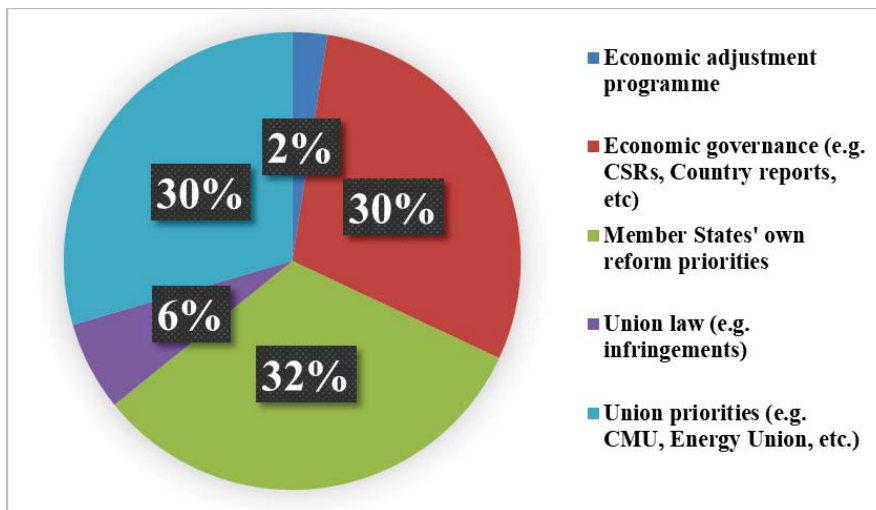
Distribution per policy area was similar for Greece and Bulgaria under the voluntarily transferred funds: 38% in growth and business environment, 23% in governance and public administration, 21% in labour market, education, health and social services, 9% in revenue administration and public financial management and 9% in the financial sector.

Around a third of the requests submitted by the Member States in the context of the 2018 SRSP round related to the EU economic governance process (implementation of reforms in response to challenges identified in the European Semester Country-Specific Recommendations or in relevant European Semester documents). Around a third concerned support for implementing Union priorities (capital markets union, energy union, etc.), around a third for implementing Member States' own reform priorities, and the remaining requests for implementing EU law (e.g. in relation to infringements) and reform priorities identified in the economic adjustment programmes (Greece only).

The chart below shows the distribution by category<sup>24</sup>.

**Figure 3: Number of requests submitted by Member States – split according to circumstances**

<sup>24</sup> The exact split was the following: 55% related to the EU economic governance process, 29% to the implementation of Union priorities, 8% to the implementation of Member States' own priorities, 6% to the implementation of Union law and 3% to the implementation of economic adjustment programmes.



Under the 2017 SRSP round, the majority of the requests concerned challenges related to the EU economic governance process (38%) and Union priorities (28%).

### 3.3. Application of the assessment criteria

The Commission's assessment was based on two sets of elements<sup>25</sup>:

- **general principles:** transparency, equal treatment and sound financial management; and
- **criteria for the analysis of requests:** urgency, breadth and depth of the problems, support needs in the policy areas concerned, analysis of socio-economic indicators and general administrative capacity of the Member State.

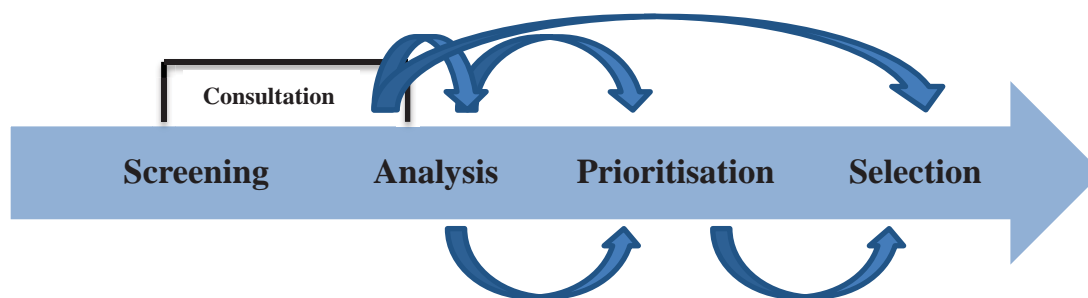
The Commission analysed the requests for support submitted by the Member States in terms of their **eligibility** and **compliance** with these principles and criteria.

A practical two-step approach was undertaken:

- a) **screening for eligibility and analysis of requests;** and
- b) **prioritisation of requests for selection.**

As part of the assessment, the Commission undertook a broad internal consultation with all relevant Commission services in order to ensure complementarity and to avoid having the same actions funded by several Union funds/programmes (in particular the ESI Funds). The process (including the broad consultation with other Commission services which fed into the assessment) resulted in the steps described below:

<sup>25</sup> In accordance with Article 7(2) of the SRSP Regulation.



### 3.3.1. Step 1 – screening and analysis of the requests for support

#### **Screening**

Prior to assessing the requests submitted under the SRSP 2018 round, the Commission first established whether the requests met the legal requirements of the SRSP Regulation (eligibility check). Requests which included elements that were not ‘eligible actions’ under the SRSP Regulation (see Article 6) such as the purchase of equipment, provision of IT software, budget support measures, measures consisting of paying for running costs, etc., were excluded from further assessment.

As a result of the first screening, 6% (28 requests) were excluded, and 94% (416 requests) proceeded to further analysis (eligible requests).

#### **Analysis of the requests for support**

Following the exclusion of ineligible and withdrawn requests, the purpose of the analysis was to identify the requests that merited support under the SRSP. The analysis was based on the principles and criteria set out in Article 7(2) of the SRSP Regulation.

#### **A. General principles**

Throughout the selection process, the **general principles** of the EU financial management rules (transparency, equal treatment and sound financial management) were applied.

##### **Transparency:**

The Commission maintained a dialogue with the Member States prior to the submission of their requests. This allowed clarifications to be provided and the Member States’ requests to be refined, and adequate feedback on the assessment process after selection, in particular for requests which had not been selected.

##### **Equal treatment:**

The Commission applied the assessment criteria equally to all requesting Member States. There was no set pre-allocation of funding – the amount of funding allocated per Member State was determined based on the compliance of the request with the principles and assessment criteria and on the quality, focus and expected result of the support measures. In order to ensure equal treatment, a scoring system was put in place (see sections below).

##### **Sound financial management:**

The principle of sound financial management requires that EU financial resources are used in accordance with the principles of economy, efficiency and effectiveness. The Commission

used the principle of sound financial management to prioritise requests based on quality, focus and expected results of eligible submitted requests.

## **B. Assessment criteria**

The assessment criteria<sup>26</sup> were applied in the following way:

### **i. Urgency of the request**

The Commission assessed the urgency of a request, as initially presented by the Member State. It also took account of the following elements:

- whether the urgency was linked to a crisis;
- whether the urgency was related to a deadline or a time-bound schedule derived from Union law, or from Union/Commission policy priorities (e.g. European Semester, Economic Adjustment programmes, capital markets union (CMU), energy union, digital single market, etc.)

### **ii. Breadth and depth of the problems identified**

The Commission assessed the severity (breadth) and extent (depth) of the problem, as presented by the Member State. It also took account of the following elements:

- the Commission's own knowledge and assessment of the prevailing situation in the Member State;
- country reports, country-specific recommendations, annual reports on the application of EU law and other relevant documents related to Union/Commission priorities (energy union, CMU, etc.), as well as to Member States' own reform priorities, where known.

### **iii. Support needs in respect of the policy areas concerned**

The Commission analysed support needs, as described in the requests by the Member States. It also took account of the following elements:

- at which stage of the reform process the support would be required (the design phase or the implementation phase) and how appropriate the solution proposed by the Member States would be to address it;
- whether the requested support measures were covered by already existing support measures/instruments (under national or Union (e.g. ESI Funds) programmes).

### **iv. Socio-economic indicators**

The Commission took account of relevant socio-economic indicators (as they had been described by the Member States in their requests for support, or in another manner as appropriate) to support the assessment<sup>27</sup>.

### **v. General administrative capacity of the Member State**

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<sup>26</sup> Defined in Article 7(2) of the SRSP Regulation.

<sup>27</sup> These socio-economic indicators may be macro-economic indicators, general indicators or indicators related to the policy area concerned, such as unemployment rate, number of early education leavers, number of people in or at risk of poverty and social exclusion, investment rates, non-performing loans rates, etc.

The Commission also assessed the capacity of the Member State (i.e. of the national authorities requesting support) to implement and absorb the support measures to be provided, and ensure adequate follow-up. The following elements were particularly taken into account:

- existence of a structure in the requesting Member State that would coordinate and follow up on the support measures;
- staff that would be made available to follow up on the support measures;
- capacity (also based on past experience) to manage support measures/projects.

### Rating system

In order to ensure equal treatment, a rating system was put in place to assess how the eligible requests complied with the criteria indicated above.

#### Analysis based on general principles and criteria: rating system

Every request for support that was considered eligible received rating scores (A to C) that evaluated how well the assessment criteria and the principle of sound financial management were fulfilled. Scores were attributed for each of the following criteria: (i) urgency of the request, (ii) breadth and depth of the problems identified, (iii) support needs in respect of the policy areas concerned, (iv) general administrative capacity of the Member State, (v) maturity, (vi) focus and (vii) expected results of the requested support measures.

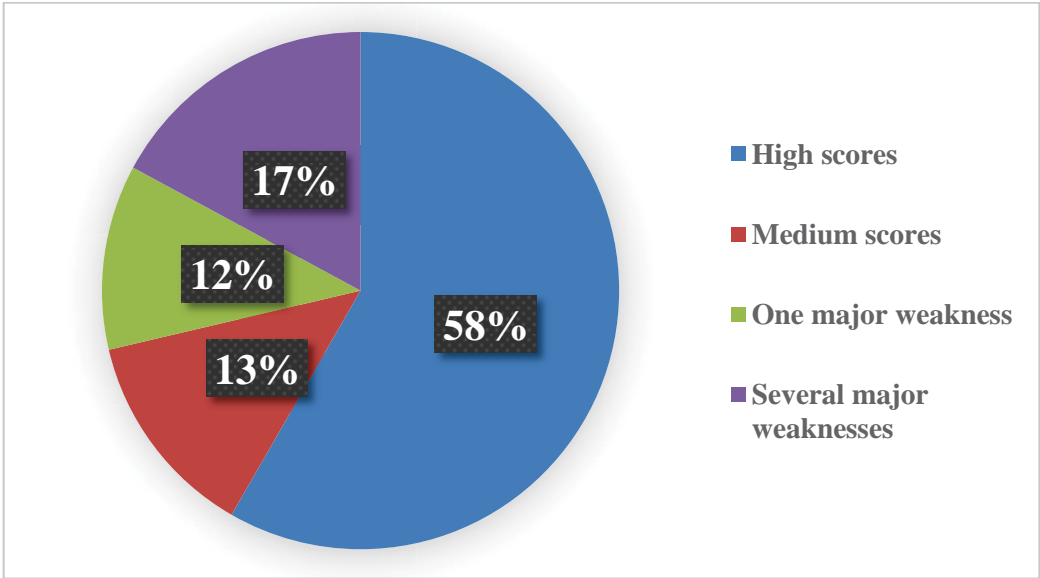
- requests with only high and medium scores and a majority of high scores fell into the category **high scores** (at least 4 As, no Cs)

- requests with only high and medium scores and a majority of medium scores fell into the category **medium scores** (at least 4 Bs, no Cs)

- requests with one low score fell into the category **one major weakness** (at least 1 C)

- requests with more than one low score and medium scores for the rest fell into the category **several major weaknesses** (more than 1 C)

58% of the 416 requests analysed in the 2018 SRSP round received **high scores**, 13% **medium scores**, 12% had **one major weakness** and 17% **several major weaknesses**. The chart below shows the breakdown in percentages:



**Figure 4: Requests by rating category**

This compares to the requests analysed under the 2017 SRSP, where 71% of the requests received high scores and 11% had several major weaknesses.

Requests for support to be funded by the voluntary transfers from Greece and Bulgaria were assessed against the same principles and assessment criteria. 76% of the requests received high scores, 8% medium scores, 8% had one major weakness, and 8% had several major weaknesses.

