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REGULATORY SCRUTINY BOARD OPINION

**REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL AND THE EUROPEAN ECONOMIC
AND SOCIAL COMMITTEE - Evaluation of the European Labour
Authority (ELA)**

{COM(2025) 256 final}
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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2025)

Opinion

Title: Evaluation of the European Labour Authority

Overall 2nd opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The European Labour Authority (ELA), established on 20 June 2019, is a decentralised agency whose primary objectives are to ensure fair labour mobility across the European Union and to assist Member States and the European Commission in coordinating social security systems within the Union.

This is the first quinquennial evaluation foreseen in the ELA's Founding Regulation and covers the period from its creation in 2019 to mid-2023.

(B) Key issues

The Board notes the improvements to the report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the lead DG to rectify the following aspects:

- 1. The report does not adequately assess ELA's contribution to fair labour mobility across the EU. The effectiveness and efficiency of the intervention require further analysis, including why parts of the intervention have not worked as expected.**
- 2. The continued relevance of the intervention is not sufficiently analysed.**
- 3. The conclusions need to fully reflect critical insights from the analysis presented.**

(C) What to improve

(1) The evaluation should define in specific and measurable terms what success would look like in achieving the general objective of enhancing fair labour mobility in the EU. It also needs, as far as possible, to provide an empirical analysis of the prevalence and nature of practices that presently inhibit fair labour mobility. The intervention logic needs to provide definitions of the specific objectives in SMART terms, and clearly identify how attaining the specific objectives contributes to reaching the general objective in order to facilitate the assessment.

(2) Following the above steps the report needs to develop relevant indicators, identify and the data necessary to assess if the intervention has successfully improved the situation, including if there has been a change in the scale of unfair labour mobility practices since

This opinion concerns a draft evaluation which may differ from the final version.

the introduction of the initiative, and to what extent this change is the result of the intervention rather than other possible factors. The report should also provide sufficient detail of what an adequate performance monitoring system based on sound indicators and sampling strategy should look like, including for future evaluations. It should use the intervention logic and ELA's hierarchy of objectives to propose Key Performance Indicators (KPIs) in the lessons learned section.

(3) The report should further evaluate the continued relevance of the intervention. It should assess to what extent market failures exist, which could contribute to decreasing fair labour mobility, and if they continue to persist. The report should analyse if the prevalence of such problems has changed since the introduction of the intervention. The report should also analyse the continued relevance of the intervention in the context of emerging policy needs, including the focus on competitiveness and reduction of regulatory burdens.

(4) The analysis of effectiveness and efficiency should be improved. In general, the report contains limited evidence on impacts generated, in the absence of appropriate KPIs and monitoring systems. The report relies overly on stakeholder perception's and does not analyse the full range of possible respondents. The conclusions should better reflect dissenting opinions, for example on the relevance of the mediation activity.

(5) On some points, including the mediation service and EURES, the report indicates inefficiencies or outcomes that fall below expectations. In such cases the report needs to analyse the causal reasons why the intervention has underperformed.

(6) The analysis of costs should be improved. The discussion on cost-effectiveness does not clearly acknowledge the lack of relevant analytical framework. The report deals mostly with costs as presented in the ELAs budget allocations, the full costs, accruing to all of ELA's stakeholders, should be assessed.

(7) The analysis of coherence with relevant legislation and other EU agencies should go beyond merely listing them and should substantiate arguments with examples or other relevant evidence. The discussion on how ELA's mandate aligns with other EMPL agencies should (a) include findings of potentially overlapping outputs between ELA and Eurofound and (b) clarify the distinct focus of ELA and EU-OSHA on healthy working conditions. This should inform conclusions on the relevance of ELA's missions.

(8) Critical reflections emerging from the analysis of effectiveness and efficiency need to be fully reflected in the conclusions. When the evaluation notes that the intervention neither delivers expected benefits in terms of enhanced fair labour mobility nor its individual components of the intervention - such as EURES, mediation mechanism - work as expected this should be reflected in the overall assessment of the initiative.

(D) Conclusion

The lead Service should revise the report before launching the interservice consultation.

Full title	Evaluation of the European Labour Authority (ELA)
Reference number	PLAN/2023/2058
Submitted to RSB on	21 January 2025
Date of RSB meeting	Written procedure



Brussels,
Ares(2024)

Opinion

Title: Evaluation

Overall opinion: NEGATIVE

(A) Policy context

The European Labour Authority (ELA), established on 20 June 2019, is a decentralised agency whose primary objectives are to ensure fair labour mobility across the European Union and to assist Member States and the European Commission in coordinating social security systems within the Union.

This is the first evaluation as foreseen in the ELA's Founding Regulation and covers the period from its creation in 2019 to mid-2023.

(B) Key issues

The Board notes the additional information provided and commitments to make changes to the report.

However, the Board gives a negative opinion because the report contains the following serious shortcomings:

- (1) The report does not adequately explain how the performance of the ELA can be assessed given the lack of clear objectives and appropriate performance indicators. It does not assess ELA's contribution to fair labour mobility across EU.
- (2) The analysis is not clear about the serious limitations of the evidence and its robustness, and the actions needed to remedy this.
- (3) The conclusions do not accurately reflect the critical findings of the analysis. The lessons learned do not adequately present operational suggestions for improvement.

(C) What to improve

- (1) The report should clearly explain the purpose and scope of the intervention, the underlying needs that necessitated the setting up of ELA, and how the ELA was envisioned to contribute to solving the identified problems. The report should analyse the evolution of the nature and magnitude of the problems, taking account of the key developments in the

functioning of the European labour market since establishment of ELA relevant to this evaluation.

(2) Given that the evidence, as indicated in the report, is limited and in many cases insufficiently robust, the report should discuss this more explicitly. When using the staff survey, or consultations with the national agencies that the ELA coordinates, or ELA's reports, the report should clearly address potential stakeholder bias. The report should consider whether further evidence could be collected (for example, from EURES).

(3) The report should clarify the cost-effectiveness analysis. Given that at present it seems that the analysis is based solely on stakeholder perceptions regarding the usefulness and satisfaction with ELA's tasks, lacking a cost element, the relevant parts of the report, including Annex VII, should be revised to avoid confusion. Any statements of "positive", "negative" or "inconclusive" efficiency should be underpinned by the analysis.

(4) The report should examine the coherence between the ELA's activities and relevant legislation revised or enacted during the evaluation period (for example the Single Digital Gateway).

(5) External factors such as digitisation developments, the changing demography, the revision of the Regulation on Coordination of Social Security Systems etc. should be analysed in more detail, including the way they have affected the relevance and performance of the intervention assessed. Moreover, since the report recognises that digital transition, migration from outside the EU, and labour and skills shortages are likely to influence ELA's operations, it should further examine the relevance of ELA's current mandate to address these significant trends in the future.

(6) Conclusions should be thoroughly revised to ensure they are consistent with the analysis and its limitations. Given the significant methodological limitations and the lack of an adequate monitoring system with KPIs, targets, and SMART objectives, these caveats must be fully reflected in conclusions. As regards lessons learned, the report should address the critical observations identified in the analysis and provide a thorough overview of how these limitations may be mitigated in the next evaluation period, including further detail of what the performance monitoring system based on sound indicators and sampling strategy will look like.

Some more technical comments have been sent directly to the author Service.

(D) Conclusion

The lead Service must revise the report before launching the interservice consultation.

The lead Service may resubmit to the Board a revised version of this report.

Full title	Evaluation of the European Labour Authority (ELA)
Reference number	PLAN/2023/2058
Submitted to RSB on	16 October 2024
Date of RSB meeting	13 November 2024