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

**Annual Monitoring Report on the implementation of the 2020 Structural Reform
Support Programme**

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INTRODUCTION

The European Commission has managed the **Structural Reform Support Programme** (SRSP) from 2017 until 2020. The SRSP, had an overall budget of EUR 222.8 million¹ and was aimed at **strengthening Member States' capacity to prepare and implement growth-enhancing reforms**, including by providing assistance for the efficient and effective use of EU funds. The final decisions on the design, structure and implementation of the reforms were always in the hands of the Member States. Support from the SRSP was available to all EU Member States upon request, required no co-financing and involved very little administrative burden for Member States. In 2020, the SRSP also helped Member States to design and prepare their national Recovery and Resilience Plans. The SRSP was managed by the Commission's DG REFORM.

The objective of the SRSP was to enhance cohesion, improve competitiveness, productivity, sustainable growth, job creation and investment by helping Member States **address these challenges and strengthen their capacity** to prepare and implement growth-enhancing reforms. Structural reforms are, by their very nature, **complex processes**. Designing and implementing these reforms requires highly specialised knowledge and skills at every stage. The SRSP helped to strengthen public institutions and administrations, improve governance processes, and improve the performance and resilience of the economy and society at large.

2020 was marked by the global outbreak of the COVID-19 pandemic. The lockdown measures taken by EU Member States, although necessary for limiting the spread of the virus, inevitably had grave economic and social impacts. In this context, the SRSP became even more relevant to help Member States make fundamental reform efforts to boost their economies and create the foundations of a sound recovery.

This report provides an overview of the **measures supported under the 2020 SRSP**. It describes the process of selecting and implementing projects and gives an account of the results achieved by the programme.

IMPLEMENTATION OF THE SRSP 2020

2020 was the fourth and final year of activities under the SRSP. Like in the previous years of the SRSP, there was an increasingly **high demand** for the programme. In total, **27 Member States** submitted **660 requests for support**, for an **amount estimated at more than twice** the SRSP's 2020 budget of EUR 89.9 million. These requests were submitted via different calls:

- 609 requests were submitted via the general SRSP 2020 call

¹ The budget increased when the original SRSP Regulation (EU) 2017/825 (OJ L 129, 19.5.2017, p. 1-16) was amended (Regulation (EU) 2018/1671, OJ L 284, 12.11.2018, p. 3-5).

- 17 requests were submitted under the special call for a targeted training on insurance supervision
- 18 requests were submitted under the dedicated call to support Member States for the preparation of their Territorial Just Transition Plans
- 14 requests were submitted by Greece in line with Article 11 of the SRSP Regulation
- 2 requests were submitted by Slovakia and Croatia as special measures in the event of unforeseen and duly justified grounds of urgency requiring an immediate response, in line with Article 13.6 of the SRSP Regulation

The Commission **assessed Member States' requests against the principles and criteria** laid down in the SRSP Regulation and **selected 287 requests from 27 Member States**, which resulted in 270 projects.

The selected requests were distributed across the main policy areas as follows:

- **19%** – financial services and access to finance;
- **17%** – governance and public administration;
- **28%** – growth and business environment (including climate and environment);
- **21%** – labour market, education, health and social policy; and
- **14%** – revenue administration and public financial management.

In line with the principle of sound financial management, priority was given to requests that made it possible to **quickly deliver support and rapidly implement reforms on the ground**. Requests that addressed **well-defined objectives**, and which were likely to have a **strong impact**, were also a priority.

94% of requests selected for funding under the SRSP 2020 were directly related to the EU's strategic priorities:

- 57% went to implementing reforms in response to challenges highlighted in the European Semester process (country-specific recommendations and country reports);
- 30% went to implementing EU priorities (the capital markets union, the digital single market, the energy union, climate objectives, etc.);
- 5% went to implementing the EU's economic adjustment programmes; and
- 2% went to implementing EU law.

Of the remaining funds, 5% were related to the implementation of Member States' reforms linked to other priorities and 1% were related to the preparation the national Recovery and Resilience Plans.

PROGRESS TOWARDSTHE PROGRAMME'S OBJECTIVES

Actions selected and implemented under the SRSP 2020 were designed to ensure European added value. The SRSP **complemented other programmes** and policies at national, EU and international level. It also **promoted mutual trust and cooperation** between beneficiary Member States and the Commission. In addition, SRSP actions supported the development and implementation of solutions that address national challenges while also having a positive impact on **EU-wide challenges or challenges involving several Member States**. **SRSP actions also helped** the economic recovery from the COVID-19 pandemic.

It is not within the remit of this report to illustrate the ultimate effects of the reforms on which a Member State may have embarked as a result of SRSP support measures. This is the purpose of the mid-term evaluation and the *ex-post* evaluation of the SRSP.

The mid-term evaluation of the SRSP, covering covering the programme's budgetary cycles 2017 and 2018, has concluded that the **SRSP was on track in delivering on its general objective** and that it addressed adequately the needs of Member States: the programme remained relevant and needed. The evaluation also concluded that the SRSP was progressing towards achieving its results, even though it was facing challenges such as weak collaboration among stakeholders, political changes, political instability, and resource constraints.

The independent *ex-post* evaluation report of the SRSP, concluding on the results of the entire programme and including information on its longer-term impact, will be published by mid-2023.

CONCLUSION

Reforms are crucial to modernise the economies of the Member States, encourage investment, create jobs, and raise living standards. The successful implementation of reforms requires **good administrative capacity and a strong sense of ownership of the reform process by the Member State concerned**. The SRSP aimed to help Member State authorities in their efforts to design and implement growth-enhancing reforms. The COVID-19 pandemic had grave economic and social impacts across the EU. In this context, the SRSP's activities became even more relevant than ever to help Member States make fundamental reform efforts to boost their economies and create the foundations of a sound recovery.

In its fourth and final year, the SRSP saw another **increase in demand**, with **27 Member States** submitting **660 requests for support**, out of which 287 were selected, resulting in 270 projects to be implemented.

Overall, during the 2017-2020 period, the SRSP was the subject of growing interest from Member States. In 2017, 16 Member States requested and received technical support to address their reform agenda under the programme. By 2020, all 27 Member States were part of the programme. The SRSP demonstrated its capacity to support national authorities identify and overcome structural weaknesses and bottlenecks when designing and implementing reforms.

However, although the SRSP's measures aim to support the reform process, **the recipient Member State is responsible for both effective follow-up of the actions and actual implementation of the reforms**.

With a view to continuing to provide technical support to Member States after the end of the SRSP in 2020, the European Parliament and the Council adopted a Regulation establishing the successor to the SRSP - the Technical Support Instrument² - which has a similar scope and objectives, but a larger budget.

² Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, OJ L 57, 18.2.2021, p. 1 – 16.

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