In both cases, requests with **high scores** had in general the following characteristics:

- the problems/needs identified were sufficiently relevant/important and not covered by other Union funds/programmes;
- the solutions proposed were suitable for addressing the problems/needs;
- relevant socio-economic indicators underpinned the problems/needs at stake;
- the requesting Member State had sufficient administrative capacity to follow up the measure funded by the SRSP.

### **3.3.2. Step 2 – prioritisation of the requests for support**

The results of the screening and analysis stage were used to select requests for 2018 (€30.5 million available, and €152 million in requests received).

The requests were prioritised based on the principle of sound financial management (in particular taking into account their maturity, focus and expected results).

Priority was given to:

- measures that were mature enough to allow for quick delivery of support and rapid implementation of reforms on the ground;
- targeted measures addressing defined objectives (as opposed to requests that were more generic or preparatory); and
- measures with a strong expected results on the ground.

### **3.4. Selection of requests**

After the analysis and prioritisation of the 416 eligible requests for technical support, 146 requests from 24 Member States were selected for funding under the available 2018 SRSP budget of €30.5 million. The distribution of selected requests by Member State was as shown below.

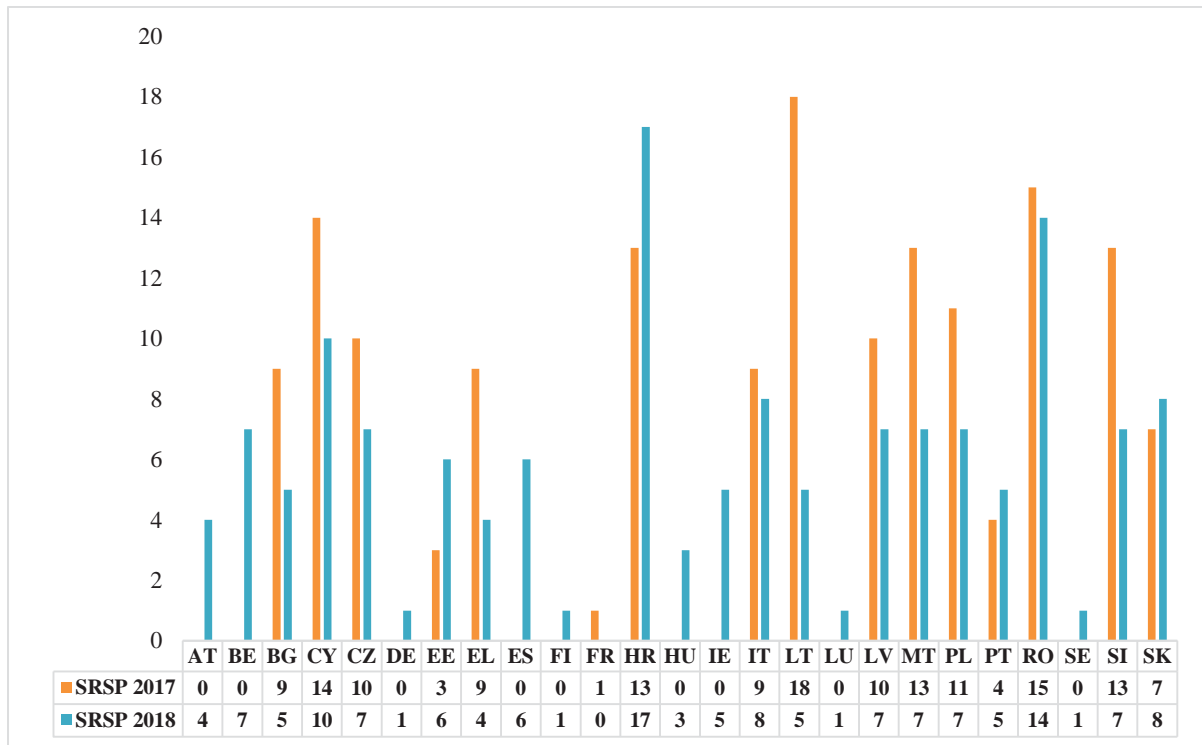


Figure 5: Number of requests selected for funding under the 2017 and 2018 SRSP rounds, per Member State

With an increase in the budget from €20.5 million in the 2017 SRSP to €30.5 million in the 2018 SRSP, the overall number of requests selected for funding under the 2018 SRSP was lower than under the 2017 SRSP, but distributed across more Member States (24).

The distribution of requests selected for funding under the 2018 SRSP across the main broad policy areas was as shown below.

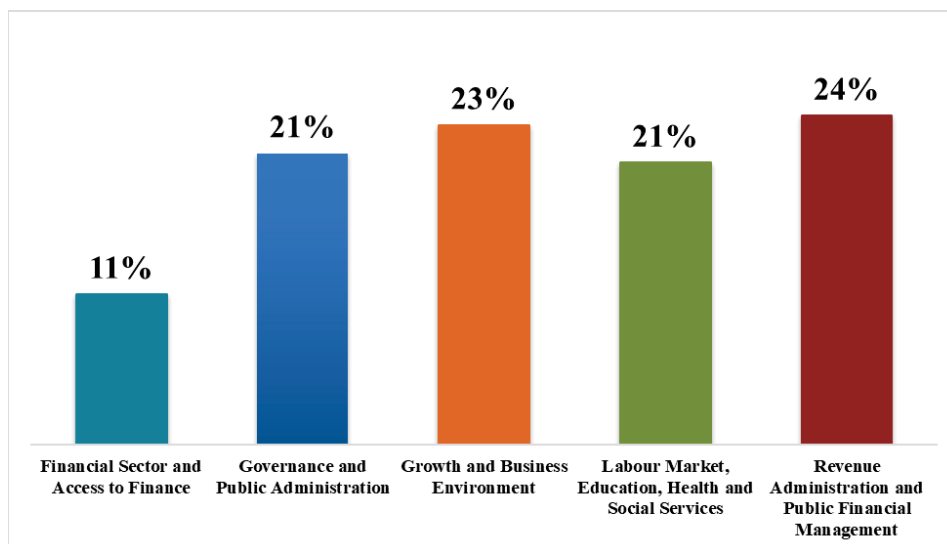


Figure 6: Number of requests selected for funding under the 2018 SRSP– split per main broad policy area (in percentages)

By comparison, the highest numbers of requests selected for funding under the 2017 SRSP were in labour market, education, health and social policy (29%) and growth and business environment (28%).



For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, 39 requests were selected for Greece and 4 (i.e. all) for Bulgaria. The distribution per policy area was 40% for growth and business environment, 21.5% for governance and public administration, 21.5% for labour market, education, health and social policy, 10% for the financial sector and 7% for revenue administration and public financial management.

The following chart shows the breakdown of the request selected under the SRSP 2018 budget and split according to relevant circumstances:

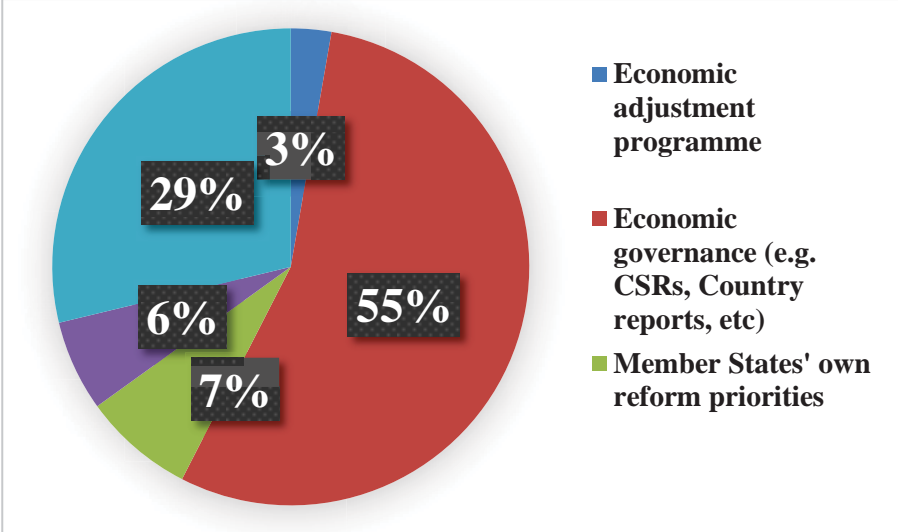


Figure 7: Number of requests selected under the 2018 SRSP – split according to circumstances of the request (in percentages)

97% of requests selected for funding under the 2018 SRSP round were given **high scores**. The chart below shows the distribution of the scores of the selected requests.

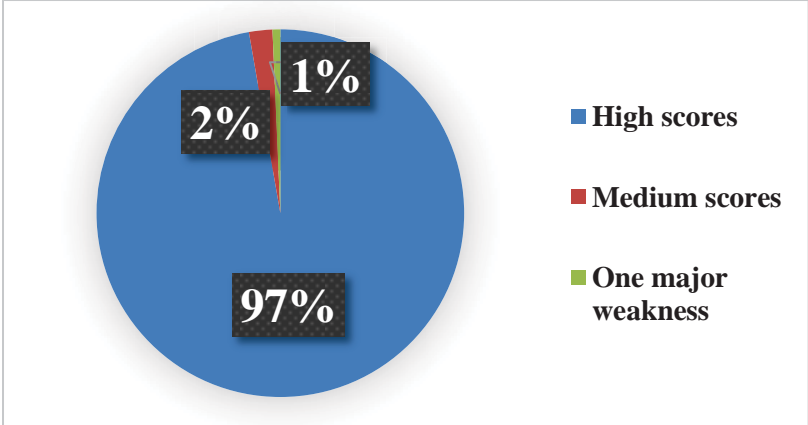


Figure 8: Rating of requests selected for funding under the 2018 SRSP<sup>28</sup>

By way of comparison, 88% of requests selected for funding under the 2017 SRSP were given **high scores**.

<sup>28</sup> When lower-scored requests (one or several major weaknesses) were selected, it was because of the importance of the reform and relative urgency in that particular country.

### 3.5. Cooperation and support plans

Once the requests for support had been selected, the Commission concluded a cooperation and support plan<sup>29</sup> with each Member State benefiting from the programme.

#### Cooperation and support plans

Member States and the Commission work closely together to carry out actions financed under the SRSP. After a Member State submits its request for support, the coordinating authority of the requesting Member State and the Commission agree on the priorities and objectives, an indicative timeline, the scope of the support measures and the estimated financial contribution for such support. This agreement is reflected in a cooperation and support plan (CSP). The CSPs are multiannual documents, signed and amended each year (if need be) by the Commission and Member States requesting support from the SRSP.

Implementation of the support measures requires full involvement and ownership by the Member State. The CSP is not a legally binding document, and it does not serve as a financing decision (the estimated global financial contribution is only indicative). However, through this document, the Commission and the Member States express their commitment to engage in the implementation of the support measures<sup>30</sup>. Subject to consent by the Member States, the CSPs are transmitted to the European Parliament and the Council.

In 2018, 24 cooperation and support plans were concluded between the Commission and the Member States. They were sent to the European Parliament and the Council on 4 May 2018, in line with Article 8 of the SRSP Regulation.

Country	Indicative timeline of delivery of support measures	Estimated global contribution <sup>31</sup>
Austria	Q1 2018 – Q1 2021	€1,070,000
Belgium	Q2 2018 – Q4 2019	€990,000
Bulgaria	Q1 2018 – Q4 2019	€1,440,000
Croatia	Q2 2018 – Q2 2020	€2,390,000
Cyprus	Q1 2018 – Q3 2021	€1,270,000
Czech Republic	Q2 2018 – Q2 2020	€680,000
Estonia	Q1 2018 – Q2 2020	€1,045,000
Finland	Q1 2018 – Q3 2019	€190,000
Germany	Q2 2018 – Q1 2019	€920,000
Greece	Q1 2018 – Q4 2019	€2,013,500

<sup>29</sup> In line with Article 7 of the SRSP Regulation.

<sup>30</sup> The content of the CSPs is further defined in section 18.2 and in part VII of the cooperation and support plans.

<sup>31</sup> The estimated global contribution per Member State is purely indicative. The final amounts depend on how contracts, withdrawals, cancellations, etc. develop.

Hungary	Q2 2018 – Q2 2020	€860,000
Ireland	Q1 2018 – Q4 2019	€1,230,000
Italy	Q1 2018 – Q2 2020	€1,335,000
Latvia	Q1 2018 – Q3 2020	€1,610,000
Lithuania	Q1 2018 – Q2 2021	€937,500
Luxembourg	Q1 2018 – Q2 2019	€150,000
Malta	Q1 2018 – Q3 2019	€1,000,000
Poland	Q1 2018 – Q2 2020	€1,885,000
Portugal	Q2 2018 – Q4 2019	€1,230,000
Romania	Q1 2018 – Q2 2020	€2,524,000
Slovakia	Q1 2018 – Q2 2020	€1,605,000
Slovenia	Q1 2018 – Q1 2020	€1,530,000
Spain	Q1 2018 – Q2 2020	€2,235,000
Sweden	Q2 2018 – Q4 2019	€190,000

Bulgaria's and Greece's cooperation and support plans were amended (for Bulgaria on 16 October 2018 and for Greece on 29 June 2019) to also include the mention of technical support measures (and their indicative timelines) to be funded by the voluntary transfers under Article 11.

### **3.6. Reform partners and special measures**

In coordination with the Commission, the beneficiary Member State may enter into partnership with one or more other Member States which will act as reform partners to support specific areas of reform<sup>32</sup>. In 2018, none of the requesting Member States entered into such a partnership.

Every year, a limited part of the 2018 annual work programme is earmarked for special measures<sup>33</sup> in the event of unforeseen and duly justified grounds of urgency requiring an immediate response for a maximum period of 6 months. In 2018, Cyprus requested support under special measures to improve the efficiency and effectiveness of the Insolvency Service of Cyprus and carry out a study to examine the introduction of digital audio recording of court proceedings (linked to the Commission's decision on state aid SA.35334 (2018/N-2)). Both measures have now been finalised (final outputs were delivered within 6 months<sup>34</sup>).

### **3.7. Implementation of support measures**

<sup>32</sup> In line with Article 9 of the SRSP Regulation

<sup>33</sup> In accordance with Article 13(6) of the SRSP Regulation.

<sup>34</sup> In line with Article 13(6) of the SRSP Regulation 'special measures are interim in nature, and [...] shall end within six months [...]'.

The 146 selected requests resulted in 135 projects (some selected requests were later cancelled by Member States and some were merged for implementation purposes into one project). The 135 support measures are listed in Annex I. The distribution of support measures/projects per Member State is shown in the table below.

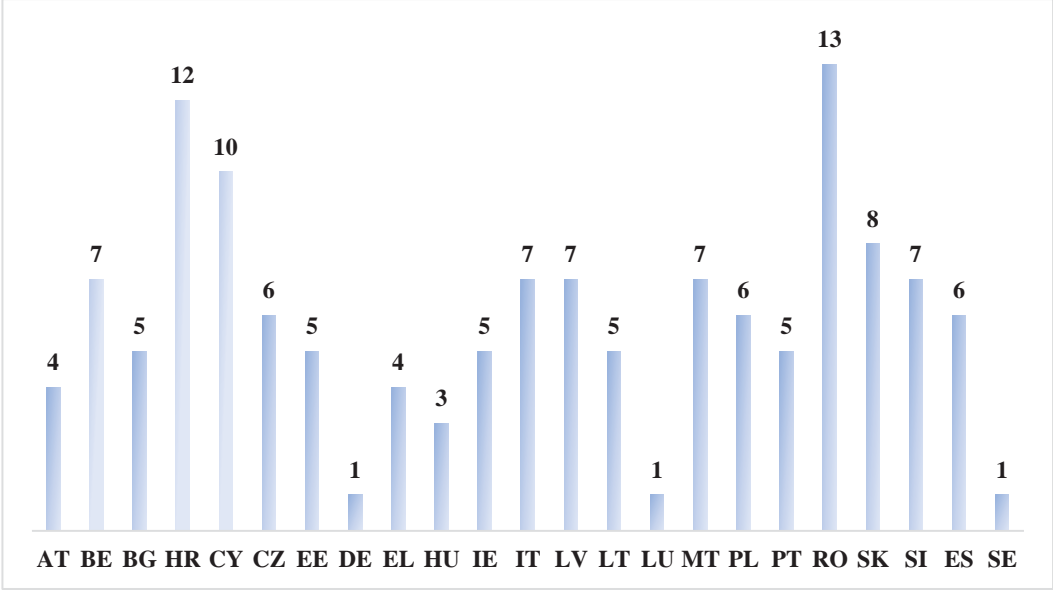


Figure 9: Number of projects implemented on the ground using SRSP 2018 funding, per Member State

Under the 2017 SRSP, 145 projects were being implemented on the ground by the cut-off date set the previous year.

Using the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, the 39 requests selected for Greece resulted in 31 projects (some selected requests were cancelled later by the Member State and some were merged into one project for implementation purposes) and 4 selected requests for Bulgaria resulted in 4 projects. The 35 support measures are listed in Annex II.

By 30 November 2019 (here we refer only to projects selected for funding under the SRSP 2018 round and not including voluntary transfers), **30%** of the reform support projects under the 2018 SRSP had already been completed and **70%** continued to be implemented on the ground. The chart below shows the state of play of implementation on 30 November 2019.

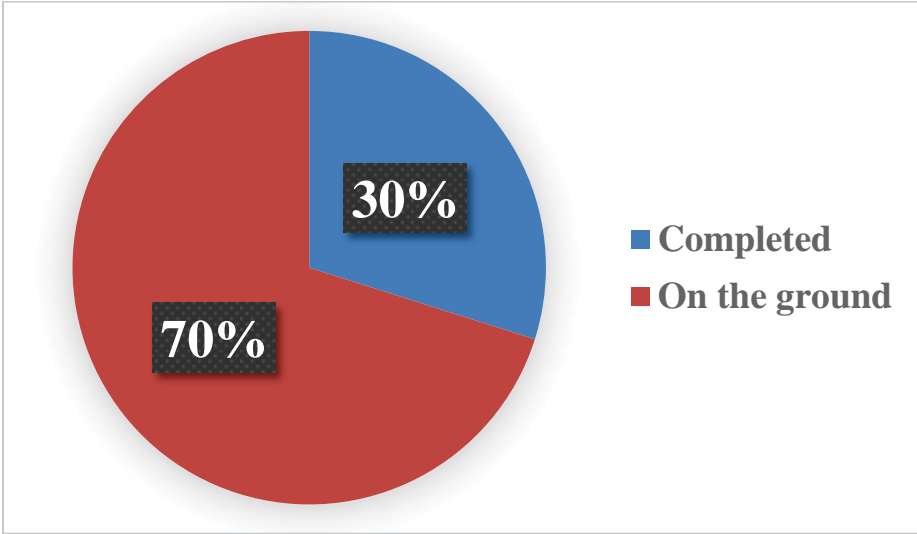


Figure 10: State of play of 2018 SRSP project implementation

By comparison, under the 2017 SRSP, 82% of the projects had been implemented on the ground and 12% had been finalised by the cut-off date last year.

The distribution of projects across the main broad policy areas is illustrated in the chart below.

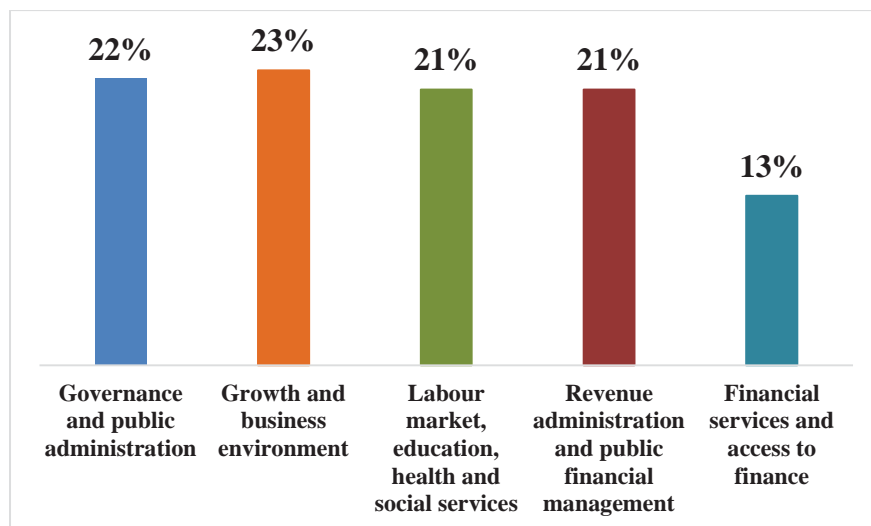


Figure 11: Projects by main broad policy area

Under the 2017 SRSP, the highest number of implemented projects were in the area of growth and business environment (30%) and labour market, education, health and social services (26%).

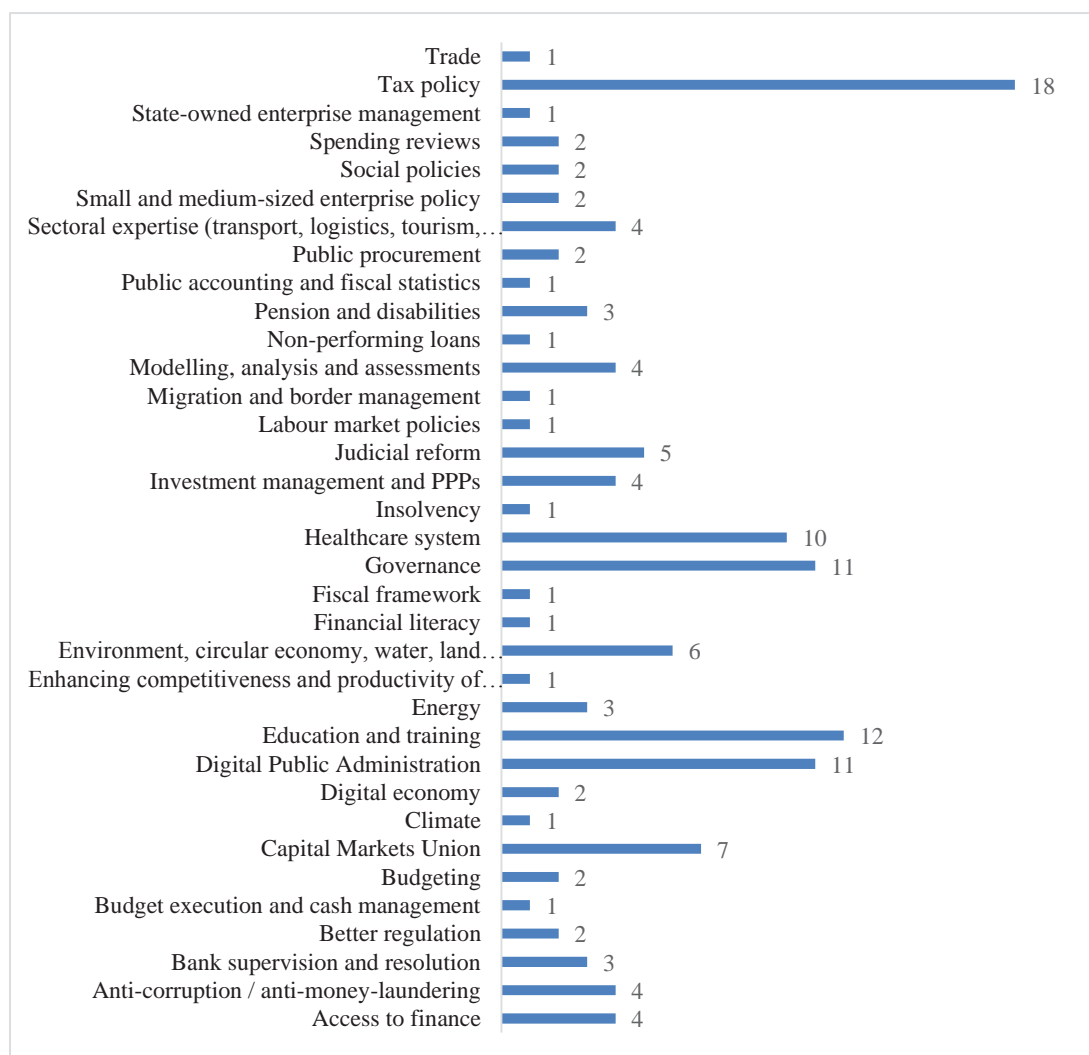
The breakdown of specific actions (measures funded by the SRSP 2018 budget) supported in each policy area and each Member State is described in the chart below.

<b>Governance and public administration</b>	The SRSP provides support measures in 15 Member States, in particular in the fields of the overall public administration, procurement, eGovernment, the functioning of the justice system, the fight against fraud, corruption and money laundering, and better absorption of the European Structural and Investment Funds.
<b>Growth and business environment</b>	The SRSP provides support measures in 19 Member States, in particular in the fields of investment climate, management of natural resources and resource efficiency, and the Energy Union.
<b>Labour market, education, health and social services</b>	The SRSP provides support measures in 17 Member States, in particular in the fields of healthcare systems, education, training and research, labour markets and social policies and social welfare systems.
<b>Revenue administration and public financial management</b>	The SRSP provides support measures in 16 Member States, in particular in relation to revenue administration, tax policy, budget preparation and spending reviews, budget

	implementation and transition towards accrual accounting, and fiscal framework.
<b>Financial sector and access to finance</b>	The SRSP provides support measures in 12 Member States, in particular in the fields of capital market diagnostics and strategies, capital market development, insolvency and nonperforming loans, financial literacy and reinforcing financial stability.

The largest proportion of support measures selected under the SRSP 2018 round and currently being implemented concern the following sectors/actions (see the figure below and Annex III for more details):

- Tax policy (13%);
- Education and training (9%);
- Digital public administration (8%);
- Governance (8%);
- Healthcare system (7%);
- Capital markets union (5%).



**Figure 12: Sectors / actions covered by the support measures**

For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, by 30 November 2019, 24% of the projects were under preparation and 74% were being implemented on the ground. One recently approved project had not yet started (2%). The largest proportion of support measures concerns the environment, circular economy, water and land registry; labour market policies; better regulation, licensing, permits and inspections; central and local administration; and judicial reform, social policies and other sectoral expertise.

118 different authorities were recipients of support measures funded under the 2018 SRSP.

The type of beneficiary authority receiving support is shown in the chart below.

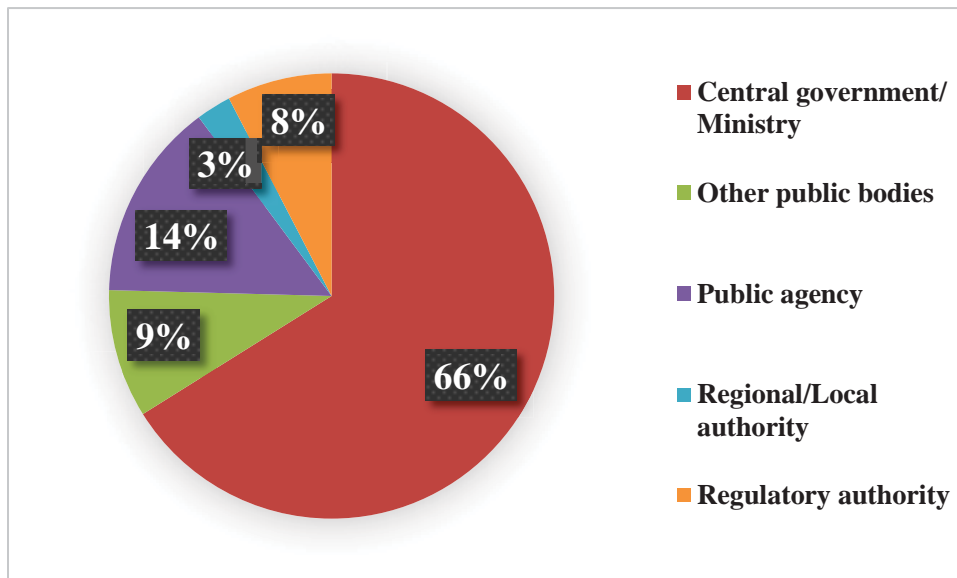


Figure 13: Type of beneficiary authority receiving support measures under the 2018 SRSP

The distribution of beneficiary authorities in each Member State is shown by type in the table below.

Member State	Type of beneficiary authority					Total
	Central government/Ministry	Public agency	Regulatory authority	Regional / Local authority	Other public bodies	
AT	3		1			4
BE		1	1	3	1	6
BG	4				1	5
CY	6	1			1	8
CZ	4					4
DE					1	1
EE	4					4
EL	2	1			1	4
ES	5		1			6
HR	7	1	1		1	10
HU	1		1			2
IE	3		1			4
IT	2	2			1	5
LT	4					4
LU	1					1
LV	6				1	7
MT	4	2				6
PL	4	1			1	6
PT	2	1	1			4
RO	7	2	1		1	11
SE		1				1
SI	3	3	1			7
SK	6	1			2	8
<b>Total</b>	<b>78</b>	<b>17</b>	<b>9</b>	<b>3</b>	<b>12</b>	<b>118</b>



For the funds transferred to the SRSP voluntarily by Greece and Bulgaria, the majority of beneficiary authorities were ministries (82%) and the remaining 18% other public bodies, the central government or public agencies.

### Means of implementation

The programme's support measures can be implemented either directly by the Commission or indirectly by entities and persons other than Member States<sup>35</sup>. Financing of the support measures can take the form of grants, including grants to the Member States' national authorities, public procurement contracts, reimbursements of costs incurred by external experts, contributions to trust funds set up by international organisations, and actions carried out in indirect management.

By 31 November 2019, the 2018 SRSP budget of €30.5 million for projects selected for funding under the 2018 SRSP was being implemented as follows.

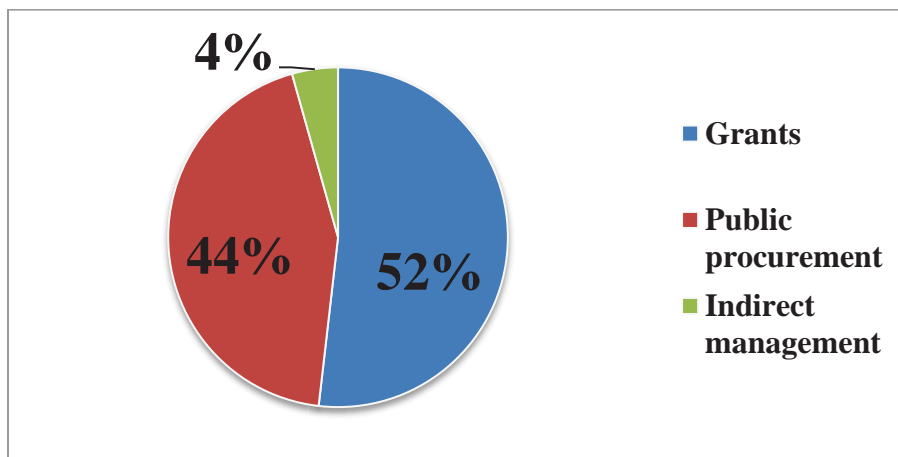


Figure 14: Breakdown of the means of implementing projects under the SRSP 2018 budget (% of budget)

<sup>35</sup> In line with Article 13 of the SRSP Regulation.

## Grants

By 31 November 2019 (referring here only to projects selected for funding under the 2018 round), the majority of grants being implemented<sup>36</sup> were awarded to international organisations (52%), government bodies (18%) and public law bodies (16%), which is similar to the distribution of grants awarded for projects under the 2017 round.

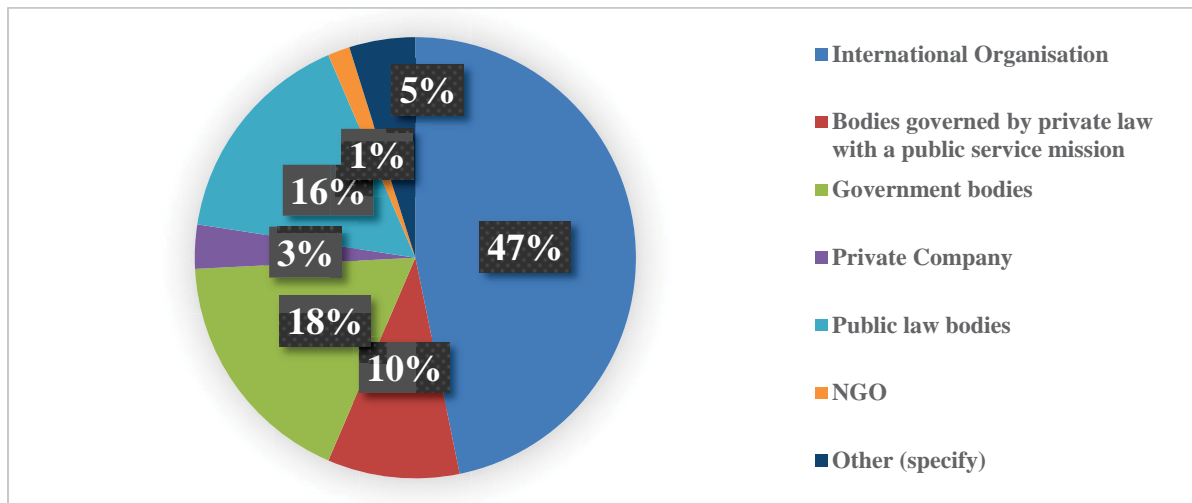


Figure 15: Types of technical support providers implementing grants in the 2018 SRSP round

## Public procurement and TAIEX

By 31 November 2019 (referring only to projects selected for funding under the 2018 round), the majority of the procurements were specific contracts based on framework contracts (79%) followed by direct procurement contracts for services (16%).

4% of the 2018 funding has been implemented through a Service Level Agreement entered into with DG NEAR to utilise the TAIEX<sup>37</sup> instrument under a programme entitled TAIEX SRSP Peer to Peer, which provided for expert exchange between Member States' administrations, and 1% through simplified expert contracts for private sector experts (AMI list).

<sup>36</sup> In accordance with the Commission Implementing Decision on the adoption of the work programme for 2018 and on the financing of Structural Reform Support Programme (C(2018) 1358 final) direct grants may be awarded to international organisations and Member States bodies and other bodies with a public service mission which, in view of the nature of the action, have recognised and relevant technical competence, high degrees of specialisation or administrative power in various thematic areas under the SRSP.

<sup>37</sup> **TAIEX** is the Commission's Technical Assistance and Information Exchange instrument. TAIEX supports public administrations in the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices, [https://ec.europa.eu/neighbourhood-enlargement/tenders/taieux\\_en](https://ec.europa.eu/neighbourhood-enlargement/tenders/taieux_en)

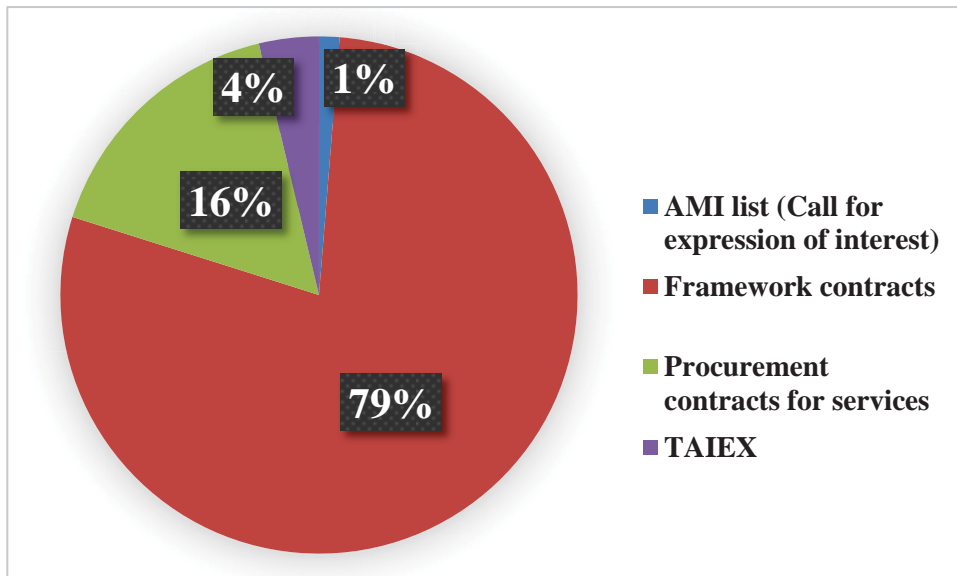


Figure 16: Types of procurement contract and TAIEX actions (value)

### **Delegation agreement**

By 31 November 2019 (referring here only to projects selected for funding under the 2018 round), the implementation of seven projects was being indirectly managed by the European Bank for Reconstruction and Development (EBRD).

For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, the support measures were implemented mainly through grants (65%), public procurement (30%) and to a smaller extent also through indirect management (5%).

#### **4. PROGRESS IN RELATION TO THE PROGRAMME'S OBJECTIVES**

Institutional, administrative and growth-sustaining structural reforms are, by their very nature, complex processes, the design and implementation of which require a complete chain of highly specialised knowledge and skills. In some Member States, the capacity to initiate and implement structural reforms is not always adequate to address the challenges ahead. Inadequate responses to economic and social challenges could hamper competitiveness, growth, employment, and investment.

Considering the European dimension of these challenges, the SRSP aims to reinforce administrative capacity in the Member States and, by doing so, help the Member States implement institutional, administrative and structural reforms. Better administrative capacity can make administrative structures more efficient, benefiting the public and business.

To this end, through its support measures, the SRSP aims to achieve the following results:

- improved ability of national authorities to identify and address economic and structural weaknesses;
- strengthened ability to develop, design and implement reform policies according to priorities;
- improved capacity of national authorities to define processes and methodologies to support the design, management and implementation of reforms, and/or the efficiency and effectiveness of human resources;
- increased professional knowledge, skills and adaptability to change management processes;
- improved channels of communication with the Commission, Member States and international organisations in order to improve communication and coordination of reform efforts; and
- improved capacity to ensure progress of reforms recommended within the European Semester cycle, economic adjustment programmes and Member States' own-initiative reforms, and to ensure consistent and coherent implementation of Union law.

Against this background, the intervention logic of the programme can be illustrated in the chart below: the activities under the programme produce outputs, which in turn generate outcomes. The outcomes then contribute to the achievement of the specific objectives at the project and programme level. This in turn feeds into progress towards the general objective of the programme, which is to support growth-sustaining structural reforms in the Member States.

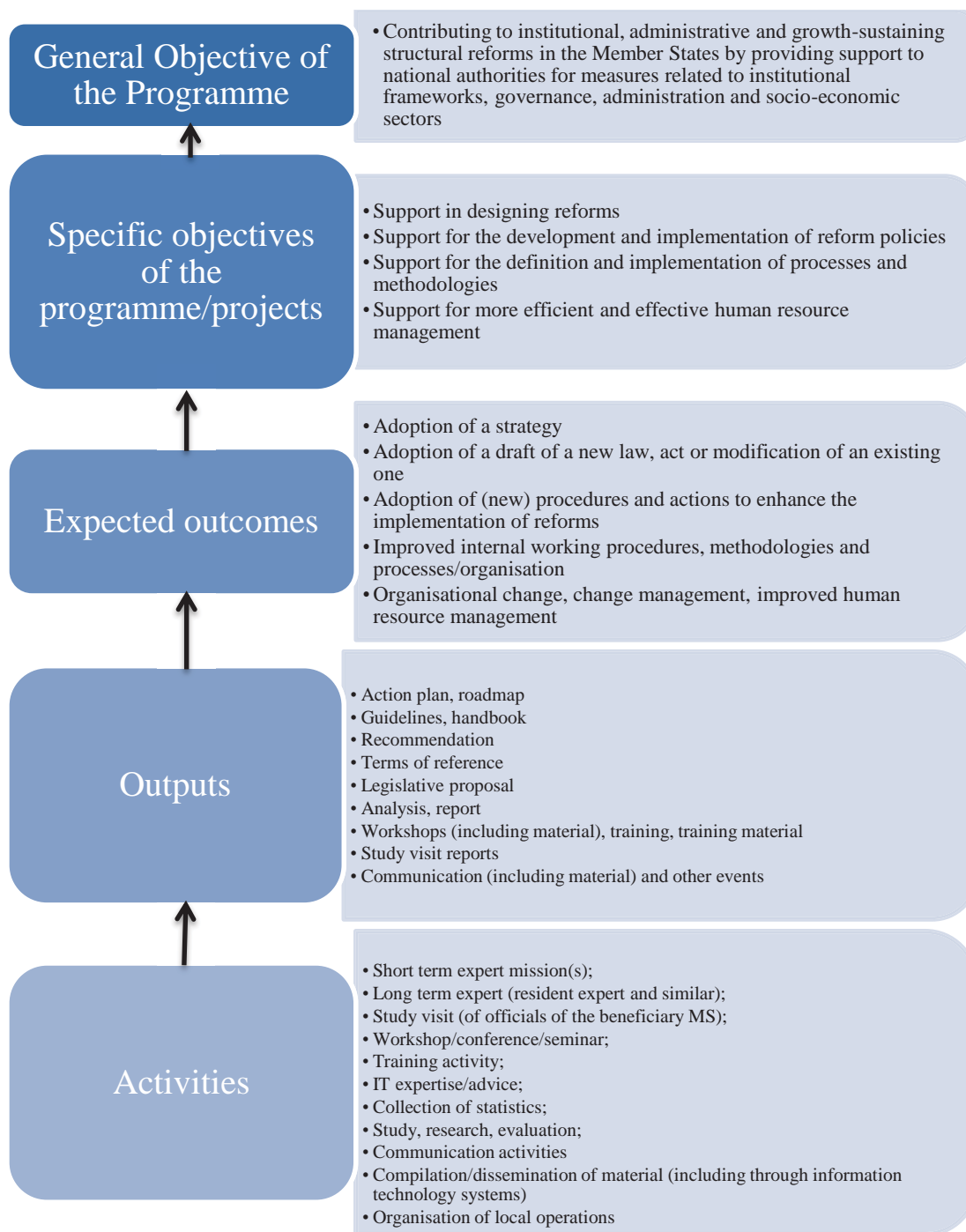


Figure 17: Intervention logic of the SRSP

#### 4.1. Progress in achieving the general objective

The general objective of the programme is to contribute to institutional, administrative and growth-sustaining structural reforms in the Member States by providing support to national authorities for measures aimed at reforming and strengthening institutions, governance, public administration, and economic and social sectors in response to economic and social challenges. This is done with a view to enhancing cohesion, competitiveness, productivity, sustainable growth, job creation and investment, in particular in the context of economic governance processes, including through assistance for the efficient, effective and transparent use of the Union funds<sup>38</sup>.

While it is not within the remit of this report to illustrate the ultimate effects of the reforms<sup>39</sup> on which a Member State may have embarked and for which some support may be or is being provided under the SRSP, we can say that in general terms, the SRSP is on track when it comes to delivering on its general objective<sup>40</sup>.

The support measures implemented under the SRSP have provided assistance to national authorities in the design and implementation of a whole range of institutional, administrative and structural reforms. The activities under the programme and the outputs already delivered under the SRSP 2017 and 2018 rounds (described below) help strengthen the overall capacity and sound governance of the requesting Member States.

Support measures are being implemented in those policy sectors for which institutional, administrative and/or structural reforms have been envisaged and/or should be undertaken by the Member States, also in view of the support provided.

The table below shows that the support measures under way in the requesting Member States and for projects selected for financing under the SRSP 2018 round contribute to the implementation of **institutional, administrative and structural reforms** that Member States face in **various economic and social sectors**, and which are being undertaken **in response to economic and social challenges**.

<b>Contribution to institutional and administrative reforms</b>	<b>N° of measures</b>
• Effectiveness of the judicial system	5
• Efficiency and effectiveness of the public sector	11

<sup>38</sup> In accordance with Article 4 of the SRSP Regulation.

<sup>39</sup> According to Article 16 of the SRSP Regulation, the Commission shall provide an independent mid-term evaluation report with information on the achievement of the programme's objectives, the efficiency of the use of the resources and the programme's European added value, as well as the continued relevance of objectives and actions.

<sup>40</sup> Some external factors, such as changes in the political priorities of Member States, may influence the implementation of the support measures and there is therefore a risk that reforms for which support had been provided are not implemented in the end. For this reason, the causal link between the support measures provided under the programme and the achievement of the general objective has to be determined on a case-by-case basis and by taking account of external influencing factors.

• Public financial management reforms	6
• Anti-corruption/anti-money-laundering	4
• Digital economy/digital public administration	13
• Reforms improving the regulatory frameworks	5
• Reforms in public procurements rules	2
• Spending reviews	4
• Tax administration reforms	18
<b>Contribution to economic-related and social-related reforms</b>	
• Acceleration of Trans-European Networks for Transport projects	4
• Enhancing competitiveness and productivity of SMEs	5
• Implementing legal frameworks in environment, circular economy, water, land registry and spatial planning	6
• Making healthcare systems more accessible, effective and resilient	11
• Investment management & public private partnerships	4
• Legal framework addressing insolvency and non-performing loans	2
• Labour market policies	1
• Capital markets union and access to finance	11
• Improving the quality and innovation of educational and training systems	13
• Bank supervision and resolution frameworks	3
• Pensions and disabilities schemes	3
• Energy efficiency, energy poverty and renewables	4
<b>TOTAL</b>	<b>135</b>

## 4.2. Progress in achieving the specific objectives

Support measures financed by the SRSP 2018 budget are contributing to the specific objectives of the programme as follows<sup>41</sup> (see Annex III for more details):

- **47%** of support measures contribute to the **design of reforms**.
  - The majority of support measures contributing to this objective are in tax policy, digital public administration, education and training and capital markets union.
- **64%** contribute to the **formulation, development and implementation of reforms**;
  - The majority of support measures contributing to this objective are in tax policy, education and training, healthcare, and capital markets union.
- **56%** contribute to the **definition and implementation of processes and methodologies**;
  - The majority of support measures contributing to this objective are in tax policy, education and training, healthcare, digital public administration, judicial reform and capital markets union.
- **19%** of support measures aim to help improve **efficiency and effectiveness of human resources management**.
  - The majority of support measures contributing to this objective are in digital public administration, healthcare, judicial reform and management of human resources.

For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, the support measures were related to the design of reforms (33%), to the formulation, development and implementation of reforms (55%), to the definition and implementation of processes and methodologies (33%) and to improving the efficiency and effectiveness of human resources management (18%).

## 4.3. Expected outcomes of SRSP activities

In line with the intervention logic of the programme (see Figure 18), the support measures financed under the 2018 SRSP budget are expected to achieve outcomes that will ultimately contribute to the achievement of the general and specific SRSP objectives as follows.

- **24%** of support measures are expected to lead (or have led) to **adoption of a strategy, draft of a new law or act, or modification of an existing one**;
- **47%** of support measures are expected to lead (or have led) to **adoption of (new) procedures and actions to enhance the implementation of reforms**;

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<sup>41</sup> Each support measure can contribute to more than one specific objective, which is why the sum of the figures appear to amount to more than 100%. See Annex III for a more detailed listing.



- **50%** of support measures strive to deliver (or have delivered) **improved internal working procedures, methodologies and processes/organisation;**
- **14%** of support measures aim to bring about **organisational change, change management and improved human resource management;**
- **16%** of support measures are expected to lead (or have led) to **other results** (identification of policy options, strengthened administrative capacity, collection of data and information, strategic and operational planning, etc.).

For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, 33% are expected to lead (or have led) to the adoption of a strategy, draft of a new law or act, or modification of an existing one; 30% to the adoption of (new) procedures and actions to enhance the implementation of reforms; 45% of support measures strive to deliver improved internal working procedures, methodologies and processes/organisation; and 21% aim to bring about organisational change, change management, and improved human resource management.

#### **4.4. European added value**

Actions selected under the SRSP 2018 round are designed to ensure complementarity and synergy with other programmes and policies at national, Union and international level, contribute to further promoting mutual trust and cooperation between beneficiary Member States and the Commission, and ensure consistent and coherent implementation of Union law. In addition, some actions should allow for the development and implementation of solutions that address national challenges but also have a positive cross-border impact and/or impact on the Union as a whole.

The Commission is in a better position than any single Member State to identify and channel good practices. In many instances, therefore, support measures delivered to the Member States have been improved by the exchange of good practices among the Member States and between Member States and international organisations. This also enabled efficiency gains, as positive results in one Member State could be implemented in another.

Support measures implemented under the SRSP 2018 are expected to generate European added value, as the following examples illustrate<sup>42</sup>.

- **45%** of support measures **are expected to have an impact on cross-border or Union-wide challenges:**
  - the same support measures are being provided under the SRSP 2018 to three different Member States in the area of health system reform (aiming to extend coverage and effectiveness of colorectal cancer screening programmes and contribute to a reduction in cancer rates in the population). They address cross-

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<sup>42</sup> Each support measure can contribute to more than one element relevant to European added value.

border issues with cross-border solutions and respond to Union-wide challenges.

- **65%** are expected **to complement other Union programmes**<sup>43</sup>:
  - support measures provided under the SRSP 2018 helped a managing authority identify bottlenecks in the implementation of the European Maritime and Fisheries Fund (EMFF), with the aim of improving its management capacity and performance.
- **46%** are expected to contribute to the consistent and coherent implementation of **Union laws and policies**:
  - support measures provided under the SRSP 2018 are helping Member States develop capital markets, ensure compliance with the EU's environmental laws, reform the electricity market and foster decarbonisation, or develop guidelines for ensuring compliance with the EU General Data Protection Regulation (GDPR).
- **37%** of support measures are expected to contribute to the sharing of good practices, also with a view to increasing the visibility of the programme:
  - support measures provided under the SRSP involved coaching visits from officials from other Member States which have successfully implemented spending reviews in the same policy areas as the requesting Member State.
- **35%** are expected to promote mutual trust between the beneficiary Member State and the Commission and between Member States:
  - support measures enabling the exchange of experiences and lessons learned between two national administrations in the field of education. The objective was to help better understand the challenges of comprehensive curricula reform fostering key competencies.

For the funds transferred to the SRSP voluntarily by Greece and Bulgaria under Article 11 of the SRSP Regulation, 39% of the support measures are expected to have an impact on cross-border or Union-wide challenges, 39% are expected to contribute to the consistent and coherent implementation of Union laws and policies, 36% are expected to contribute to the sharing of good practices and 15% are expected to promote mutual trust between the beneficiary Member State and the Commission and between the Member States.

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<sup>43</sup> Other Union funds or programmes, such as the European Structural and Investment Funds (ESIF) or other Community programmes.

## 5. DELIVERED SUPPORT MEASURES UNDER THE PROGRAMME

The second year of implementation of the SRSP is already showing concrete results. By 30 November 2019, 123 of the projects implemented under both the 2017 and 2018 SRSP rounds have already delivered concrete results<sup>44</sup>.

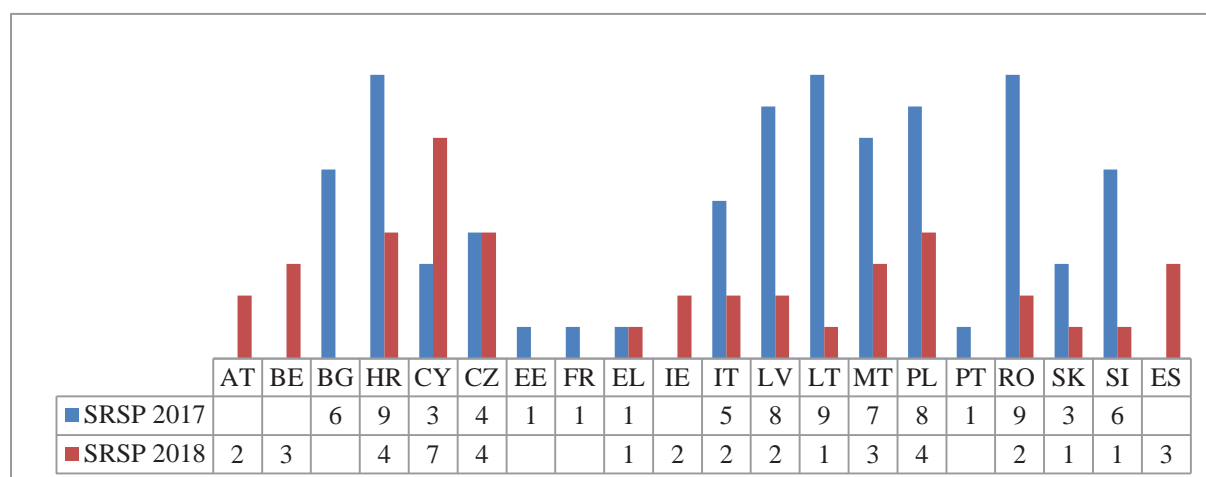


Figure 18: Number of completed projects under the SRSP 2017 and 2018 rounds, per Member State

While the outputs of the individual projects are known (a draft law, strategic and legal advice, studies, training, workshops, recommendations, actions, plans, etc.), the report does not systematically evaluate the extent to which the Member State authorities have used the results of the support measures to design or implement reforms (the outcome).

The SRSS established a mechanism to evaluate the outcomes in order to assess the extent to which the support provided to Member States met its goals and to identify factors which influenced the successful delivery of the support measures.

Under this mechanism, authorities benefitting from the programme provide feedback on the support provided (the outputs) and information concerning follow-up actions taken several months after delivery of the support measures.

Some illustrative examples of actual results of the support delivered, and the use of these measures by Member States where available, are provided below.

### Contribution to institutional and administrative reforms

<sup>44</sup> The implementation period covered by this report (of support measures selected for funding in 2018) is 31 August 2017 - 31 October 2019.



### Strategy for internal audit and training of internal auditors in local government in Romania (SRSP 2017)

The overall objective of the support measures was to strengthen the operation of the public internal audit system in Romania, by providing support to the Central Harmonisation Unit for Public Internal Audit (CHUPIA).

The project delivered a **new Public Internal Audit Strategy for t2020-2024** and a new training programme which laid the foundations for increased professional capacity of public internal auditors.

The strategy is already **under implementation and the new curriculum is now part of the training programme for public internal auditors**. The expected impact of the project is a stronger internal audit culture in the public administration, particularly at local level, as well as, a better public financial control framework and environment.



### Creation of objective criteria for the recruitment and promotion of judges in Cyprus (SRSP 2018)

The overall objective of the support measures was to (a) bring Cyprus into line with most European countries, most of which already have in place objective criteria for the recruitment and evaluation of judges, (b) enhance the independence and efficiency of judges, and (c) establish meritocracy amongst the judiciary through the development of objective criteria in the recruitment, promotion and evaluation of judges.

The main deliverable was a two-fold report to the Supreme Court of Cyprus with specific **recommendations on how to set objective criteria for the recruitment and the evaluation and promotion of judges** both based on best practices in Europe and other parts of the world.

The proposed **procedures for the criteria for appointment and promotion of judges were adopted by the Supreme Court of Cyprus** and are now in place. It is expected that this will make positive impact on the quality of justice and form a basis for the establishment of meritocracy amongst judges.



### Strategic human resources management and innovation in the public sector in Ireland (SRSP 2018)

The project supported the delivery of the Irish civil and public service modernisation strategy, through a process of deep stakeholder engagement. For the civil service (core administration), the focus was on reviewing the current human resources management system, and preparing to move toward a more strategic HR operating model.

The project engaged stakeholders from several departments (Irish ministries) to discuss and agree on ways and means of service transformation, and to address concerns and impact on roles and people. The outcomes were **concrete transition initiatives related to talent management and strategic HR** (including some centralisation of the HR function). As a next step, the Irish civil service will move toward **delivering the transition plan**.

On the public service side (including for example education and health), the focus was on how to build a stronger innovation culture. The project benchmarked the innovation maturity of several services, and prepared an **improvement plan with twelve recommendations** linked to: strategy, capabilities, leadership, network and central support, and resources. The relevant authority will now engage to **deliver an innovation transformation roadmap**, which the project had prepared.

## Contribution to economic-related and social-related reforms



### **Tools to assist SMEs in Bulgaria with regulatory compliance (SRSP 2017)**

The objective of the support measures was to support the Ministry of Economy to develop web-based, user-friendly tools for small-and-medium-sized enterprises (SMEs) and to help them to better understand and comply with the regulatory framework.

The support consisted of (i) identifying the most complex and common regulations affecting businesses in their interaction with the administration (surveys, interviews and consultations); and (ii) developing simple, business-friendly web-based descriptions of the 120 most complex and common regulations.

The new **tool is available on the Ministry's website and more than 7,000 users accessed** the simplified guidance in the first months after its publication.



### **Improving inland navigation and traffic conditions in the Antwerp port area in Belgium (SRSP 2018)**

The objective of the project was to support the Port of Antwerp to reduce road congestion and improve the navigation and coordination of vessels in the port area by (i) **investigating the concept of "inland nodes"**, with a study on bundling volumes at consolidation points and providing regular services towards the port's terminals; and (ii) **analysing four potential approaches and developing a business case for improved coordination of inland navigation**, together with its system requirements. The **Port Authority endorsed the business cases and technical solutions developed**.



### **Water sector reform in Romania (SRSP 2017)**

The objective of the project was to support the development of economic and environmental regulation in the water sector in Romania by: (i) developing a comprehensive information framework for the national water regulator, which was piloted on three regional water companies and (ii) providing a series of workshops and trainings for water industry stakeholders.

The project created a structure that would **enable roll-out of information framework to water companies across Romania** and incentivise improvements to their operational performance.



### **Education reform in Croatia (SRSP 2017)**

The SRSP provided support to the Croatian authorities to implement the changes introduced by the new curriculum that encompasses all levels of education, namely **teaching of new skills and competences, introduction of learning outcomes and use of formative assessment**. As a result, the national authorities are equipped with (i) **a set of more than 100 mentors** duly trained in the new competences to train teachers, (ii) **a rich set of audiovisual material uploaded on their e-platform** to support teachers in schools, and (iii) **a group of school leaders trained to train other leaders in becoming vectors of change**.





### Health system reform in Slovenia (SRSP 2017)

The SRSP has been supporting Slovenia in four strategic reform areas, namely (i) governance of the health care system; (ii) long-term care; (iii) quality of care and patient safety; and (iv) financing of hospital services.

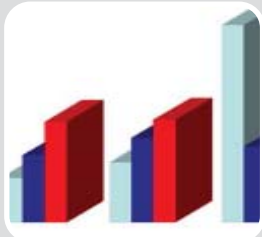
The collaboration between Slovenia and the Commission on key reform areas **facilitated the preparation and adoption of laws and regulations and the deployment of tools to contribute to the quality, accessibility and long-term fiscal sustainability of the health and long-term care systems in Slovenia.**

The support measures helped the authorities to (i) **establish a comprehensive set of tools and mechanisms** to improve the governance of the health system (i.e. a health system performance assessment and a health workforce planning), (ii) **strengthen the implementation of a pilot in long-term care schemes** that will facilitate the rollout of the system at national level, (iii) **establish a national patient safety system and enhance the quality of care**, and (iv) **modernise the hospital financing system.** These reforms are key to ensuring adequate healthcare and long-term care are provided to the population.



### Welfare (social benefits) reform in Croatia (SRSP 2017)

The SRSP has been supporting Croatia with the consolidation of social benefits. The SRSS, working with the national authorities, collected, classified, and analysed local social benefits using the standardised European System of Integrated Social Protection Statistics (ESSPROS) methodology, which now allows the national authorities to effectively monitor the type of benefits provided by local authorities. As a result, the national authorities can for the first time (i) **analyse the effects of local benefits for poverty reduction**, (ii) **monitor the results of local public spending on social benefits**, and (iii) **support local authorities in strengthening the design of social programmes.** Ultimately, the consolidation of social benefits according to the ESSPROS methodology will **increase the quality of services provided to citizens as well as improve the targeting of social programmes to those most in need.**



### Spending review in Spain (SRSP 2018)

The objective of the project was to help implement a review of outpatient pharmaceutical public spending by carrying out nine technical reports to be used by the Spanish Independent Fiscal Institution (AIReF) to prepare its final spending review report.

The final report was published in June 2019. Before that, some of the **recommendations made in the technical reports had already been endorsed by the Spanish government in its 2019 stability programme.**

The objective is to **improve the efficiency and effectiveness of public spending in Spain.**



### Revenue administration reform in Latvia (SRSP 2017, SRSP 2018)

The SRSP provided support to the State Revenue Service to implement the mid-term tax strategy by carrying out (i) **a measurement of the VAT gap by industry sector and business segment and**, (ii) **an analysis of the different types of tax fraud being perpetrated in Latvia**, including **recommendations and training on tackling them.** The programme continues to support the State Revenue Service in 2018 and 2019 to implement the mid-term tax strategy. The objective is to **improve the detection and deterrence of non-compliance and fraud** in key tax areas and to increase state revenues.



### **Public financial management reform in Portugal (SRSP 2017)**

The SRSS provides support for implementation of the 2015 Budget Framework Law in the areas of cash forecasting, commitments controls and non-tax revenue collection. Following the advice provided, the Portuguese National Republican guard (GNR) will **test a new accounting and collection process for non-tax revenue as from January 2020**. The objective is to **strengthen expenditure control and adequate budgeting in Portugal**.



### **Strengthen the resolution capacity of the Romanian authorities (SRSP 2018)**

The SRSP helped to conduct a crisis resolution exercise with the National Bank of Romania, the Bank Deposit Guarantee Fund and the Ministry of Public Finance. The exercise **tested the procedures that Romania has in place to handle a collapsing bank**. The exercise **increased the capacity of the authorities to handle such situations and additionally identified a number of options for efficiency gains, which the Romanian authorities have implemented**.



### **Improving the efficiency and effectiveness of the Insolvency Service of Cyprus (SRSP 2018)**

The objective of the project was to support the Cypriot authorities in the reorganisation of the Insolvency Service. The support included working with the authorities to develop a **new organisational structure for the Service**, while putting in place a replacement and succession plan and establishing manuals and guides for staff on all core and sub-procedures in the insolvency framework. The authorities are moving forward with **implementation by creating an organisationally independent Insolvency Service with the new structure responsible for the implementation**.



### **Supporting the Croatian development bank (SRSP 2018)**

The SRSP provided support to the Croatian development bank (HBOR) to **introduce a medium-term strategy**. The work involved (i) an internal and external analysis of HBOR's environment, including an ex-ante market analysis, (ii) the development of a strategic plan, together with a methodology for monitoring and implementation, and (iii) proposals for organisational changes. HBOR is now **planning to take the strategic plan forward and move towards implementation**.

## 6. CONCLUSION

Structural reforms are crucial to modernising the economies of the Member States and to encourage investment, create jobs and raise living standards. The overall successful implementation of reforms requires **good administrative capacity** and **a great sense of ownership of the reform process by the Member State concerned**. The SRSP aims to help Member State authorities in their efforts to design and implement growth-enhancing reforms.

The second year of the implementation of the SRSP showed an **increase in demand for the programme from Member States** – **24 Member States** submitted **444 requests** for support (the SRSP 2017 round saw 271 requests for support from 16 Member States). This is the first indication that the support provided by the Commission is relevant and needed.

This report has also described how the Commission has **implemented the measures funded under the 2018 SRSP** and how it is **monitoring actions** finalised under both the SRSP 2017 and 2018 rounds.

Overall, the first two years of implementation of the SRSP have shown that the programme can **provide the necessary assistance to the national authorities to identify and overcome certain structural weaknesses and bottlenecks in the design or implementation of reforms**. Likewise, it has so far proven to be a significant tool in improving the Member States' capacity to define more efficient processes and methodologies and/or progress towards more effective human resource management. A number of concrete examples of results and follow-up actions by the governments demonstrate this.

The increase in demand and the first positive results are some of the reasons why in November 2018, the European Parliament and the Council decided to step up the support provided and increase the SRSP budget by €80 million for 2019-2020.

While results of the support actions carried out under the SRSP contribute to the reform process however, **effective follow-up of such actions in terms of concretisation of reforms remain the prerogative of the recipient Member State**.

In the years to come, the Commission will continue to monitor the uptake of the support measures, as well as the implementation of institutional, administrative and growth-enhancing reforms.



# ANNEX I

## LIST OF SUPPORT MEASURES IMPLEMENTED UNDER SRSP 2018

### Governance and public administration

Assistance in introducing modern methods of training at the National Institute of Administration (INA)

Increasing efficiency of the institutions of the public sector

Capacity building for Chief Information Officers (CIOs) and Information and Communications Technology (ICT) officers in the civil service

Monitoring and evaluation of public administration reform

Introduction of a workforce planning process in the public sector

Monitoring the performance and implementation of the European Maritime and Fisheries Fund (EMFF)

Creation of objective criteria on recruitment and promotion of judges

Infrastructure consolidation

Internal audit and control methodology

Building capacity on digital public service take-up

Development of e-catalogues for e-procurement

Implementation of the anti-corruption action plan

Support for the implementation of the national digital strategy

Efficiency and quality of the justice system

Public procurement reform

Re-engineering of processes with a focus on procurement

Compliance of MoC IT systems with the EU General Data Protection Regulation (GDPR)

Improve administrative capacity of the Inspectorate to the Supreme Judicial Council

Public service reform: human resources and innovation

Capacity building for the Chief Information Officers Office

Development of labs for administrative simplification, human resources and administrative branding

Promoting e-Justice

Support for the reform of audit performance

Reform of anti-cyber crime legislation

Justice integrated information and management system

IT functions supporting efficient justice sector systems

Improving the efficiency of whistleblowing mechanism

Study on government websites/portals

Anti-money laundering training

Asset location and recovery system

### Growth and business environment

Implementing electricity balancing guideline  
Developing economic diplomacy  
Promotion of energy audits in SMEs  
Coastal management and protection  
Improving inland navigation and traffic conditions in the port area  
Improving inland waterway transport  
Operationalisation of destination management organisations  
Reform of concessions through public-private partnerships  
Support for the reform of the creative industry sector  
State-Owned Enterprises (SOEs) governance and performance  
Climate policy support for the administration  
Enhancing water supply and sanitation systems  
Feasibility study on large cases unit (LCU) in the statistical system  
Building permits through building information modelling (BIM)  
SME support strategy post 2020  
Regulation of gambling  
A comprehensive system to provide for the digitalisation and provision of electronic services to the maritime industry  
Irish freight, transport and logistics industry  
Enhancing export credit  
Enforcement of competition law  
Regulatory policy review  
Strengthening the framework for foreign direct investment and export and innovation-driven cooperation  
Electricity and decarbonisation  
Forestry statistical data  
Transition out of coal in the Trencin region  
Investment evaluation team  
Supporting structural reform in the waste management sector  
Improving environmental inspection work  
Support for the implementation of the proactive investment attraction reform  
Building information modelling (BIM) in the public real estate sector  
Project pipeline development for the purposes of the investment plan for Europe

## **Labour market, education, health and social services**

Support to the national authorities for generating diagnosis-related group (DRG) cost weights based on available data  
Implementation of the colorectal screening programmes  
Hospitals' collaboration area  
Services for primary health care units  
Improving colorectal cancer screening  
Youth integration in the labour market  
Improving colorectal cancer screening

Support for the development of the primary care system  
Developing an action plan and data collection methodology for the prevention of early school leaving  
Capacity building for management of projects to build three regional hospitals  
Recommendations on the design and implementation of a policy framework for developing ambulatory surgery  
Integrated primary care  
Developing an education strategy  
Early identification of students at risk of early school leaving  
National Labour Inspectorate (INL) capacity building  
Disability assessment reform  
Reform of the pension system  
Reform of the medical assessment service  
Provision of integrated care services  
Supporting the improvement of quality in inclusive education  
Development of criterion referenced tests at primary and lower secondary levels of education  
Promoting quality assurance in vocational education and training (VET)  
National plan for adult literacy  
Support to improve the quality of dual vocational education and training (VET)  
Development of a support system for the implementation of the comprehensive curricular reform  
Quality assessment system of in-service teacher training provided by education and teacher training agency  
Reforming the network of teacher education institutions  
Promoting inclusive special education  
National plan for the integration of international protection holders

## **Revenue administration and public financial management**

Reform of the e-commerce policy  
Budgetary system reform (BSR)  
Working visit on e-services  
Improving the quality of the state budget preparation process  
Support for improving the design of tax policies in the excise sector  
Municipal debt restructuring and asset management facility  
Enhancing tax-benefit microsimulation models of the Parliamentary Budget Office (PBO)  
Budget planning and key performance indicators (KPIs)  
Monitoring and auditing the internet economy  
Stimulating the introduction of new technologies for tax administration  
Enabling framework for implementation of behavioural economics in debt collection  
IT capacity building regarding dealing with preparing implementation of EU General Data Protection Regulation (GDPR), security issues regarding TA information system and IT projects quality assurance  
General law of customs & excise  
International Financial Reporting Standards (IFRS) education  
Missing intra trader community training  
Implementation of corporate income tax (CIT) gap analysis

Independent Authority of Public Revenue (IAPR) extension of International Monetary Fund (IMF) support  
Behavioural approach analysis  
Transfer pricing specialised training  
Strengthening the administrative capacity of the National Agency for Fiscal Administration regarding monitoring, analysis, investigation and auditing electronic commerce  
Strengthening the administration of large taxpayers from the perspective of increasing the efficiency and effectiveness of revenue collection process  
Spending review  
Financial management reform  
Technical assistance in the implementation of the mid-term tax strategy  
Measurement, monitoring, evaluation and compliance risk management model in the National Revenue Authority  
Development and organisation of awareness raising campaigns and similar measures to reduce shadow economy  
Introduction of spending reviews  
VAT carousel fraud implementation  
Implementation of integrated tax administration system

## **Financial services and access to finance**

Pre listing support programme to sustainably increase SMEs access to capital markets financing in alignment with the capital markets union (CMU)  
Dormant account resolution  
Financial education: analysis for a web-based interactive intelligent educational platform regarding consumer decision making and purchasing process  
SME equity support instrument  
Creation of pre-insolvency early warning mechanisms and solutions for out-of-court settlements  
Capital markets diagnostic  
National non-performing loans (NPL) strategy  
Designing Bank for Reconstruction and Development 's medium-term strategy  
Planning of internal operational processes and procedures specific to resolution authority  
Establishment of supervision of issuer's financial statements  
Establishment of FinTech supportive environment  
Management of financial instruments  
Bank supervision data management  
SME equity support instrument  
Central Securities Depository: development of an authorisation and supervisory handbook  
Implementation of Central Securities Depositories (CSD) legislation

## ANNEX II

### LIST OF SUPPORT MEASURES FUNDED BY THE VOLUNTARY TRANSFERS UNDER ARTICLE 11

#### GREECE

Supporting the establishment of the single social security agency (EFKA)  
Support for clean energy investments  
Roadmap for the systematisation of environmental legislation  
Enhancement of Greece's emergency management system  
Supporting digital education  
Model collection office  
One stop shops  
Supporting the implementation of the action plan for tackling undeclared work  
Western Macedonia transition through coal platform initiative  
Waste management  
Reforming the design of active labour market policies  
Technical support on inter-municipal cooperation  
Accelerate the digital transformation  
Anti-corruption training programmes  
Strengthening of the capacity in implementing the deinstitutionalisation process  
Support to the Hellenic Development Bank  
Support for tendering of public-private partnerships  
Regional policy post 2020  
Modernisation of the cadastre system  
Compliance of IT systems belonging to the Special Secretariat for Private Debt Management  
Export promotion  
Support on judicial reforms  
Risk assessment tool for transfer pricing cases selection  
Investment licensing and inspections reform  
Support to the General Accounting Office to implement the new chart of accounts and enhance cash management functions  
Minimum wage setting  
Improving performance in doing business report  
Support to the Hellenic Civil Aviation Regulatory Authority (HCARA) and the Hellenic Civil Aviation Authority (HCAA)  
Post-investment licensing and inspections reform support  
Expansion of the 'ePDE' information system  
Coordinating, monitoring and assessment of public policies and structural reforms

#### BULGARIA

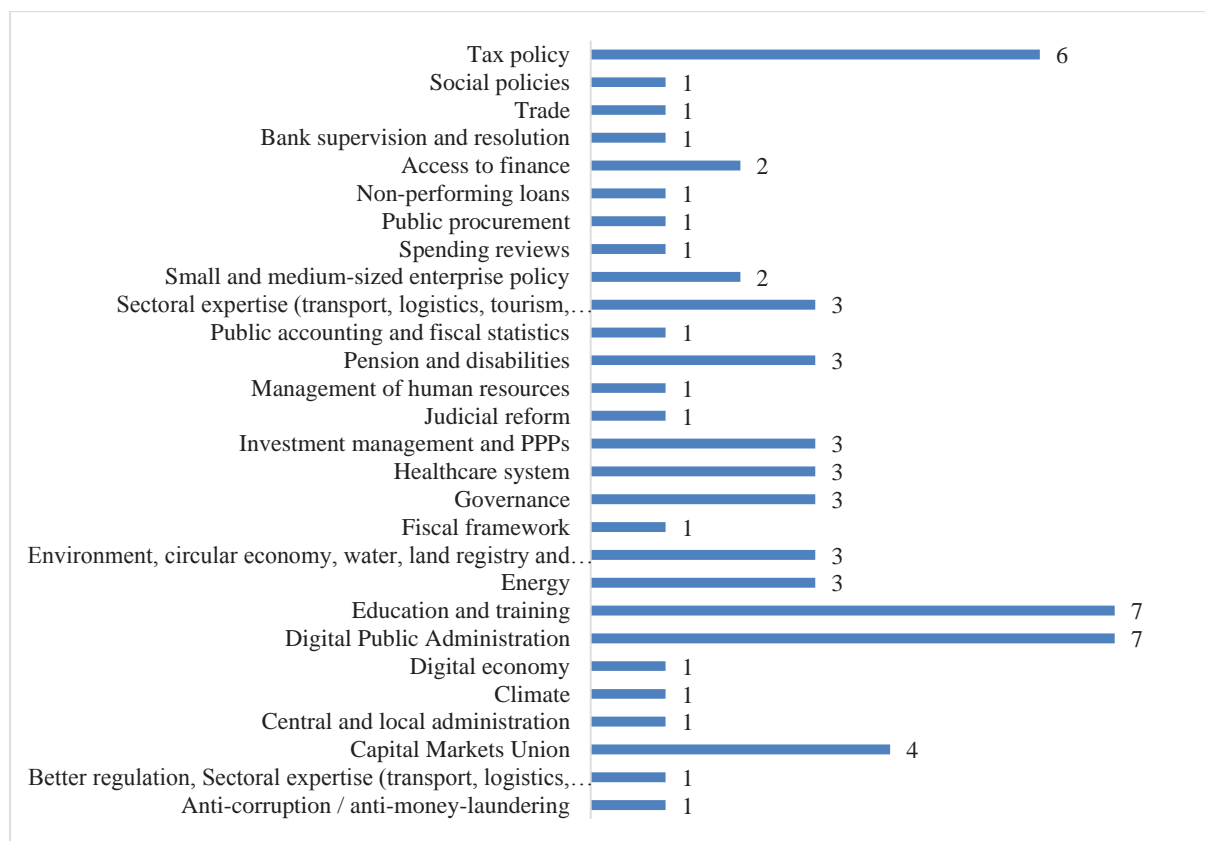
Improve the governance of state-owned enterprises  
Insolvency framework review and roadmap  
Reform of the order of payment proceeding  
Strengthening the administrative capacity of the NRA to monitor and control e-commerce

## ANNEX III

### PROGRESS IN ACHIEVING SPECIFIC OBJECTIVES OF THE PROGRAMME

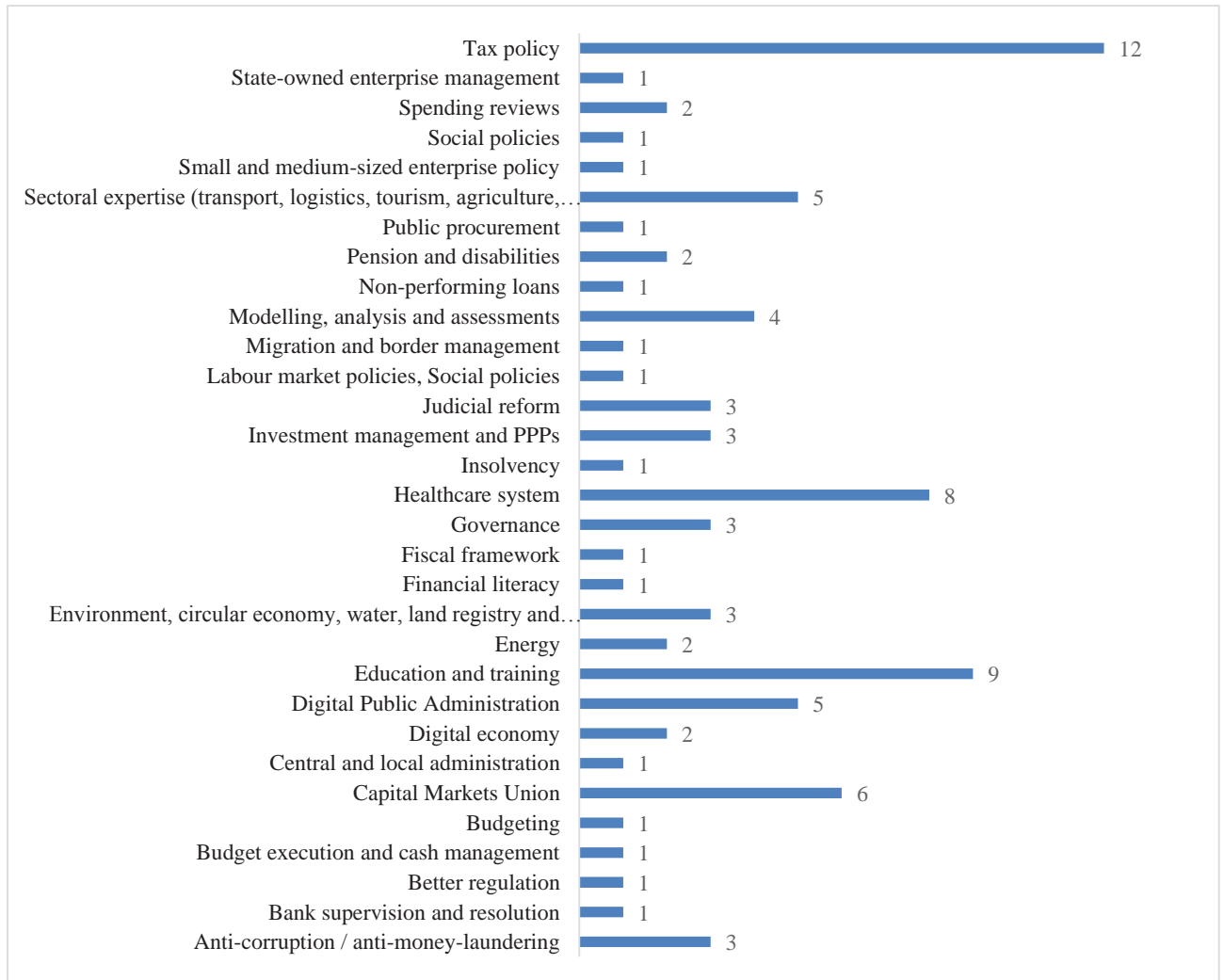
Support measures funded under the SRSP 2018 are expected to contribute to the specific objectives of the programme in the following way<sup>45</sup>.

a) 47% of support measures contribute to the design of reforms:

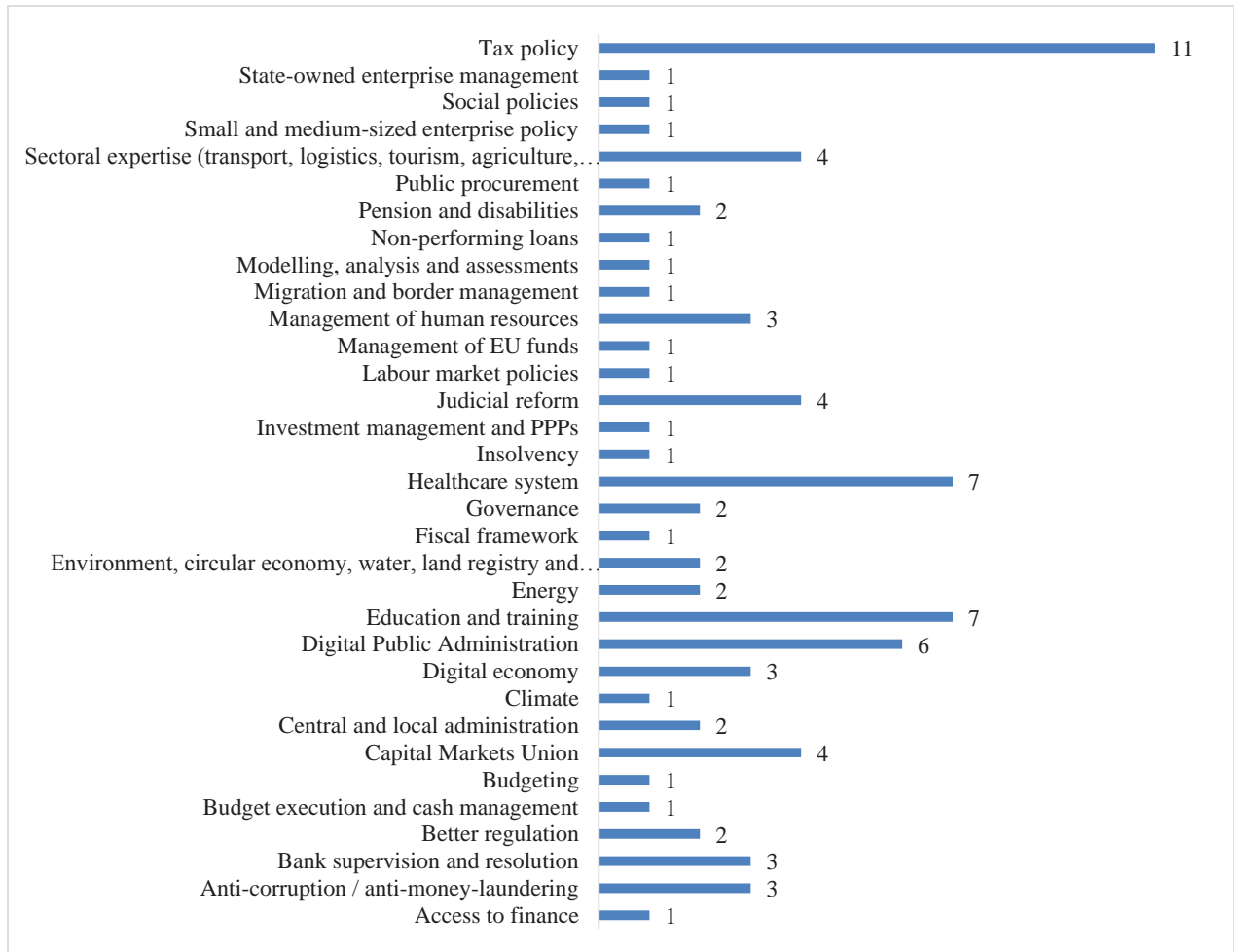


<sup>45</sup> Each support measure can contribute to more than one specific objective.

b) 64% contribute to the formulation, development and implementation of reforms:



c) 56% contribute to the definition and implementation of processes and methodologies:





d) and 19% aim to help improve the efficiency and effectiveness of human resources management:

