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# COMMISSION STAFF WORKING DOCUMENT

# EVALUATION

## The interim evaluation of the Single Market Programme 2021-2027

*Accompanying the document*

**Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions**

**on the interim evaluation of the Single Market Programme 2021-2027**

{COM(2025) 347 final} - {SEC(2025) 195 final}

# ANNEX IX. PILLAR 1

## 1. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

### 1.1. Description of the intervention and its objectives

Pillar 1 of the SMP provides funding to achieve the first specific objective of the SMP, which focuses on making the functioning of the single market more effective, inter alia, in the light of digital transformation. The SMP Regulation[1] provides for two sub-objectives in relation to this specific objective:

- facilitating the prevention and removal of discriminatory, unjustified or disproportionate obstacles and supporting the development, implementation and enforcement of Union law in the areas of the internal market for goods and services, including by improving the application of the principle of mutual recognition, of public procurement rules, of company law, of contract and extra-contractual law, of anti-money laundering rules, of the free movement of capital and of financial services and competition rules, including by developing user-centric governance tools;
- supporting effective market surveillance throughout the Union, with a view to ensuring that only safe and compliant products offering a high level of protection of consumers and other end users are made available on the Union market, including products sold online, as well as with a view to achieving greater homogeneity among, and increasing the capacity of, the market surveillance authorities across the Union.

This approach aims to ensure that both citizens and businesses can fully benefit from the single market, and, through various tools, are informed of and able to exercise their rights. Under this pillar of the SMP, the Commission implements, enforces, and further develops regulatory actions in areas such as company and contract law, anti-money laundering, the free movement of capital, and financial services. It also promotes effective market surveillance to guarantee that only safe and compliant products are available on the EU market. Additionally, the SMP helps ensure that financial services cater to the needs of consumers, civil society, and end users, and contributes to enhancing the Commission's tools and expertise for effectively enforcing competition rules in the digital economy.

For the purpose of the evaluation, pillar 1 is further divided into several sub-pillars, specifically: a) Competition; b) Product market surveillance; c) Your Europe-Single Digital Gateway; d) IMI, Your Europe Advice; and e) Support for policymaking, standard-setting, and enforcement. The total budget allocated to Pillar 1 to date is approximately EUR 238 million[2], distributed over three financial years (2021-2023).

[1] Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014.

[2] This figure includes administrative costs.

The overarching objective underlying Pillar 1 is divided into four sub-objectives, each aligning with specific sub-pillars of activities. These sub-pillars serve to cluster related activities that relate to similar outcomes and results. Sub-pillars 1c and 1d are combined for this evaluation due to their similar nature.

**Table 1: Sub-pillars within Pillar 1**

| Sub-pillar | Objective and activities |
|---|---|
| 1a | Objective: Support effective development, implementation and enforcement of EU policy<br>Activities: digital tools, European Competition Network (ECN), other networks, training, studies |
| 1b | Objective: Support effective product market surveillance<br>Activities: European Union Product Compliance Network (EUPCN), Administrative Cooperation Groups (AdCos), joint actions, capacity building, digital tools, training, technical expertise, studies, etc. |
| 1c / 1d | Objective: Provide digital information and advice services for citizens, consumers, businesses and public administrations<br>Activities: Your Europe, Your Europe Advice, communication campaigns for SOLVIT, IMI. |
| 1e | Objective: Support effective policymaking, standard-setting and enforcement<br>Activities: EU-level cooperation, Harmonised Standards (HAS) Consultants, technical expertise, studies, information gathering, digital tools, supporting specific bodies identified by the co-legislator, etc. |

*Source: elaboration for the supporting study.*

## Objective 1a: Support effective development, implementation and enforcement of EU competition policy

The aim is to enhance the Commission's policymaking and enforcement in the competition sector and to strengthen administrative cooperation among Member States. The benefits and relevance of supporting and strengthening enforcement of competition rules have been underlined also with recent studies: effective competition policy enforcement has a very significant impact on customer savings and a significant positive impact on the EU economy overall[3]. Funding is channelled through the 'Competition Policy' sub-pillar, with oversight by DG COMP. The activities funded include providing digital tools and systems for internal use by the Commission – facilitating case management, investigations, data storage, and analysis – and ensuring secure interaction with Member States, companies, and legal representatives. Additionally, the funding supports a range of forums, working groups, and training initiatives that facilitate exchange and capacity building among enforcement bodies, national courts, authorities, and international organisations. There is a specific focus on training judges in competition law to enhance their capabilities in

[3] 'Modelling the macroeconomic impact of competition policy: 2023 update and further development', report prepared by the Directorate-General for Competition, the Joint Research Centre and the Directorate-General for Economic and Financial Affairs, Publications Office of the European Union. The modelling suggests that the Commission's competition policy interventions can lead to a medium to long-term increase in real GDP (compared to the baseline) in the range of 0.6% - 1.1% (the equivalent of an uplift of EUR 80 - 150 billion in 2019 GDP), as well as a 0.3% - 0.7% reduction in the price level.

enforcement. The Pillar also allows the Commission to fund studies, evaluations, databases, and research to underpin effective policymaking.

The outputs can be categorised into three main types: tools, studies and databases, and engagement in networks or training. The tools, studies, and databases procured not only serve as direct outputs but also as key activities within the programme. Their ultimate value is closely tied to their effectiveness and utility for end users. The participation in networks, forums, and training is a crucial output, where both the extent and depth of involvement are essential indicators of effectiveness.

The results focus on enhancing the capacity of the Commission and other relevant authorities to fulfil their obligations. This includes practical improvements such as more secure and efficient information transfer, as well as improved communication channels. On a broader level, these results are aimed at increasing the knowledge, competencies, and cooperation among enforcement authorities, including judges. The effectiveness of these results can be evaluated by gathering feedback from authorities on the support provided and measuring the satisfaction levels of users of the tools, networks, and training initiatives.

### Objective 1b: Support effective product market surveillance

This objective responds to the need for stronger administrative cooperation among Member States in product market surveillance. It primarily aims to support national Market Surveillance Authorities (MSAs) to effectively fulfil their responsibilities. To achieve this, funding is committed through the 'Product Market Surveillance' sub-pillar, overseen by DG GROW. Sub-pillar 1b provides financial support to activities to develop tools and facilities crucial for product testing, such as European Union Testing Facilities (EUTF), as well as necessary equipment, training, research activities, and digital resources. Efforts to improve cooperation and capacity building among MSAs are driven through networks like the EU Product Compliance Network (EUPCN) and Administrative Cooperation Groups (AdCos). Joint actions also facilitate collaboration on enforcement strategies and harmonising approaches to product testing (e.g. with studies, analyses, databases, evaluations).

The outputs are designed to provide direct benefits to both the Commission and national Market Surveillance Authorities (MSAs). The creation and provision of tools and facilities for product testing are significant outputs, yet their effectiveness also hinges on their usage and integration into daily operations. Participation in various forums and networks is essential; a certain degree of engagement and collaboration is needed to deem these activities successful. Moreover, the production of studies, databases, and similar resources serves as outputs, but their value is determined by their utility to the Commission, MSAs, and any other relevant stakeholders.

The results are measured by the extent to which the Commission and MSAs can meet their responsibilities in market surveillance. Enhanced capacity, stemming from improved access to product-testing tools and enriched knowledge and skills, is a key factor. Additionally, strengthened cooperation among these entities, fostered through networking, forums, and joint activities, plays a pivotal role. Altogether, these improved capacities and collaboration efforts should contribute to more effective and consistent market surveillance across the single market.

### Objective 1c/1d: Provide digital information and advice services for citizens, consumers, businesses and public administrations

This objective addresses the need, as identified in the impact assessment, for tools that support citizens, consumers, and businesses in overcoming knowledge gaps and empowering them to navigate barriers and take advantage of opportunities within the single market. Achieving this involves providing services directly to these groups or facilitating digital cooperation between the relevant public authorities. A dedicated budget line, managed by DG GROW, supports the necessary activities.

The activities focus on operating and promoting four key digital services targeting citizens, businesses, and public authorities. 'Your Europe' is a comprehensive online portal offering information and advice on single market matters, including connections to national government services and portals. 'Your Europe Advice' is an online advice service which provides personalised guidance from legal experts to clarify individual EU rights and help citizens understand their rights. The third activity refers to training activities for the members of the SOLVIT network, a Member State-run service that enables citizens and businesses to seek redress when public authorities in another EU country infringe their rights. Finally, the 'Single market Information System' (IMI) is an IT application that facilitates efficient digital administrative cooperation between public authorities across EEA countries in various single market policy areas, for the final benefit of citizens and businesses.

The outputs of these activities refer to: the degree to which these digital services are utilised – since well-designed, user-friendly platforms are expected to achieve significant use; running these services on a daily basis; expanding these services to new areas (where relevant) and enhancing the quality and visibility of these services through regular updates to maintain relevance and usability, alongside efforts to raise awareness among potential users.

The anticipated results are two-fold. On one side, there is an expected increase in the knowledge and awareness of rights and opportunities among citizens, consumers, and SMEs, leading to their empowerment within the single market. On the other side, enhanced cooperation and streamlined communication between public authorities across different countries is facilitated by the IMI system. This indirectly helps citizens and businesses by alleviating for them administrative burdens or complex and time-consuming dealings with national authorities: authorities will communicate in the back office and citizens will get easier and faster results in the front office with the national administrations. Together, these outcomes are designed to enable a more efficient and informed use of single market provisions.

### Objective 1e: Support effective policymaking, standard-setting and enforcement

This objective focuses on ensuring effective policymaking, standard-setting, and enforcement across a variety of single market domains, such as company law, financial services, financial stability, capital markets union, taxation, and customs. Funding is allocated to a dedicated sub-pillar, which is financed through three separate budget lines managed by DG GROW, DG TAXUD, DG JUST, and DG FISMA.

Activities under this objective consist primarily of services procured directly by these DGs to support their policy priorities, rather than through grant funding. Essentially, these activities are seen as internal budget lines supporting the achievement of the operational objectives that the co-legislator set the Commission. The funded initiatives cover technical

assessment and accreditation, the hiring of Harmonised Standards (HAS) Consultants to evaluate documents prepared by European Standardisation Organisations, and administrative agreements with the Joint Research Centre (JRC) for technical expertise. Additionally, funds are allocated for conducting studies, analyses, evaluations, creating and maintaining databases, engaging experts and committees, covering subscription fees, launching communication campaigns, developing and maintaining digital tools, and other related services.

The outputs from these activities are intended to benefit the Member State authorities and EU-level entities involved in related processes. The outputs encompass services provided, such as the technical assessments by HAS Consultants, JRC contributions, the insights offered by external contractors and the information procured, as well as the tasks supported by digital tools developed. The utility and quality of such services are crucial, as they determine their usefulness for the Commission in addressing the needs of the intended target groups. The level of active participation in supported committees, forums, and networks represents another important output indicator.

The intended results involve facilitating the activities of both the Commission and Member State authorities, along with EU-level bodies, to carry out their roles effectively in the relevant policy fields. This facilitation is expected to be achieved through improved access to accurate information, increased skills, expanded knowledge, and greater collaboration between relevant stakeholders. Ultimately, these improvements aim to support consistent and effective policy development, standard-setting, and enforcement.

Beyond all outputs and results listed for the four sub-objectives, Pillar 1 also aligns with the Sustainable Development Goals (SDGs) of the United Nations[4]. Specifically, all its sub-pillars contribute positively to SDG 8, which promotes sustained, inclusive, and sustainable economic growth, by facilitating a more effective Single Market.

### 1.2. Predecessor programmes and budget lines

Unlike other pillars within the SMP, Pillar 1 does not directly follow on from a single, consolidated programme of the 2014-2020 period. Instead, it serves as a continuation of multiple budget lines previously managed by the European Commission throughout those years. As such, it integrates a variety of objectives and funding mechanisms that were previously distinct.

In addition to the budget lines, a notable precursor to Pillar 1 was a grant-based initiative focusing on the training of national judges in EU competition law and fostering judicial cooperation between these judges. This initiative was originally financed under Specific Objective B of the Justice Programme (2014-2020), supporting capacity building and legal coherence within the judicial systems of Member States[5].

Pillar 1 also addresses several commitments made by the Commission prior to 2021, which required sustained funding into the current period. These commitments include initiatives such as the goods package, which emphasises mutual recognition and market surveillance, the establishment of the Single Digital Gateway, the type approval and market surveillance

[4] THE 17 GOALS | Sustainable Development (un.org)

[5] Regulation (EU) 2021/693 of the European Parliament and of the Council of 28 April 2021 establishing the Justice Programme and repealing Regulation (EU) No 1382/2013. The Regulation establishing the Justice Programme (2014-2020) allocated EUR 132.2 million (35% of the total financial envelope) to Specific Objective B to support and promote judicial training. However, training in competition policy law was only one of several policy areas covered by the training.

of motor vehicles, and efforts to enhance the capabilities of Member State competition authorities.

Not all the budget lines currently under Pillar 1 have direct counterparts in the previous period. Hence, there is no straightforward mapping from past budget lines. However, they collectively cover the scope and objectives that were once addressed by a variety of budget lines and initiatives between 2014 and 2020. The table that follows provides an overview of how the current Pillar 1 budget lines correlate with, or diverge from, their predecessor budget lines from the prior funding period. These figures are the SMP funding for 2021-2027 and do not include administrative costs.

**Table 2: Mapping of SMP budget lines to predecessor budget lines**

| Current budget lines (2021-2027) | EUR million | Predecessor budget lines (2014-2020) | EUR million |
|---|---|---|---|
| **03.020101 Operation and development of the internal market of goods and services** (1e) | 189.1 | **Operation and development of the internal market for Goods, Services and Public Procurement:** Support for removing and preventing barriers in the Single Market by the enforcement of EU services and product rules including via market surveillance, conformity assessment and accreditation, mutual recognition, translation under the Single Market Transparency Directive, support for policymaking in services, support for public procurement, and support for a number of sectoral purposes on harmonised product rules. | 159.3 |
| **03.020107 Market surveillance** (1b) | 100.2 | | |
| **03.020102 Internal market governance tools** (1c/1d) | 39.1 | **Internal market:** Governance tools (Tools providing information, advice, assistance and problem-solving services helping citizens and businesses move, operate and live in other Member States, as well as facilitating exchanges between public administrations provided by Single Market regulations) | 29.1 |
| **03.020103 Taxud regulatory work support – Implementation and development of the internal market** (1e) | 21.2 | **Customs and tax policy development support**: Activities - mainly studies - supporting the Commission in its policy development role in the area of EU customs and tax policy. | 22.6 |
| **03.020104 Company Law** (1e) | 7.5 | **Company Law prerogative**: Support for studies with a view to making company law and corporate governance more transparent and efficient in the Single Market; performed studies on cross-border mobility of companies; Commission assessment of third-countries Anti-Money Laundering (AML) regimes; transposition checks of the AML Directives and membership of the Financial Action Task Force on Money Laundering. | 9.2 |

| | | | |
|---|---|---|---|
| **03.020105 Competition policy for a stronger union in the digital age** (1a) | 139.7 | Competition activities were financed previously mostly from the Commission's administrative budget | N/A |
| | | **Justice Programme** (funding for Specific Objective b: support and promote judicial training, including language training on legal terminology, with a view to fostering a common legal and judicial culture) included the grant programme for training of judges in terms of competition law. | * |
| **03.020106 Implementation and development of Single Market for financial services** (1e) | 37.9 | **Implementation and Development of Single Market for Financial Services prerogative**: measures contributing to the completion of the internal market and its operation and development in the area of financial services, financial stability and capital markets union. It covers expenditures on consultations, studies (including conformity assessment of the legislation), surveys, evaluations, meetings of experts, information activities, awareness raising, training materials, publications and development of policy-related IT systems. | 25.9 |

*Sources: European Commission data, and SMP Impact Assessment.*

** The Regulation establishing the Justice Programme (2014-2020) allocated EUR 132.2 million (35% of the total financial envelope) to Specific Objective B to support and promote judicial training. However, training in competition policy law was only one of several policy areas covered by the training*[6].

### 1.3. Point(s) of comparison

The Pillar 1 of the SMP aims to tackle the first specific objective of the SMP, defined in the SMP Regulation. The impact assessment of the Single Market Programme (SMP) serves as the baseline against which Pillar 1 is assessed.

In the area of **competition policy**, the assessment highlighted the importance of robust EU-level enforcement and policy guidance, along with enhanced partnerships at both national and international levels. The growing complexity and number of antitrust, cartel enforcement, and merger control cases required the adoption of advanced digital tools, including artificial intelligence, to streamline case management and investigations. This complexity also necessitated external technical expertise and extensive market analysis. State aid enforcement further required better collaboration with Member State authorities and more sophisticated IT solutions. Efficient coordination within the European Competition Network (ECN), supported by secure, interoperable IT infrastructure, was deemed vital for undistorted competition. Moreover, on a global level, the Commission aimed to foster convergence of competition rules through cooperation with third-country authorities. An additional need was identified for broader stakeholder outreach to raise awareness of citizens and businesses on the application of EU competition rules.

Regarding **market surveillance**, significant enforcement challenges of EU product regulations were highlighted by the impact assessment, driven by the fragmentation of surveillance organisation across the EU, resource limitations for market surveillance

[6] Regulation (EU) 2021/693 of the European Parliament and of the Council of 28 April 2021 establishing the Justice Programme and repealing Regulation (EU) No 1382/2013.

authorities (MSAs), low deterrence from current enforcement tools (especially for imports and e-commerce), and information gaps for both businesses and compliance transparency. Strong EU-level intervention was recommended to counteract these issues. Additionally, preventing technical barriers to the free movement of goods and services was seen to depend on efficient translation of notifications, establishment of a technical regulations repository, and Commission follow-up with Member States on notified drafts. Enhanced market surveillance was also critical for enforcing automotive regulations, while an understanding of sector-specific restrictions was needed for assessing potential new legislative proposals in services. Public procurement faced challenges in ensuring that rules were implemented effectively, leading to a need for support tools for public authorities. Moreover, constant evaluation of product legislation, legal compliance checks, and studies on regulatory impact were required, with external technical expertise identified as necessary to address complex legal matters.

For **Internal Market Governance tools**, the assessment indicated persistent issues of administrative complexity, technical barriers, and enforcement shortfalls faced by citizens and businesses within the Single Market. Services like Your Europe Advice, IMI, and SOLVIT saw a growing number of cases, reflecting these challenges. The Eurobarometer survey further demonstrated an information gap, with only 6% of citizens feeling well-informed about their EU rights and another 36% only fairly well-informed, underscoring the need for tools and platforms to raise awareness[7].

In terms of **company law and anti-money laundering**, the impact assessment pointed to an underdeveloped regulatory framework leading to investor uncertainty and limited market access for companies across the EU. Emerging issues like sustainability, human rights, and digital transformation required adaptation of the regulatory environment to remain effective. Furthermore, a lack of detailed understanding regarding the application of the *acquis* in company law, corporate governance, and transposition in Member States posed risks to legislative objectives. Strengthening cross-border, digital e-government solutions and fostering information exchanges between national authorities were necessary to improve the system. Obliged entities required training on anti-money laundering, and the EU needed to finance its membership in the Financial Action Task Force (FATF). Additionally, the Commission had specific reporting obligations concerning the application of EU laws within these domains.

In the area of the **implementation and development of the single market for financial services** (for example in relation to the completion of the Capital Markets Union (CMU), banking union and sustainable finance), the impact assessment highlighted the need for the Commission to have the necessary tools to ensure an evidence based policymaking, a continuous monitoring of financial markets and the enforcement and implementation of EU legislation, also by assessing whether the existing legislation is fit for purpose and proposing changes when necessary, identifying potential areas for action where new risks emerge, with a continuous involvement of stakeholders throughout the policy cycle.

The combined needs and challenges described in these policy areas formed the key points of comparison against which the evaluation of Pillar 1's performance and impact was measured.

[7] Eurobarometer 430: European Union citizenship, March 2016.

## 2. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

### 2.1. Governance and budget implementation

Pillar 1 of the SMP is implemented through the direct management of several DGs of the European Commission (DG GROW, DG COMP, DG FISMA, DG GROW, DG JUST, and DG TAXUD). No executive agency is involved in the management of this part of the SMP. SMP funds are allocated via grants, procurements, and administrative arrangements.

The SMP funding is distributed across seven budget lines managed by the different DGs. The budget lines finance the sub-pillars, as outlined in Table 3 below. It is to be noted that these figures for 2021-2027 do not include administrative costs.

**Table 3: Pillar 1 budget lines (2021-2027)**

| Name | Description | Responsible DG | EUR million |
|---|---|---|---|
| **Sub-pillar 1a: Competition policy** | | | |
| 03.020105 | Competition policy for a stronger union in the digital age | COMP | 139.7 |
| **Sub-pillar 1b: Product market surveillance** | | | |
| 03.020107 | Market surveillance | GROW | 100.2 |
| **Sub-pillar 1c/1d: Your Europe, Single Digital Gateway / IMI, Solvit, Your Europe Advice** | | | |
| 03.020102 | Internal market governance tools | GROW | 39.1 |
| **Sub-pillar 1e: Support to policymaking, standard-setting and enforcement** | | | |
| 03.020101 | Operation and development of the internal market of goods and services | GROW | 189.1 |
| 03.020103 | Taxud regulatory work support – Implementation and development of the internal market | TAXUD | 21.2 |
| 03.020104 | Company Law | JUST/FISMA | 7.5 |
| 03.020106 | Implementation and development of Single market for financial services | FISMA | 37.9 |

*Source: European Commission data, elaboration for the supporting study.*

The SMP Regulation provided for an indicative budget of EUR 557 million for pillar 1 for the seven-year programme period, including administrative costs. The total implemented budget of pillar 1 of the SMP for the programme period targeted for this interim evaluation (2021-2023) is approximately EUR 238 million, as outlined in Table 4 below, which includes administrative costs. This constitutes 43% of the total Pillar 1 financial envelope for the seven-year duration of the SMP. With 3 out of 7 years of implementation completed (42%), the allocated funding at this mid-term milestone is on track and has been appropriate. It is to note that the total budget of the SMP has been reinforced with transfers from other budget lines outside of the programme.

Additionally, funding was distributed relatively evenly across the years within each sub-pillar. However, spending under Pillar 1b was somewhat lower in 2021 compared to the later years, whereas for Pillar 1e, it was slightly higher in 2021 than in the following years.

**Table 4: Allocation of SMP funding in Pillar 1**

| | 2021 | | 2022 | | 2023 | | TOTALS | |
|---|---|---|---|---|---|---|---|---|
| | EUR | % | EUR | % | EUR | % | EUR | % |
| 1a) Competition | 20 395 275 | 33 | 20 382 063 | 33 | 20 584 971 | 34 | 61 362 309 | 100 |
| 1b) Market surveillance | 10 844 093 | 27 | 14 564 621 | 36 | 14 913 528 | 37 | 40 322 242 | 100 |
| 1c/1d) Your Europe, SDG, IMI, Solvit | 5 560 268 | 33 | 5 607 297 | 33 | 5 784 666 | 34 | 16 952 231 | 100 |
| 1e) Support to policymaking, standard-setting and enforcement | 45 071 855 | 38 | 38 928 376 | 33 | 35 184 190 | 30 | 119 184 423 | 100 |
| TOTAL | 81 871 491 | 34 | 79 482 357 | 33 | 76 467 355 | 32 | 237 821 203 | 100 |

*Source: SMP Work Programmes 2021; 2022; 2023-2024.*

## 2.2. Competition (1a)

### 2.2.1 Overview

The aim of Pillar 1a Competition Policy is to bring benefits to consumers, businesses as well as society by safeguarding competition on the market and promoting competition culture in the EU as well as worldwide. Effective competition policy enforcement has a

very significant impact on customer savings and have a significant positive impact on the EU economy overall[8]. The SMP Regulation and the financial programming under the Multi-Annual Financial Framework for the period of 2021-2027 allocates EUR 140 million to competition policy, excluding administrative costs.

The expected outputs for competition policy under this specific objective are:

- Actions to support the development, improvement, maintenance, acquisition and modernisation of digital tools, big data and artificial intelligence solutions, forensic IT, and related equipment and services.
- Actions to support the effective implementation and enforcement of competition policy (i.e. studies, consultations, evaluations, assessments, legal or economic analysis that may feed into policy and guidance development)
- Measures to foster knowledge development, the exchange of best practices and expertise with and between enforcement bodies, national courts, and other relevant Member State authorities, third-country authorities or international organisations.

Pillar 1a covers grants, procurement and other administrative arrangements/actions.

Grants cover:

- training of judges and competition and/or non-competition national enforcers to raise competition awareness and develop investigative cooperation;

Procurement covers:

- expertise, studies, evaluations, impact assessments, surveys, consultations, legal or economic analysis, market data gathering, market intelligence and other types of support; acquisition of data and other information sources;
- capacity building activities and trainings in the field of competition;
- support for exchange of best practices and expertise;
- organisation of meetings, workshops, seminars and conferences which support the development and strengthening of cooperation and cooperation structures with and between enforcement bodies, national courts and other relevant Member State authorities, third-country authorities or international organisations;
- communication and advocacy activities including support tools;
- development, improvement, maintenance, acquisition and modernisation of digital tools, big data and artificial intelligence solutions, forensic IT, and related equipment and services[9].

The table below shows the allocation of funding by type of funding, for 2021-2023, including administrative costs.

**Table 5: Allocation of SMP funding for competition policy**

| | 2021 | 2022 | 2023 | TOTALS |
|---|---|---|---|---|

[8] 'Modelling the macroeconomic impact of competition policy: 2023 update and further development', report prepared by the Directorate-General for Competition, the Joint Research Centre and the Directorate-General for Economic and Financial Affairs, Publications Office of the European Union. The modelling suggests that the Commission's competition policy interventions can lead to a medium to long-term increase in real GDP (compared to the baseline) in the range of 0.6% - 1.1% (the equivalent of an uplift of EUR 80 - 150 billion in 2019 GDP), as well as a 0.3% - 0.7% reduction in the price level.

[9] ibid.

| | EUR | EUR | EUR | EUR | % |
|---|---|---|---|---|---|
| Grants | 300 000 | 2 400 000 | 1 300 000 | 4 000 000 | 7 |
| Procurements | 19 688 775 | 17 626 063 | 18 833 971 | 56 148 809 | 92 |
| Administrative arrangements and other expenditure | 406 500 | 356 000 | 451 000 | 1 213 500 | 2 |
| TOTAL | 20 395 275 | 20 382 063 | 20 584 971 | 61 362 309 | 100 |

*Source: SMP Work Programmes 2021; 2022; 2023-2024.*

The activities supported under the competition policy sub-pillar, include: i) digital tools in the field of competition policy; ii) actions to support policy implementation/enforcement; and iii) measures to foster knowledge development and exchange and training, events. These are described in the sub-sections that follow.

### 2.2.2 Digital tools

Pillar 1a supports actions to support the development, improvement, maintenance, acquisition and modernisation of digital tools, big data and artificial intelligence solutions, forensic IT, and related equipment and services.

With regard to digital tools, DG COMP's continued digital transformation[10] supports EU competition enforcement adhering to the principle and objectives of the European Commission Digital Strategy (ECDS). Digital solutions include CASE@EC, the corporate Commission's information system for case management, eDiscovery for review and evidence discovery in companies' document submissions, AI-enabled solutions to increase investigation efficiencies. Digital solutions used to communicate and collaborate with Member States and citizens include State Aid Notification Interactive (SANI2), State Aid Reporting Interactive (SARI2), European Competition Network (ECN2), Transparency Award Module (TAM) and Open Data and Search Engine (ODSE). Digital solutions used to collaborate with undertakings include eTrustEx (now called EU SEND), eRFI, eConfidentiality and eLeniency. DG COMP's digital solutions offering specific purpose services interoperate with each other to exchange data, and when required offer system-to-system features to exchange data with Member States solutions.

Given the sensitive and confidential nature of much of the information that DG COMP is handling, DG COMP's information has specific security requirements. Therefore, security monitoring as well as the implementation of control and compliance measures required by the corporate IT security policies and improving the IT security of information systems are part of the IT activities financed by sub-pillar 1a of the SMP.

### 2.2.3 Studies and consultations to support the effective implementation and enforcement of competition policy

Between 2021 and 2023, a total of EUR 10.6 million was committed for studies and consultations. A number of framework contracts covering policy and case work, including

[10] See also the Annual Activity Report of DG Competition of 2023 (Section 3.2) for specific developments on DG COMP's IT tools that were implemented in 2023: Annual activity report 2023 - Competition - European Commission (europa.eu).

under the new competition policy instruments (Foreign Subsidies Regulation and Digital Markets Act) have been put in place in order ensure speedier budget implementation. Examples of studies and consultations undertaken so far include:

- Study on the impact of State aid rules for banks in difficulty.
- Support study for the evaluation of Regulations 1/2003 and 773/2004.
- Study on the Guarantee Notice.
- Market study on cloud analytics including eDiscovery solutions for use in competition investigations (12 months contract).
- *Ex post* evaluation of the implementation and effectiveness of antitrust remedies (20 months contract), targeted study on a comparatively small sample of antitrust cases assessing the effectiveness of antitrust remedies, particularly with regard to cases in the digital sphere.
- Survey of practitioners on deterrence effects of merger and antitrust enforcement (14 months contract).
- Exploring aspects of the state of competition in the EU. This is the first preparatory study for the report 'Protecting competition in a changing world. Evidence on the evolution of competition in the EU during the past 25 years[11]' and covers four separate but interrelated work streams: (1) Evolution of State of Competition of EU over time (special topics: superstar firms and export champions), (2) Effectiveness of State aid to counter COVID crisis identify sectors, (3) Identifying potentially malfunctioning sectors (special topic: why well-functioning competition matters: price concentration studies) and (4) The costs of non-competition. (12 months contract).

### 2.2.4 Grant programmes for training of judges and competition and/or non-competition national enforcers to raise competition awareness and develop investigative cooperation

This section outlines in more detail the different actions that were implemented under one of the calls under the grant programme for training of judges in EU Competition law. Given that DG COMP still had legacy programmes being implemented under the Justice Programme, the first call was launched in 2022: '*SMP-COMP-JUDG-2022'*, financed projects related to 'Training of national judges in EU competition law' for a total of EUR 786 800.35[12]. The six projects financed under this call will train a total of 343 judges and will produce guidance materials (publications, databases, podcasts, video lessons) with open access to a wider audience. A second call *SMP-COMP-JUDG-2023* was launched on 28 November 2023. The projects are:

- Supporting National Judges on State Aid (SUNAJUST): a training project, by set up by the Brussels Centre for Competition Policy (BCCP) at the Vrije Universiteit Brussel (VUB)[13], that includes a manual published in 2024, providing basic knowledge and critical analysis in the domain of EU State aid law for national judges.

[11] https://competition-policy.ec.europa.eu/publications/ex-post-economic-evaluations_en.
[12] https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/smp-comp-judg-2022.
[13] Wout De Cock, Caroline Buts & Seppe Maes, Supporting National Judges on State Aid Perspicacious Through the State Aid Thicket, Lexxion (2024).

- European Network and Training for National Competition Enforcers (ENTraNCE for Judges 2024): organised by the Centre for a Digital Society at the European University Institute (EUI) and building on 13 previous editions. The training aims to enable 26 national judges from EU/EEA Member States and other countries to expand their knowledge and share experience in EU competition law enforcement[14].
- Competition Law and Digital Markets Development (CLDMD): coordinated by the European Woman Lawyers Association (EWLA), CLDMD targets 35 national judges to provide training, networking and cooperation opportunities within one EU-wide event available in person and online.
- Database of EU Competition Law Materials 2022-2024 (DataComp 2022-2024): establishes a database of 400-500 case notes of national rulings concerning the application of Articles 101 and 102 TFEU, which will serve as an open resource for national judges. The project also provides for a training course for 26 national Judges. DataComp builds on the EUI's experience in organising the ENTraNCE for Judges from 2011.
- Digital Markets and Competition Policy (DicO): the European University of Rome is hosting a two-year Networking and Training Course in competition policy and law enforcement in digital markets for EU judges[15].
- Comp Lab for Judges: Dedicated laboratory to discuss, exchange and engage in competition policy, under the framework of the OECD-GVH Regional Centre for Competition in Budapest (RCC) (CompLab). The project featured two two-day seminars focused on the digital sector and regulated markets, highlighting key concepts of EU competition law that highlight the enforcement in these sectors, and the key developments in their application[16].

### 2.2.5 Other measures

The SMP funds a number of additional measures to foster knowledge development, the exchange of best practices and expertise with and between enforcement bodies, national courts, and other relevant Member State authorities, third-country authorities or international organisations.

These collaborative activities provide forums for exchanges of best practices and expertise on competition matters between DG COMP and Member States public authorities, such as meetings and working groups mainly with National Competition Authorities, such as State Aid Modernisation Working Group, Working group on Foreign Subsidies Regulation, Economic Advisory Group on Competition Policy and Transparency Award Module Steering Group, as well as the operation of the European Competition Network (ECN), including Chief Economists' meetings, ECN Working Group Meetings.

In addition, DG COMP offers technical assistance to competition authorities in accession countries, pre-accession countries and countries with which the EU has a significant trade relationship. The DG organises seminars and workshops for visiting delegations. It also

[14] ENTraNCE Training of National Judges in EU Competition Law 2024 EDITION, available at: https://competition-policy.ec.europa.eu/system/files/2023-11/conference_EU_Competition_Law_and_digital_markets_development_flyer.pdf, https://competition-policy.ec.europa.eu/document/download/87303a34-47fd-4e54-862d-000f92f7aaca_en?filename=flyer_ENTraNCE_2024.pdf.

[15] Universita Europea di Roma, Digital Markets and Competition Policy for EU Judges, available at: https://www.universitaeuropeadiroma.it/competition-policy/dico/project/.

[16] https://www.oecd.org/daf/competition/oecd-rcc-gvh-competition-lab-judges-november-2023.pdf.

sends ‘in-house’ experts or assists in finding external experts to events hosted by other organisations. DG COMP regularly welcomes colleagues from non-EU Competition Authorities for either very short-term visits (1-2 weeks) or for longer internship type visits (3 months). In order to deal efficiently with these requests, a COMP Exchange Scheme was set up.

## 2.3. Market surveillance (1b)

Support for product market surveillance seeks to ensure that products available on the EU market comply with applicable laws, regulations, and EU health and safety standards.

Sub-pillar 1b primarily finances initiatives that support national market surveillance authorities (MSAs) and the Commission in carrying out their market surveillance duties. This includes the provision of tools and facilities to enhance product testing, such as European Union Testing Facilities (EUTF), along with equipment, training, research, and digital tools. It funds activities that promote cooperation and capacity building, including the EU Product Compliance Network (EUPCN), the Administrative Cooperation Groups (AdCos), and joint actions between MSAs to foster collaboration and standardise practices. The Pillar also enables the Commission to procure studies, analyses, evaluations, and databases.

### 2.3.1. Operation of the EU Product Compliance Network (EUPCN)

The EUPCN was established under Article 29 of the Market Surveillance Regulation. Its membership comprises representatives from each Member State, including a representative from each single liaison office, optional national experts, chairs of the Administrative Cooperation Groups (AdCos), and representatives from the European Commission. The EUPCN’s mandate, according to Article 29, is to provide a platform for structured coordination and cooperation between Member States’ enforcement authorities and the Commission, to streamline market surveillance practices across the EU, and to improve the overall effectiveness of market surveillance. Its tasks include identifying common surveillance priorities, organising joint surveillance and testing projects, sharing expertise and best practices, facilitating training programmes and personnel exchanges, organising information campaigns, developing guidance for the application of the regulation, and evaluating national surveillance strategies.

The SMP funding enables the Commission to run the executive secretariat that offers technical and logistical support as required by Article 33 (Grant of EUR 1.15 million in 2021; EUR 2 million in 2022).

### 2.3.2. Administrative secretariat for Administrative Cooperation Groups (AdCos)

AdCos are informal groups of market surveillance authorities in specific sectors, meeting several times per year to discuss sector-specific issues and ensure comprehensive, consistent market surveillance. Other stakeholders, such as testing laboratories and certification bodies, may participate as needed. There are currently 34 AdCos.

A grant of EUR 50 000 was provided in 2021, followed by procurement contracts of EUR 1 million in 2022 and EUR 929 000 in 2023. In 2022-2023, SMP funding supported meeting organisation, travel and accommodation for AdCo chairs, and management fees for the technical secretariat.

### 2.3.3. Establishment and functioning of European Union Testing Facilities (EUTF)

Regulation (EU) 2019/1020 allows the Commission to designate a public testing facility in a Member State as an EUTF for specific products or risks. The EUTFs support market surveillance authorities by minimising the need for duplicate testing facilities, especially where costly testing equipment is involved. EUTF responsibilities include product testing, offering independent advice, conducting training, organising workshops for the EUPCN, and engaging with relevant standardisation bodies. EUTFs must be accredited public legal entities, in line with the Regulation's accreditation and market surveillance requirements.

The SMP allocated EUR 2 million for the development of two EUTFs covering radio equipment and toys. A second call for expressions of interest, ending on 2 October 2023, focuses on construction products, ecodesign, and energy labelling.

### 2.3.4. Support for joint product inspection campaigns

Joint product inspection campaigns (also called 'joint actions') are organised by the Commission and implemented jointly by MSA of Member States wishing to participate, with the support of an external organisation selected by the Commission and which plays the role of coordinator. Joint actions are crucial to increase cross-border cooperation between Member States, share knowledge, exchange best practices and harmonise ways of working across the EU, including risk assessment. The Joint actions are particularly important for MSAs which are responsible for many product sectors, and which are therefore less specialised. The Joint actions represent an opportunity for them to increase their knowledge about testing of certain product categories they are less familiar with. Generally, the joint actions are useful to tests product that can rarely be tested at national level, either because of limited national resources – sampling and testing can be costly for certain product categories - or because of lack of testing laboratories on the national territory.

In 2021, EUR 1.531 million in grants was allocated. A call was launched in August 2021 for joint enforcement actions to assist Member States' authorities in product testing and market surveillance related to EU harmonised legislation, as well as horizontal actions for efficient implementation of Regulation 2019/1020. Funding increased to EUR 4 million in 2021, EUR 7.479 million in 2022, and EUR 5.399 million in 2023 via specific contracts with EISMEA.

### 2.3.5. Digital tools

The SMP provides funding for digital tools that the Market Surveillance Regulation mandates the Commission to provide.

- IT-related activities for market surveillance information systems and projects, including ICSMS (EUR 2.822 million in 2022; EUR 2.653 million in 2023).
- An electronic interface for the automatic exchange of data between national market surveillance systems and the ICSMS, as per Article 34(2) (EUR 162 000 in 2021).
- An electronic interface to enable the automatic flow of electronic data between national customs systems and the ICSMS, as stipulated by Article 34(7) of the regulation. This includes the EU Customs Single Window Certificates Exchange System (EU CSW-CERTEX), operated by DG TAXUD (EUR 1.423 million in 2021 and EUR 560 000 in 2023).

- The Commission developed 3 IT pilot projects to facilitate, automate and digitalise market surveillance operations (Proactive WebCrawler, Document digitalisation, Unique Identifier).

### 2.3.6. Administrative arrangement with the JRC

SMP funding has supported the JRC in providing scientific and technical assistance for EUPCN preparatory actions and market surveillance cooperation via the Administrative Agreement AA2021 (EUR 400 000 in 2021; EUR 542 000 in 2022; EUR 750 000 in 2023).

The JRC contributed to four key partnerships, focusing on:

- The ICSMS database, a pan-European market surveillance information system that allows Member States' authorities to exchange information. This included technical reports on harmonised data input, specifications for the database and its interfaces, and consolidation of compliance indicators for the Single Market Scoreboard.
- AdCo activities, including evaluations of AdCo efforts from 2019-2020, reporting on planned annual activities for 2021-2022, and supporting joint enforcement actions.
- Support for the designation of EUTFs, including identifying priority sectors, drafting calls for EUTF designation, participating in selection panels, and evaluating exercises carried out by the EUTFs.
- Peer reviews of market surveillance authorities, with the development of guidelines and support for organising and evaluating a pilot peer-review process.

**Studies**: Several studies have been funded, including:

- A study measuring product non-compliance across sectors covered by Regulation 2019/1020. The study tested the Commission's methodology for tracking and monitoring non-compliance trends. The contract was awarded on 20 December 2021 following a call for tenders that closed on 31 August 2021.
- An evaluation of Article 4 of Regulation (EU) 2019/1020, funded by a EUR 130 000 contract in 2023.

### 2.3.7. Union market surveillance and related activities (including resources, equipment, IT tools, and training)

In 2021, EUR 1.257 million in grants was provided to upgrade and develop IT tools for non-food product market surveillance by Member States' authorities. The offer received was not satisfactory. The budget was used the next year for Joint Inspection campaigns.

## 2.4. Your Europe, SDG, Your Europe Advice, IMI (1c/1d)

Sub-pillars 1c and 1d covered the activities in the area of single market governance. The actions in this area were financed through the Budget Line 3020102: 'Internal Market Governance Tools' and included IT as well as and communication activities for Your Europe, Single Digital Gateway, Your Europe Advice, IMI and training activities for Solvit. Your Europe, as the front-end of the Single Digital Gateway, is an EU portal, available in all official EU languages, that is designed to help citizens to move, study, work, travel, or companies to do business, in other European countries – avoiding unnecessary inconvenience and red tape. Your Europe offers practical, user-friendly

information on basic rights under EU law; access to a network of national portals providing information on how EU rules are applied in each EU country for cross-border users, access to online procedures, and free email or telephone contact with EU assistance services, to get more personalised or detailed help and advice.

**The Internal Market Information System** (IMI) is an IT application that helps public authorities across the EU-27 and EEA fulfil their legal obligations across multiple policy areas where information exchange is required. The IMI allows public authorities to communicate quickly and easily with their counterparts in different Member States with a view to modernising cross-border administrative cooperation and improving the functioning of the Single market for the final benefit of citizens and businesses who will exercise their free movement easier and faster. End users of the IMI include public authorities at national, regional and local levels. Over time, the IMI has expanded to support an ever-growing number of administrative cooperation procedures. It now supports 97 cross-border administrative cooperation procedures in 20 policy areas from different EU institutions. It also interconnects with a number of other IT systems like the IMI front offices (the European Professional Card and the Road Transport Posting Declaration portal) or other systems (like the European Direct Contact Centre, Your Europe Advice).

**SOLVIT** is a network between Member States solving concrete problems that citizens and business encounter in the Single market. DG GROW coordinates the network with the support of policy experts across the Commission and the national SOLVIT centres who deal with case-handling and the actual problem solving. The SOLVIT team within DG GROW organises training and workshops at the network level, to ensure cooperation with other networks, to take part in promotional and awareness raising materials and to maintain the SOLVIT website. The SOLVIT centres are financed directly by the Member States. Financing from the SMP was used for promotional materials, trainings and networking events.

**Your Europe Advice** is an online service providing information and advice for citizens and businesses about their individual EU rights in relation to living, studying, working, shopping, travelling (and for SMEs, doing business) within the EU. The service was fully funded by the SMP during 2021-2023 but will also be part-funded by other DGs from 2024.

### 2.5. Policymaking, standard-setting and enforcement (1e)

Activities under sub-pillar 1e address the objectives outlined in Article 3(2)(a)(i) of the SMP Regulation: ‘facilitating the prevention and removal of discriminatory, unjustified or disproportionate obstacles and supporting the development, implementation and enforcement of Union law in the areas of the internal market for goods and services, including by improving the application of the principle of mutual recognition, of public procurement rules, of company law, of contract and extra-contractual law, of anti-money laundering rules, of the free movement of capital and of financial services and competition rules, including by developing user-centric governance tools’.

Sub-pillar 1e supports a range of activities, IT tools and data to support policymaking, standard setting and enforcement, with the view to promote competition, reducing costs, and ensuring interoperability of products and services.

A total of EUR119 184 423 is allocated to this sub-pillar through four different budget lines, which are managed by four Directorate Generals (DGs) of the Commission, DG GROW, DG JUST, DG FISMA and DG TAXUD. The majority of the funding (82%) was

allocated via procurements. The remainder was allocated via administrative arrangements and other expenditure (13%), grants (4%) and indirect management (2%).

**Table 6: Pillar 1e funding by implementation mode**

| | 2021 | 2022 | 2023 | TOTALS | |
|---|---|---|---|---|---|
| | EUR | EUR | EUR | EUR | % |
| Grants | 1 300 000 | 1 555 000 | 1 500 000 | 4 355 000 | 4% |
| Procurements | 38 901 510 | 33 250 416 | 25 366 808 | 97 518 734 | 82% |
| Administrative arrangements and other expenditure | 4 970 345 | 4 122 960 | 5 982 382 | 15 075 687 | 13% |
| Indirect management | 0 | 275 000 | 1 920 382 | 2 195 382 | 2% |
| TOTAL | 45 171 855 | 39 203 376 | 34 769 572 | 119 144 803 | 100% |

*Source: SMP Work Programmes 2021; 2022; 2023-2024.*

**The SMP has enabled funding for the following main activities, which are detailed in Table 7 below.**

**Funding for technical assessment and accreditation**, such as the support for the European Organisation for Technical Assessment (EOTA), which received an operating grant of EUR 1.8 million from 2021 to 2023. EOTA is a Europe-wide association of Technical Assessment Bodies under the Construction Products Regulation (CPR), responsible for providing the European Technical Assessment (ETA) for innovative or non-standard construction products and is the body assessing the application of CE marking for these products. Additionally, EUR 2.2 million in grants were allocated over 2021-2023 to the European Cooperation for Accreditation, supporting the operation of the peer evaluation system of National Accreditation Bodies. This was further formalised under a Framework Partnership Agreement to ensure the ongoing operation of the peer evaluation system.

**Coordination groups of the Notified Bodies** were supported via procurement over 2021-2023.

**Harmonised Standards (HAS) Consultants** were tasked with assessing whether documents drafted by European Standardisation Organisations comply with Commission requests and support relevant EU legislation requirements[17].

**Administrative agreement with the JRC** which has provided technical expertise through, supporting several key EU regulations. For instance, in preparing the new Batteries Regulation[18], adopted on 12 July 2023, the JRC conducted research to ensure batteries

[17] Prior to the SMP, DG GROW appointed a contractor to establish and manage a network of HAS consultants for technical assessments during the development of harmonised standards. The first consultants were appointed in 2018, and the network now includes around 50 consultants covering various sectors.
[18] Batteries Regulation - 2023/1542 - EN - EUR-Lex.

placed on the EU market are sustainable, safer, and more durable (EUR 847 000 in 2022)[19]. In other areas, the JRC supported market surveillance and motor vehicle conformity (EUR 3.075 million in 2021) and contributed to automated vehicle safety (EUR 950 000 in 2021-2022).

**The Commission has procured a range of studies, evaluations and impact assessments with SMP funding**, such as studies and economic analysis concerning the internal market of goods and service. Moreover, SMP funding has supported the assessments of the conformity of national measures transposing directives and/or assessment of the implementation of regulations as well as assessments of the conformity of legislation of third countries with Union legislation.

**Subscription to databases of information** needed to supporting policymaking and monitoring of financial markets.

**Fees for membership of international organisations**: in the area of financial services, these include the International Organisation of Securities Commission (IOSCO)[20], the International Financial Consumer Protection Organisation (FinCoNet)[21], the International Association for Insurance Supervisors (IAIS)[22] and the Financial Action Task Force (FATF)[23].

**Development and maintenance of IT tools including**:

- FIU.Net is the dedicated European information system connecting decentralised databases allowing FIUs (Financial Intelligence Units in Member States) to exchange information[24]. It is a fundamental pillar of the anti-money laundering and counter terrorist financing framework.
- EU Taxonomy Compass aims to make the contents of the EU Taxonomy easier to access for a variety of users[25]. It enables users to check which activities are included in the EU Taxonomy (Taxonomy-eligible activities), to which objectives they substantially contribute and what criteria have to be met for activities to be considered Taxonomy-aligned.
- KOEL (Knowledge Online on European Legislation) is a web-based application specifically developed to manage legislative acts, legal obligations (reporting obligations to co-legislators and transpositions), Q&As and case law, as well as to evaluate the workload and to follow-up the implementing obligations by the Member States.
- EMT (Events Management Tool) is used to manage the life cycle of meetings with external stakeholders, including interest representatives.
- MICE (Monitoring of Informatics Contracts for Experts) is a web-based interface facilitating planning, timesheet management & reports of IT experts.

**Table 7: Detailed activities supported under sub-pillar 1e**

[19] 5 ways EU scientists are making batteries better, safer, and greener - European Commission.
[20] https://www.iosco.org/.
[21] https://www.finconet.org.
[22] https://www.iaisweb.org/.
[23] https://www.fatf-gafi.org/en/home.html.
[24] https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-countering-financing-terrorism-overview_en.
[25] https://ec.europa.eu/sustainable-finance-taxonomy/home.

| Activities by budget line and implementation mode |
|---|
| **Budget line 03.020101 Operation and development of the internal market of goods and services** |
| Grants<br>• European Organisation for Technical Assessment (EOTA) (EUR 1.8 million)<br>• European Cooperation for Accreditation and for the operation of the peer evaluation system of National Accreditation Bodies (EUR 2.28 million)<br>• Framework Partnership Agreement covering the European Cooperation for Accreditation and the operation of the peer evaluation system |
| Procurements:<br>• Coordination groups of the Notified bodies<br>• Data, information and knowledge<br>• Evaluation and reporting<br>• Framework Contract for the procurement of economic studies and analysis to Impact Assessments<br>• Impact assessments and evaluations<br>• Information technology<br>• Management of the pool of harmonised standards consultants<br>• Other Policies implementation<br>• Studies and economic analysis concerning the internal market of goods and services<br>• Support of mutual recognition in the area of goods<br>• Technical support<br>• Translations of notified texts<br>• Workshops, conferences, dissemination, meetings, compliance activities and information campaigns |
| Administrative expenditure:<br>• Administrative arrangements with the JRC<br>• Biodegradability criteria for polymers in coating agents for a product - administrative arrangements with the JRC<br>• Compnet database<br>• Development of technical specifications for rechargeable batteries<br>• Fellowship programme<br>• JRC support for the new batteries regulation<br>• Market Surveillance and In-Service Conformity of motor vehicles – administrative arrangements with the JRC<br>• Preparatory studies for horizontal topic(s) under the Ecodesign working plan 2021-25<br>• Reimbursement experts/committee members - mutual recognition<br>• Reimbursements to experts in accordance with Article 77(4), point (c), of Regulation (EC) No 1907/2006<br>• Reimbursements to experts/committee members<br>• Reimbursements to experts/committee members: Workshop with Creative & Cultural industry stakeholders<br>• Reimbursements to experts/meeting members for standardisation<br>• Safety for automated vehicles - administrative arrangements with the JRC<br>• SPI – Lead market initiative. Development of Lead Market category rules on low-carbon high sustainability markets<br>• Study on SAR for mobile phones |
| Indirect management:<br>• Microeconomic analysis of industrial ecosystems<br>• GHS hazard classes<br>• Contribution to the EIB's survey on ecosystem |

| |
|---|
| • Translations of notified texts<br>• Valuation of health and environmental |
| **03.020103 Taxud regulatory work support: Implementation and development of the internal market (TAXUD)** |
| Procurements:<br>• Studies, impact assessments, communication campaigns, databases, tools and supporting services, information systems<br>• Scientific Customs<br>• Evaluation and reporting<br>• Information on new tender procedures |
| Indirect management:<br>• Inclusive Forum on Carbon Mitigation Approaches (IFCMA) |
| **03.020104 Company Law** |
| Procurements:<br>• Studies/reports/compliance assessments and IT developments in the field of company law, contract and extra-contractual law and anti-money laundering, including the international dimension of these policies<br>• Enhancements of the Beneficial Ownership Register Interconnection System ('BORIS')[26] |
| Other expenditure:<br>• Administrative Arrangements with JRC<br>• Contributions paid by the Union as subscriptions to bodies of which it is a member |
| Indirect management:<br>• Development of a methodology for the preparation of a Supra-National Risk Assessment |
| **03.020106 Implementation and development of the internal market for financial services** |
| Procurements:<br>• Development, maintenance, hosting and user support of IT tools: FIU.Net, EU Taxonomy Compass, Knowledge online on European Legislation (KOEL), Events Management Tool (EMT), Monitoring of Informatics Contracts for Experts (MICE)<br>• Assessments of conformity of national measures transposing directives; implementation of regulations; conformity of third-country legislation with Union law<br>• Studies, surveys, assessments and evaluations |
| Other expenditure:<br>• Communication strategy of DG FISMA<br>• Contributions paid by the Union as subscriptions to bodies of which it is a member<br>• Subscription to databases of information and news services on companies and financial markets<br>• Administrative Arrangements with JRC |

*Source: European Commission data, elaborated for the supporting study.*

[26] https://e-justice.europa.eu/38590/EN/beneficial_ownership_registers_interconnection_system_boris

## 3. EVALUATION findings (analytical part)

### 3.1. Effectiveness

This chapter outlines an evidence-based analysis of how successful the pillar 1 of the SMP has been in progressing towards or achieving its objectives during the evaluation period.

#### 3.1.1. Competition (1a)

Sub-pillar 1(a) aims to ensure effective and up-to-date enforcement of EU competition policy and policy actions; enhance cooperation and partnership with public administrations in the EU; contribute to a global cooperation and partnership with third countries' authorities and raise awareness of EU Competition policy.

**The competition policy actions have enhanced the measurement of the impact of the Commission's enforcement actions**. The Commission has measured the direct impact of its enforcement actions related to cartels and mergers since 2012. Initially, the focus was limited to the *direct* customer savings in these enforcement areas. In 2022, the Commission was for the first time able to include a full ten-year dataset on the direct customer savings generated by non-cartel antitrust interventions[27]. The Commission estimates that direct customer savings generated by its cartel, antitrust and merger enforcement over the period 2014-2023 range between EUR 13.7 billion and EUR 23.4 billion per year.

Furthermore, the Commission services (specifically, DG COMP together with the JRC and with the assistance of DG ECFIN), used and further expanded a macroeconomic model of the EU economy to assess the effects of competition policy enforcement on these latter, economy-wide indicators[28]. The modelling suggests that the Commission's competition policy interventions can lead to a medium to long-term increase in real GDP (compared to the baseline) in the range of 0.6% - 1.1% (the equivalent of an uplift of EUR 80 - 150 billion in 2019 GDP), as well as a 0.3% - 0.7% reduction in the price level.

While the Commission's monitoring and evaluation framework for the SMP includes result indicators relating to these customer savings, it should be noted that such savings result from the broader activities of DG COMP, not exclusively attributed to the SMP. On that basis, these result indicators must be seen in the context of the wider activities of DG COMP, which are supported by the SMP.

Other studies have also contributed to improving the impact of Commission policy and the enforcement actions. As outlined in Section 3.2.3 this includes the study on the *ex post* evaluation of the implementation and effectiveness of antitrust remedies, a survey of practitioners on deterrence effects of merger and antitrust enforcement and the study on exploring aspects of the state of competition in the EU.

**The competition policy digital solutions have served increasing numbers of users.** Data from DG COMP shows the following:

- The number of external users and visitors rose from 15 851 in 2022 to 178 521 in 2023[29].

[27] See Competition Policy Brief - Customer savings, a 10-year perspective (2022).

[28] 'Modelling the macroeconomic impact of competition policy: 2023 update and further development', report prepared by the Directorate-General for Competition, the Joint Research Centre and the Directorate-General for Economic and Financial Affairs, Publications Office of the European Union, https://op.europa.eu/en/publication-detail/-/publication/c086d580-2229-11ef-a251-01aa75ed71a1/language-en.

[29] This number covers: AIDCAL, ECN2, eConfidentiality, eLeniency, ERFI, ETX, ODSE, SANI2, SARI2, TAM.

- In 2022, the number of training sessions and trained internal users on DG COMP digital solutions rose from 11 in 2022 to 24 in 2023.
- The number of visits/views of DG COMP digital solutions e-learning materials (e.g. videos) rose from 13 602 in 2022 to 16 596 in 2023. These concerned in particular CASE@EC, eConfidentiality, SARI2, TAM and eRFI.

Certain tools such as CASE@EC are ubiquitous among DG COMP staff, since it is where the information about cases resides. Staff use it daily. However, CASE@EC has not been fully rolled-out to all the instruments that DG COMP manages antitrust and cartels and mergers still use ageing legacy case applications. The deployment of CASE@EC for those ageing applications, which will enable to reduce costs of using separate systems and enhance security and other aspects of the existing applications, will still be implemented before the end of the programming period.

Similarly, eDiscovery is plugged in on the case file and has widespread use among DG COMP staff who are working on a case, as it is essential to enable them to search documents on the file for relevance and to enable the efficient drafting of decisions. Other tools such as eConfidentiality, eLeniency, eRFI, SARI2, TAM, SANI2 and ECN2 enable exchanges of data between DG COMP and different stakeholders (companies, law firms, national competition authorities, public administration entities awarding State aid, etc.). These have become an essential part of communication between these stakeholders and DG COMP. For example, a vast majority of companies wishing to make a leniency application now use eLeniency instead of the traditional oral procedure at DG COMP's physical offices).

**The competition policy digital solutions have facilitated the secure and effective exchange of confidential information for large numbers of users**. The number of submissions by external users in public and private organisations via DG COMP digital solutions was 91 656 in 2022, and 112 742 in 2023[30].

**Improvements in digital solutions offer opportunities for more secure and effective exchange of confidential information with Member State authorities, private companies and their law firms, including through the exploitation of cloud-like services.** As described above, all the various tools (e.g. eConfidentiality, eLeniency, eRFI, ECN2) have featured enhancements in the services provided and as in their technical capabilities, as well as more routine upgrades of security, functionality, etc. The exploitation of 'cloud on-premises' services and the gradual usage of secured AI-driven processing of data, will extend even further these capabilities both on their performance/scalability as well as on their enhanced standardised security features. The majority of NCAs (20 out of 23) answering the relevant question in the survey for this evaluation reported that the digital tools had facilitated the secure and effective exchange of confidential information. Generally, the digital solutions are more secure for the exchange of confidential information than the alternative or the preceding approach. In the case of eLeniency, no traces are left on the computer of the external party as equivalent to the onsite procedure, while all the digital solutions which involve exchange of data with non-DG COMP stakeholders are more secure than encrypted email or sending links to documents stored in the cloud. Tools such as eConfidentiality or, to a lesser extent, eRFI also enable smoother negotiation of confidentiality of information in the context of non-confidential decisions and access to file. CASE@EC enables confidentiality due to the

[30] In the case of eLeniency, each submission can include multiple documents.

function of protecting cases or documents within a file (which limits them to certain DG COMP staff). In the ECN2 platform, access is specifically limited to a certain number of people per NCA, in order to avoid data being shared beyond a core group of people. Generally, not surprisingly given DG COMP's work, the tools tend to place a high importance on confidentiality of data. Further improvements to digitise existing processes of competition enforcement are still necessary to simplify existing processes and cooperation with stakeholders (e.g. to digitise the case notifications process for Merger and State Aid control).

**The evidence suggests a high rate of satisfaction amongst users of the digital tools for competition policy**. Of the NCAs responding to the relevant question in the survey for this evaluation, nearly all (23 out of 25) reported that the COMP cases search engine was useful ('very useful':13; 'reasonably useful': 10; 'don't know': 2). Qualitative feedback highlighted the availability of the tool to competition officers and the ease of use. The ECN2 platform was used by all 25 NCAs responding the relevant question (including 18 using it to a great extent and 7 to a reasonable extent). The platform was considered to be useful by all respondents (including 16 reporting 'very useful', 8 'reasonably useful' and 1 'slightly useful'). This was reflected also during interviews with NCAs. Qualitative feedback highlighted the possibility for comprehensive and secure exchange of confidential information, standardisation of information exchange and efficient case allocation. For certain tools, it has been noted that feedback is received on a continuous basis (such as requests for additional functions). Generally, during interviews, no significant negative feedback was noted, but rather issues regarding usability (intuitive solutions, enhanced search engines).

**The expert meetings and working groups of the ECN, as well as other activities, have improved NCAs' capabilities to enforce competition rules.** Most NCAs (22 out of 23) responding to the relevant question in the survey reported that the SMP had improved the capacities, skills or knowledge of relevant authorities to enforce competition rules in the EU (including 15 to a great extent, 5 to a reasonable extent and 2 to a slight extent). All 23 also reported that the ECN had been beneficial for the implementation and enforcement of competition policy in their country (including 18 to a great extent and 5 to a reasonable extent). The main reported benefit was the opportunity to exchange experience, knowledge and best practice in relation to case work and also in relation to revisions to the legislation. It was noted, during interviews, that the ECN working groups were a great opportunity to learn from each other, in particular as certain NCAs are naturally stronger in relation to certain issues (e.g. there is a new ECN group on forensics). As a result, the NCAs reported that the ECN was contributing to a more coherent and consistent approach to the enforcement of competition rules across the EU. Some NCAs also reported that their organisation had benefited from the conferences, networking activities, studies and impact assessments funded by the SMP.

**The SMP has offered better possibilities to support national courts' capabilities to enforce competition rules**. The rationale for training judges is that structures in the judicial system vary among Member States, however despite this, competition policy should be applied consistently to ensure harmonised enforcement. In comparison to the predecessor Justice Programme, the SMP has allowed DG COMP to have a specific budget for the training of judges. Further, the training allows judges to convene, to discuss and share their views, experience as well as peer learning. The topics change every year, with judges being able to specialise in different areas, e.g. digital, economic. Notably one of the project focuses exclusively on State aid. The SMP has allowed DG COMP to enter into

corporate grant agreements which imposes a lighter administrative burden on beneficiaries and allows a greater focus on the quality of the training. The challenges identified were linked to the inherent nature of grants, notably the geographical balance of the applications received.

### 3.1.2. Market surveillance (1b)

The **EUPCN meetings** have contributed to greater consistency and increased capacity among MSAs. When asked about the usefulness of these meetings to their organisations, the vast majority of survey respondents (29 out of 32) found them very useful (20 out of 32) or reasonably useful (9 out of 32)[31]. In open-ended responses, two key benefits emerged: the opportunity to discuss shared concerns and exchange information, knowledge, and experiences, and the ability to develop common, more consistent approaches to market surveillance across different countries. In particular, respondents highlighted the value of addressing major horizontal issues affecting market surveillance.

MSAs also report that **AdCos meetings** have contributed to more effective market surveillance. A majority of EUPCN members surveyed noted that AdCos had supported better surveillance at both the EU level (25out of 32) and in their own countries (22 out of 32) to a great or moderate extent. As with other SMP activities in this sub-pillar, EUPCN members reported that the main benefits of AdCos related to information sharing, knowledge exchange, and the development of common approaches, such as joint guidance documents.

MSAs anticipate that the **EUTF** will improve market surveillance. A majority of EUPCN members surveyed reported that the EUTF was important for MSAs at the EU level (11/19) and in their own countries (12out of 19) to a great or moderate extent. Although the first two EUTF were not yet fully operational, respondents identified potential benefits, including improved harmonisation of testing, participation in joint control actions, assistance in resolving disputes, support in risk assessments, and the testing of new methods.

MSAs have expressed optimism about the potential of **joint product inspection actions** to enhance the effectiveness of market surveillance. In a survey conducted for this evaluation, members of the EUPCN were asked to assess the likelihood of these actions yielding desirable outcomes. None indicated that no impacts would arise, though a few noted it was too early to judge. Joint enforcement actions are seen as promising for promoting greater uniformity in market surveillance, with 28 out of 34 EUPCN members expecting them to harmonise practices to a significant or moderate degree. Additionally, most members expect these actions to enhance capacity through the exchange of best practices (27 out of 34) and by fostering cooperation between Member States (28 out of 34).

MSAs report that **horizontal activities** have supported more effective market surveillance. Horizontal activities encompass, among other things, the harmonisation of market surveillance methodologies, mutual visits, personnel exchanges, and knowledge sharing. Respondents to the EUPCN survey generally noted that these activities had improved market surveillance across the EU (22 out of 32 to a great or moderate extent, 3 out of 32 to a slight extent) and within their own countries (15 out of 32 to a moderate extent, 9 to a slight extent). One of the main weaknesses cited in the qualitative feedback was the limited engagement or participation by MSAs in horizontal activities. Some EUPCN members also

[31] The evidence quoted in this section comes from the targeted survey of MSAs participating in the EUPCN.

felt that these activities lacked focus and concrete outcomes, and that administrative requirements for participation could be burdensome. The last remark was linked to activities under grants, and the new procurement system under framework contract solves the administrative burden issue.

The **digital tools** funded by the SMP are also expected to support more effective market surveillance. Most EUPCN members surveyed believed the tools would be effective to a great or moderate extent: Proactive Web Crawler (22 out of 32) and Document Digitalisation (17 out of 32). While no negative feedback was provided, some respondents remarked that it was too early to evaluate, given the current state of development. The anticipated benefits include increased efficiency, enabling faster and more accurate surveillance and inspections.

MSAs report benefiting from **ICSMS,** though there is a need to expand their usage and further develop this platform. A majority of EUPCN members surveyed considered ICSMS (24 out of 31) to be very or reasonably effective. Respondents suggested that more MSAs should use ICSMS more extensively, covering a broader range of product categories, and recommended further development of ICSMS. Specific suggestions included enabling two-way communication between ICSMS and Safety Gate and making ICSMS's search function more user-friendly.

### 3.1.3. Your Europe, SDG, Your Europe Advice, IMI (1c/1d)

**The digital tools offer an enhanced level of service compared with the service offered prior to 2021.**

The Single Digital Gateway and Your Europe have been very successfully in providing citizens and business online access to information, administrative procedures and assistance services in the Single market in a practical and user-friendly way in all EU languages. Your Europe was the most visited Commission website for 2023 with more than 32 million visits and was rated with a positive rating of 93.3% in the annual user survey[32]. It also facilitated more than 100 million visits to the linked national pages that are part of the Single Digital Gateway.

**Your Europe Advice (YEA) has been very successful in helping citizens and businesses looking for answers to their questions on their individual EU rights. It experienced a high level of use.** YEA is an advisory service currently provided by the European Citizen Action Service (ECAS). Its international team consists of 65 independent legal professionals providing services in all EU languages, including clarifications on application of EU law, or advisory around exercising rights. Replies are offered in the language chosen by the user. Use of YEA was particularly high in 2020 with 25 281 addressed by legal experts of YEA[33]. This fell to 19 002 in 2021[34], but increased to 20 071 in 2022[35]. According to the Single Market Scoreboard website, 96% of replies were made within the target of 3 working days, while 99% were made within 4 days[36].

**The YEA has proved effective against the various performance indicators set for it**.

[32] European commission, DG GROW internal data.
[33] Your Europe Advice (2021) YEA Annual Trends 2020, https://ecas.org/wp-content/uploads/2021/06/YEA-annual-trends-2020.pdf, p. 3
[34] Your Europe Advice (2022) Your Europe Advice - Annual Trends 2021, Yea_Annualtrends_2022 copy (ecas.org).
[35] Your Europe Advice (2023) Your Europe Advice Annual Trends 2022: Citizens are going through more complex issues, Your Europe Advice Annual Trends 2022: Citizens are going through more complex issues - ECAS.
[36] European Commission (2024) Single Market Scoreboard, Your Europe Advice, Your Europe Advice | Single Market Scoreboard (europa.eu).

A total of 94.1% of replies (24 057/25 560) were provided within the deadline for replies during 2023. Only 1.9% of all replies were provided more than one day late. The average monthly quality of replies was 93.6% during 2023[37].

**The IMI system has supported digital information exchange between public authorities for implementing and enforcing the rules of the European Single market.** There has been a gradual increase in terms of the number of information exchanges carried out via IMI, the number of covered policy areas and administrative procedures, and the number of public authorities using the system. The number of information exchanges increased between 2021 and 2022 by approximately 30% (from 81 980 to 107 291) and by a further 5% in 2023 (to 112 550)[38]. The total number of information exchanges sent through IMI reached in 2023 more than 597 550, since the system's launch 15 years earlier. The number of policy areas covered by IMI reached 20 by December 2023 compared with 17 in June 2021. The number of administrative procedures covered increased to 97, up from 89. As of January 2021, the number of public authorities registered in the system that cooperated with each other exceeded 12 000, while for the reporting period of December 2022 - November 2023, there were already more than 12 500 public authorities registered as IMI users[39].

**The SMP has helped SOLVIT to maintain its profile and the quality of its services**. Funding from the SMP has been used for promotional materials and social media (e.g. maintenance of the SOLVIT Facebook account) in support of the main website which is accessible via the main Europa website. The SMP has also supported the Member State authorities who operate the SOLVIT centres themselves by financing training and networking events, such as a SOLVIT workshop in October 2022.

### 3.1.4. Policymaking, standard-setting and enforcement (1e)

For some type of expenditure financed under this pillar (e.g. procurement of services, low value expenditure) it was not possible due to their nature to evaluate results or impacts but assess progress based on the delivery of outputs and how these outputs contribute the specific objective.

SMP funding has supported the Commission in its role of developing, implementing and enforcing EU legislation by enabling it to obtain essential information and data either through procurement or through administrative arrangements, for example in emerging and/or priority policy areas such as sustainable or digital finance, corporate reporting, anti-money laundering, financial markets monitoring.

The SMP supported the coordination and cooperation between notified bodies, as required by various product directives, establishing coordination groups[40]. It has also allowed the Commission to enter administrative agreements to assist in the development of legislation or technical specifications.

In the field of taxation and customs union funding has mostly (approximately 90%) been used by DG TAXUD for the procurement of studies, consultations, and databases. This includes an administrative arrangement with the JRC, funding for the OECD's Inclusive Forum on Carbon Mitigation Approaches (IFCMA), a study on personal income tax, and

[37] The quality score is based on assessment of a sample of replies each month.
[38] Internal Market Information System (IMI) | Single Market Scoreboard (europa.eu)
[39] European Commission (2023) Single Market Scoreboard, Enforcement Tools, Internal Market Information System (IMI) | Single Market Scoreboard (europa.eu).
[40] SMP funding has been used to procure technical secretariats for these coordination groups.

access to the ORBIS database.

Similarly, with regards to Company Law SMP funds have been allocated to the procurement of studies. These include studies to assess the transposition of EU directives, an impact assessment study, and legal analysis studies aimed at supporting the development of company law.

It also allowed the Commission to continue having a voice in various international organisations sand bodies and therefore defend the voice of the EU in these forums. For example, the membership fees paid to the International Organisation of Securities Commission (IOSCO)[41], International Financial Consumer Protection Organisation (FinCoNet)[42], the International Association for Insurance Supervisors (IAIS)[43]and the Financial Action Task Force[44].

The digital tools financed under this pillar have also contributed to reinforcing the cooperation between national authorities (e.g. FIU.net[45]), enable business and citizens (e.g. EU taxonomy compass[46]) and provide the necessary tools to the Commission's services for example for the monitoring of the implementation of EU law (KOEL).

The financing provided by the SMP for the FIU.net platform represents a pivotal contribution to the EU's efforts in enhancing cross-border collaboration among the Financial Intelligence Units (FIUs) of Member States. The budgetary contribution provided from the SMP for the Commission to be able to take over maintenance of FIU.net from Europol has allowed the Commission to significantly enhance its development which has amplified the effectiveness of FIUs across borders by leveraging on the EU funding to ultimately strengthen the EU's collective response to financial crimes. The number of datacentre interventions for FIU.net has also decreased substantially from 2022 to 2024 which shows a substantial improvement in reliability.

As far as the EU taxonomy compass is concerned the number of average daily visits increased from 800 in July 2021 to 1 300 in July 2024. The EU taxonomy compass is also regularly improved based on the feedback received from stakeholders.

## 3.2. Efficiency

Pillar 1 activities rest on six distinct budget lines and the allocation of these funds is mostly aimed at procuring services and obtaining scientific and technical assistance through administrative arrangements, accounting for 82% of the budget. Meanwhile, a smaller portion, only 8%, is directed towards grant funding intended for external beneficiaries. This distribution underscores the focus of Pillar 1 on enabling the Commission to directly secure resources and support required for effective governance, with only a limited share dedicated to external grants. Due to the similarity of pillar 1 budget lines, efficiency is assessed at pillar level and not at sub-pillar level.

### 3.2.1. Costs and benefits for different stakeholders

The main costs and benefits identified for stakeholders under pillar 1 are detailed in Table 8. Though, due to the extent and diversity of benefits under Pillar 1, the table provides an overview, and benefits are discussed in detail within the effectiveness analysis, where

[41] IOSCO.
[42] Finconet - Organisation for Economic Co-operation and Development.
[43] International Association of Insurance Supervisors (iaisweb.org).
[44] https://www.fatf-gafi.org/en/home.html).
[45] Anti-money laundering and countering the financing of terrorism overview - European Commission (europa.eu).
[46] https://ec.europa.eu/sustainable-finance-taxonomy/home.

examples such as the reach and impact of Your Europe Advice on citizens and businesses are indicated by user data.

The primary cost for the Commission related to activities under Pillar 1 is the SMP funding. For budget allocations aimed at procuring services or subscriptions, such as those for company law and financial services, there are no additional costs beyond the EU's financial contribution. However, other stakeholders, including national authorities and project beneficiaries, incur expenses when participating in activities funded by the SMP. For instance, while Member States are obligated to participate in the EUPCN as mandated by Article 29 of the Market Surveillance Regulation, this obligation is not a direct cost arising from the SMP itself. On the other hand, project beneficiaries voluntarily apply for grants and thus incur some administrative costs tied to application and reporting processes. Notably, the beneficiaries involved in 'Training of national judges in EU competition law' expressed satisfaction with both the application process and the administrative burden associated with EU funding[47]. However, some MSAs have noted the administrative burden related to joint enforcement actions, particularly around contracting and reporting expenditures[48].

The Commission and national authorities gain significant benefits, primarily through enhanced capabilities to fulfil their roles and a reduction in administrative burdens[49]. The increased ability results from access to improved tools, services, and resources (such as digital systems, product-testing facilities, expertise, and data), alongside strengthened cooperation. Digital tools in competition policy, for example, have streamlined case management, communication, and document handling. Similarly, FIU.net has facilitated information exchange between national authorities concerning financial services, anti-money laundering, and terrorist financing. Additionally, IMI facilitates the cross-border cooperation in various single market areas not only by providing a common digital tool but also by making it easy for the authorities to find counterparts in other countries, providing structured multilingual forms for the exchange of information and facilitating the correct application of EU rules by guiding the users through predefined workflows.

Private sector actors, such as companies and law firms involved in competition policy cases, also benefit from the streamlined administrative processes, benefiting from simplified communication and document transfers through upgraded digital tools.

Finally, the services provided under Pillar 1, such as information and advice for citizens and businesses, come at no direct cost to these users. Since the use of these services is voluntary and free, their value lies in the benefits they provide in raising awareness and knowledge of rights and opportunities within the internal market, making them valuable to users without incurring any financial burden.

**Table 8: Main costs and benefits of Pillar 1**

| Main costs and benefits of Pillar 1 activities | |
|---|---|
| **Costs** | |

[47] Targeted consultation of NCAs participating in the ECN.
[48] Targeted consultation of MSAs participating in the EUPCN.
[49] Interviews with European Commission staff. Targeted consultation of NCAS participating in the ECN. Targeted consultation of MSAs participating in the EUPCN.

| | |
|---|---|
| EU | • Programme funding: EUR 237 821 203 allocated in 2021-2023. |
| National authorities (NCAs, MSAs, courts, etc.) | • Time and costs required to participate in networks, forums, to use the services available to them, etc.<br>• (NB: participation of MSAs in the EUPCN is required by the Market Surveillance Regulation, thus the SMP imposes no costs). |
| Project beneficiaries | • No costs directly imposed (participation is voluntary)<br>• Administrative burden associated with applying for and receiving grant funding. |
| Companies, law firms or other third parties involved in competition policy cases | • None (any costs are imposed by EU competition law, not by the SMP). |
| Citizens and businesses (in general) | • No costs directly imposed (services are accessed on a voluntary basis)<br>• Time and burden associated with accessing SMP-funded services. |
| **Benefits** | |
| European Commission | All the consulted European Commission units report:<br>• Enhanced ability to fulfil role in developing, implementing and enforcing Union law<br>• Enhanced ability to monitor market developments (access to data)<br>• Enhanced ability to influence and participate as a member in international forums (e.g. membership fees)<br>• Reduced administrative burden associated with implementing and enforcing Union law (e.g. through easier and more secure document transfer and exchange of information with national authorities, secure storage of 1 million documents in eDiscovery, increased use of KOEL by Commission services) |
| National authorities (NCAs, MSAs, courts, etc.) | • Enhanced ability to fulfil role in developing, implementing and enforcing Union law<br>• Benefits reported by NCAs:<br>• more efficient case-handling and speedier investigations (22/23)<br>• improved capabilities to enforce competition rules (22/23)<br>• better implementation and enforcement of competition policy in their country (22/23)<br>• Benefits reported by MSAs:<br>• satisfaction with joint enforcement actions (27/34)<br>• more effective market surveillance across the EU due to horizontal activities (22/32)<br>• greater homogeneity and increased capacity due to the EUPCN (29/32).<br>• Reduced administrative burden associated with implementing and enforcing Union law through easier and more secure communication, document transfer and exchange of information, e.g. using SANI2, SARI2, ECN2, FIU.net, IMI |

| | |
|---|---|
| | • Secure digital information exchanges between public authorities via the IMI: 301 821<br>• Reduced administrative burden offered by DG COMP tools:<br>• 1 136 external users of ECN2<br>• 4 055 documents submitted by external users of ECN2 (2023)<br>• 432 565 downloads of documents vis ENC2 (up to April 2024)<br>• 8 557 external users of SANI2 (2023)<br>• 6 177 notifications submitted via SANI2 (2023)<br>• 5 186 external users of SARI2 (2023)<br>• More effective service offered by FIU.net by reductions in:<br>• support and maintenance incidents: 384 in 2021 to 228 in 2023<br>• data centre interventions: from 59 (2022) to 12 (2023) |
| Project beneficiaries | • Greater knowledge of/expertise in EU competition law<br>• 6 new/enhanced training courses in competition law for judges<br>• 343 judges to be trained in EU competition law |
| Companies, law firms or third parties involved in competition policy cases | • Reduced administrative burden associated with competition law (e.g. through easier and more secure document transfer).<br>• +112 000 documents securely transferred via DG COMP digital tools<br>• +178 000 users of DG COMP digital tools (2023)<br>• 36 558 registered users of the eRFI digital tool (2023)<br>• 5 986 responses submitted by external users to DG COMP via eRFI (2023)<br>• 308 external parties using the eConfidentiality digital tool (2023)<br>• 1 864 visits/views of e-learning materials on eConfidentiality (2023)<br>• 419 external users of eLeniency (2023)<br>• 193 submissions made by external users via eLeniency (2023)<br>• 5.7 million page views of COMP Cases Open Data and Search Engine (from launch in June 2023)<br>• 207 000 unique visitors of COMP Cases Open Data and Search Engine (from launch in June 2023)<br>• 5 402 external users of Transparency Award Module (2023) |
| Citizens and businesses (in general) | • Increased knowledge and awareness of rights and opportunities in the single market through receiving digital information and advice services, e.g. Your Europe Advice, EU taxonomy Compass.<br>• Your Europe: 132 million visits<br>• YEA: 64 633 queries received<br>• EU Taxonomy Navigator 431 745 unique visitors and 953 720 visits) |

*Source: European Commission data, elaborated for the supporting study.*

### 3.2.2. Efficiency of resource use

An efficient use of resources has been facilitated by the fact that Pillar 1 of the SMP has not required the setting up of new procedures or structures for programme management. The efficient use of resources within Pillar 1 of the SMP has been primarily driven by leveraging the Commission's existing budgetary procedures, this approach allowed the streamlined allocation of resources without establishing new processes and management

frameworks.

The majority of SMP funding supports the Commission's own mandate to develop, implement, and enforce Union law, and has been allocated to procurement activities managed via the Commission's standard tendering process.

By way of example, the entire budget allocation for Internal Market Governance Tools has been directed towards procuring digital tools (e.g. the Single Digital Gateway, Your Europe Advice, IMI) and their related communication campaigns. Similarly, the funding allocated for Company Law under DG JUST has supported the commissioning of external studies across the three years from 2021 to 2023. The cost-efficiency of such procurement has been particularly pronounced, such as in the case of Your Europe Advice, where external expert contracting has proven significantly more economical than using Commission staff. This efficiency was underscored by the high demand from other DGs to retain this service, with co-financing from alternative budget lines confirmed from 2024 onward.

In relation to digital tools, the Commission first tries, where possible, to focus on reusing existing solutions, ideally those that are open-source, and only when a suitable existing solution is unavailable it considers adopting off-the-shelf products or developing new platforms. This ensures that resources are used efficiently, reserving the development of new tools for cases where no commercially available or existing alternative meets the specific needs. However, the legal and functional specificity often makes it difficult to find a ready-made tool that fits requirements, necessitating custom tailoring for certain activities. Nonetheless, IMI is an excellent example of avoiding developing new systems for different policy areas: due to its reusable workflows and easy to customise (almost without any additional IT development) structured forms it can be easily and quickly adapted to various administrative cooperation procedures between national authorities in different areas; IMI has removed the need to build at least 20 different IT systems. Some of the tools created by DG COMP have attracted interest from external entities, such as National Competition Authorities (NCAs), who are exploring options for reuse. The eRFI tool is a key example, with ongoing discussions about making it available to NCAs to avoid the inefficiencies of all 27 Member States independently developing similar tools. However, the effective deployment of those tools by external parties remains limited at this stage and further synergies can be exploited. Similarly for DG FISMA several IT tools are developed/maintained at a relatively low cost which are instrumental to the achievement of key policy objectives and of very high interest for NCAs, business or citizens (for example FIU.net for improving cooperation and share of information among national authorities or EU taxonomy compass). This approach aims to maximise resource efficiency and promote broader use of digital solutions across the EU.

The use of procurement also allowed the Commission to adapt and focus the requested services to its actual needs and therefore using its resources in a targeted and efficient way. For example, by purchasing access to well-defined datasets for monitoring the financial market or by procuring a study when evidence-based information required to develop a new political initiative or monitor the well-functioning of an existing one.

For the activities of pillar 1 linked to Company Law, cost-efficiency in programme management has been achieved by sharing the budget between different Commission services. With an annual funding of approximately EUR 1 million, an equal split arrangement was established between DG FISMA and DG JUST. This shared approach not only optimises resource allocation but also streamlines management responsibilities.

To further balance the workload, two DG JUST units alternate ownership of DG JUST's share on a yearly basis, effectively rotating the oversight and implementation duties. This collaborative strategy ensures efficient use of the limited budget while maintaining consistent programme management.

While there is limited evidence of joint activities being undertaken under pillar 1, the SMP has for example contributed to the introduction of a framework contract which both DG FISMA and DG COMP may use. The framework contract concerns assessments of the legislation of third countries aspiring to EU accession. The SMP provided a forum for the DGs to discuss their common needs, which led to the launch of the joint framework contract with a greater financial ceiling than would have been possible in a framework solely led by DG FISMA. Furthermore, regular meetings among different DGs for SMP management have enhanced informal cooperation, attributed to increased awareness and improved inter-personal connections.

Moreover, high levels of satisfaction among national authorities indirectly indicate that the activities supported by SMP are adequately financed. National Competition Authorities (NCAs) have expressed satisfaction with the competition policy activities funded through the SMP (Section 3.1.1.). Nearly all surveyed NCAs found the COMP cases search engine valuable, and all reported using the ECN2 platform. The majority indicated that SMP-funded activities enhanced case management efficiency and accelerated investigations, with consensus on the ECN's positive impact on competition policy implementation and enforcement. Similarly, Market Surveillance Authorities (MSAs) shared positive feedback regarding market surveillance activities (Section 3.1.2.). Most MSAs recognised the usefulness of EUPCN meetings, while AdCos, EUTF, joint enforcement actions, and horizontal initiatives were seen as contributing to improved market surveillance. Additionally, digital tools and platforms such as the Proactive Web Crawler, Unique Identifiers, and Document Digitalisation were noted as promising in enhancing market surveillance efforts. Furthermore, MSAs acknowledged the effectiveness of systems like ICSMS and Safety Gate in supporting their work.

## 3.3. Coherence

This chapter provides an evidence-based analysis on how the SMP works both internally and externally. Internal coherence assesses how various components of the same EU intervention work together to pursue the established objectives, while external coherence assesses how one EU intervention works with other interventions (e.g. EU legislation, EU strategies). This two-fold analysis requires activities within Pillar 1 to be assessed collectively to determine both their internal coherence and their coherence with broader EU interventions. Therefore, the findings on coherence are presented at the level of the entire pillar, rather than analysing each sub-pillar individually. This approach allows for a holistic examination of how well activities of Pillar 1 are integrated and coordinated, both internally among its various components and in the context of the wider policy framework within the European Union.

### 3.3.1. Internal coherence

**Overall, SMP-funded actions within Pillar 1 demonstrate a coherent alignment, functioning distinctly from other pillars and sub-pillars**. The actions address specific policy areas managed by different Commission services, resulting in complementarity rather than duplication across the fields covered, such as competition policy, market surveillance, company law, and financial services. These activities are integrated into the broader roles of various Commission services tasked with the development,

implementation, and enforcement of Union law. The consolidation of previously separate budget lines into the SMP has had minimal impact on enhancing or diminishing coherence among the funded measures[50]. This implies that the creation of the SMP has not significantly impacted internal coherence. Consequently, the coherence of Pillar 1 activities is closely tied to the overall coherence of the wider work undertaken by the respective Commission services.

**Activities within sub-pillar 1a, competition policy actions, perform clear and complementary roles in support of the enforcement EU competition law**. The digital tools enable more effective case management, as well as secure data exchange between relevant parties with each tool serving a distinct purpose; the training actions build capacity of relevant enforcement authorities; the studies, evaluations and consultations enable better identification of potential problems and inform the design of appropriate responses. Given their very distinct role in supporting competition policy, the competition policy actions feature no overlap with actions in other pillars or sub-pillars but also no particular synergies with such actions.

**Regarding market surveillance, a** proposed consumer portal is designed to align closely with the SMP Pillar 4 focusing on consumer protection[51]. Financed under the market surveillance budget line, this portal aims to enable consumers to report safety concerns or product non-compliance in any EU language. By doing so, the portal will establish synergies between the market surveillance sub-pillar (1b) and Pillar 4, enhancing the overall coherence of the SMP by facilitating cross-pillar collaboration in addressing consumer protection and market compliance issues.

**IT tools financed under pillar 1 are coherent with other SMP actions**. For instance, the Your Europe portal serves as an information hub for businesses, consumers, and citizens about various opportunities and services financed by the SMP. Your Europe, which is financed under Pillar 1c, provides details on initiatives such as Solvit. It also covers Pillar 2 activities, including the Enterprise Europe Network, Erasmus for Young Entrepreneurs, the European Cluster Collaboration Platform, the European IP Helpdesk, and International IP SME Helpdesks. Additionally, it points users to information about standards and the European standardisation organisations linked to Pillar 3.

**Under pillar 1 activities pertaining to** standardisation are financed and underlines the potential opportunities complementarities with Pillar 3. The role of HAS Consultants, who assist the Commission in ensuring that published standards align with the relevant legislation, complements the activities of the European standardisation organisations funded under Pillar 3. This coordination demonstrates and enhances the coherence and effectiveness of standardisation support across the SMP.

SMP funding of activities in the field of financial services and company law is primarily used for the procurement of external services (e.g. studies, conformity assessments, IT tool development and maintenance), subscriptions to databases, membership fees of external bodies and administrative agreements with the JRC. Such activities do not take place in isolation but support, complement and are directly instrumental to the role of the Commission in developing, implementing and enforcing Union law.

[50] Feedback from European Commission staff.
[51] C(2023) 1119 final Annex 1, Annex to the Commission Implementing Decision the financing of the Programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European Statistics and the adoption of the work programme for 2023-2024.

### 3.3.2. External coherence

SMP financed activities are also coherent with the strategic plans and management plans of each Commission service[52], the Commission's priorities for 2019-2024**.**

Activities financed under Pillar 1 align with the strategic plans and management objectives of each Commission service. This coherence is mainly due to Pillar 1 funding functioning as budget lines to support the necessary operational expenditure for the Commission to fulfil its legal obligation to ensure the development, implementation, and enforcement of EU legal framework. Consequently, SMP-funded actions are integrated within the broader activities of the Commission across various policy areas, which ensures that SMP actions are embedded within the overall strategic frameworks of the Commission.

For example, the objectives of the Single market Programme (SMP) and DG COMP's Strategic Plan for 2020-2024 are aligned[53]. Both share a common goal of fostering a well-functioning and competitive single market. The first specific objective of the SMP is to 'enhance the effectiveness of the single market by supporting the development, implementation, and enforcement of Union law related to goods and services', while DG COMP's Strategic Plan emphasises the mission to optimise market benefits through the enforcement of competition rules and ensuring that regulations are designed considering competition imperatives.

The competition policy actions are essential in pursuing the objectives outlined in DG COMP's Strategic Plan, particularly in as regards the modernisation of operational methods. As outlined in Part 2 of COMP Strategic Plan, a key focus is on 'Digital transformation and information management,' with three main areas of priority[54].

The competition policy actions are closely aligned with the European Commission's 2019-2024 priorities. For the 'European Green Deal,' these actions reinforce the enforcement of State aid rules, which are crucial to managing the large-scale investments required to achieve climate neutrality by 2050, particularly in areas such as renewable energy, energy efficiency, and low-emission vehicles. Moreover, they play a significant role in ensuring antitrust enforcement supports the development and roll-out of clean technologies and facilitate effective merger control within the renewable electricity sector. Regarding 'A Europe fit for the digital age,' the competition policy actions underpin the EU's digital transformation by enhancing competition policy enforcement in digital markets. In particular, the robust enforcement of merger rules is highlighted as a key component in implementing the Digital Markets Act, ensuring fair and competitive digital industries[55].

SMP support for market surveillance aligns with EU legislation in this area. Market surveillance is mandated by various laws, particularly the Market Surveillance Regulation 2019/1020, which assigns specific responsibilities to both the Commission and Member States. For instance, the Commission is tasked with managing the EUPCN and AdCo meeting organisation, as well as maintaining and developing the ICSMS platform while

[52] Strategy documents - European Commission (europa.eu)
[53] DG Competition (2020), Strategic Plan 2020-2024; Ref. Ares(2020)5180558 - 02/10/2020.
[54] First, 'Case management digitisation,' centres on the implementation of CASE@EC, a case management system designed for rapid data exploitation through advanced tools like eDiscovery, with future enhancements expected through AI-driven solutions, all funded under the SMP. Second, 'Digital exchanges with Member States' administrations, companies, and citizens,' emphasises platforms like ECN2, which facilitate secure data sharing on competition policy within the European Competition Network, also financed by the SMP. This priority extends to digital tools for State Aid (including SANI2, SARI2, and TAM) and platforms aiding parties in antitrust, cartel investigations, and merger control (such as eLeniency, eConfidentiality, and eRFI). Third, the transition to 'on-premises' cloud environments, which is expected to enhance service continuity and leverage previous investments in these digital tools.
[55] Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act).

ensuring its integration with national market surveillance systems. Likewise, MSAs are required by the Regulation 2019/1020 to actively engage in AdCos and EUPCN and report their activity in ICSMS. SMP funding plays a crucial role in helping the Commission and Member States carry out these duties effectively.

SMP support for market surveillance harmonises seamlessly with the Commission's Single Market Strategy. Notably, the Strategy emphasises fostering joint actions by MSAs across various Member States, enhancing information exchange, and promoting the coordination of market surveillance programmes. The SMP offers financial support for collaborative initiatives involving MSAs from different Member States, such as the creation of the EUTF, product compliance testing campaigns, and more generally capacity building. Additionally, the exchange of information and the coordination of market surveillance are bolstered through SMP funding for the operation of the EUPCN and AdCos.

The services offered by Your Europe, Your Europe Advice, IMI and Solvit align with and support the objectives of the European Commission's Single Market Strategy. This strategy emphasises the need to adopt measures to prevent discrimination against consumers and entrepreneurs based on nationality or place of residence, aiming to make it easier for them to identify and address such issues. The tools funded under sub-pillar 1c/1d play a crucial role in meeting this objective by making available and accessible free information, advice, and guidance to consumers and businesses about their rights within the Single market or by ensuring that the national authorities can easier and faster act to ensure the rights of citizens and businesses are respected. This approach directly addresses the Strategy's commitment to fostering an inclusive and transparent single market environment.

The activities undertaken in the field of financial services align with the objectives set out in DG FISMA's Strategic Plan. This is evidenced by the Plan's objectives, in particular three objectives. First, aiming for 'more integrated EU financial markets,' which is advanced through conformity assessments of national legislation, assisting thereby the Commission in ensuring the uniform application of Union law. Second, focusing on establishing a comprehensive framework to combat money laundering and terrorist financing, which is complemented by SMP-funded activities like FIU.net, a secure platform facilitating information exchange between Member States' financial intelligence units. Third, protecting consumers and investors, which is supported through initiatives such as the Commission's membership in FinCoNet, also financed by the SMP, contributing to enhanced financial regulation and oversight.

Activities under Pillar 1e, policymaking, standard-setting and enforcement, are aligned with the legal obligations set out in various pieces of EU product legislation. For instance, the Commission is regularly mandated to coordinate notified bodies overseeing the compliance of products within the scope of the EU framework. Furthermore, some product legislation explicitly calls for the establishment of EU-level bodies to oversee specific processes. For example, the Construction Products Regulation[56], which mandates the operation of an organisation responsible for coordinating the procedures involved in drafting European Assessment Documents and issuing European Technical Assessments. These statutory requirements necessitate EU-level funding, which the SMP partly provides to facilitate such coordination and compliance activities.

Moreover, the IT tools developed under Pillar 1 are also line with the objectives of the

[56] Construction Product Regulation, EUR-Lex - 02011R0305-20210716 - EN - EUR-Lex.

Commission's Digital Strategy[57]. Particularly, they align with the Strategy's second objective, 'Enable digital-ready EU policymaking,' which promotes digital solutions aimed at reducing administrative burdens and enhancing efficiency and transparency across citizens, businesses, and public authorities. With respect to competition policy, SMP-funded digital tools support secure exchanges with Member States' administrations, companies, and citizens, especially in the areas of State Aid, antitrust/cartel cases, and merger control. Regarding financial services, FIU.net facilitates secure data sharing with national financial intelligence units, while the EU Taxonomy Compass provides accessible digital resources for all stakeholders. Internally, the Commission benefits from tools like KOEL, EMT, and MICE, which enhance digitalisation and support policy implementation. IMI also digitalises various administrative cooperation procedures in the single market.

Coherence with other MFF funding programmes is shown by the limited extent of overlaps and duplications with the SMP. Other MFF programmes do not specifically target the implementation and enforcement of EU legislation within areas covered by the SMP. However, the SMP support provided complementary funding, even if limited, to the EU Customs and Fiscalis programmes. This funding was primarily used for studies, thus reinforcing policy development and implementation in the areas of EU customs and taxation policy. In 2024, through the SMP, the Commission provided instrumental contribution to the work of Organisation for Economic Co-operation and Development (OECD) Inclusive Forum on Carbon Mitigation Approaches (IFCMA).

## 4. HOW DID THE EU INTERVENTION MAKE A DIFFERENCE AND TO WHOM?

### 4.1. EU added value

#### 4.1.1. Competition (1a)

**The SMP provides essential support for the Commission to fulfil certain legal responsibilities assigned to it, which by law, cannot be delegated to Member States.** The Member States, through the Treaties, have given the Commission responsibility to enforce EU competition rules directly against companies and Member States in the Single market[58].

There is thus overall no scope for financing such actions at Member States level (competition enforcement at Member State level is already financed by Member States). The SMP provides direct support for DG COMP operations including its enforcement activities and is thus directly linked to these obligations. The support of the SMP in competition policy and DG COMP's own enforcement is done in the following three ways:

First, the Commission's competition policies and enforcement actions need to constantly adapt to the changing conditions and at the same time to increase its efficiency. The SMP enables DG COMP to procure expert support services that inform its policy development, including regular reviews of the impact of its policy instruments.

Second, due to the increasingly sophisticated IT tools used by economic operators, and the continuous increase in the volume and types of electronic communications, it is becoming ever more difficult to detect infringements, to collect evidence and to manage case files of

[57] C(2022) 4388 final; Communication to the Commission: European Commission digital strategy, Next generation digital Commission.
[58] The principal competition rules are contained in Chapter 1, Title VII of Part Three, Article 101-109 of the Treaty on the Functioning of the European Union (TFEU) and in the EU Merger Regulation (Regulation (EC) No 139/2004). These require the Commission to: (i) enforce the antitrust and cartel rules, (ii) enforce merger control, (iii) enforce state aid control, (iv) develop policy, legislation and guidance to companies and Member States in all these three areas, and (v) promote competition culture and international cooperation in the area of competition policy worldwide so as to improve the business environment for EU companies worldwide.

ever-increasing size. At the same time, EU case law on parties' rights of defence requires the Commission to be increasingly rigorous in its investigations, analysis of evidence and decisions. The Commission has therefore been continuously developing and upgrading its IT capabilities through the SMP to increase the efficiency of its inspections/investigations and case management and secure information systems facilitating the data exchanges within the European Competition Network, with national administrations and businesses. In addition to that, European Commission started exploring the usage of artificial intelligence such as technology-assisted document review and big data analysis for supporting the efficiency and relevance of investigations and cases analysis.

Third, the analysis in specific competition cases may require specialised external expertise, which the SMP enables DG COMP to procure in a flexible manner. The need for such specialised expertise has grown over the years and is expected to increase significantly due to the adoption of two new instruments which entered into force in 2023 (the Digital Markets Act and the Foreign Subsidies Regulation).

**The SMP also finances a range of digital tools at EU level that would not otherwise be available to NCAs or to other economic actors**. For example, the ECN2 is the only platform which enables the NCAs to exchange confidential information on specific cases in a secure and safe manner. Further, the tool serves as an enabler of convergence of decisions in different Member States. There is no equivalent national tool in any of the Member States as this would result in discrepancies and inconsistencies between the Member States in how the information is presented and shared. The same principles apply for other tools (e.g. SANI2, SARI2, TAM) which are made available for usage by Member State authorities and facilitate their interactions with the Commission. Similarly, other digital tools (e.g. eConfidentiality, eLeniency, eRFI) enable economic operators, such as private companies, to supply documents and information to the Commission in a secure way; given that certain competences rest with the Commission, such tools can only be operated at EU level and not by Member States or economic operators. Furthermore, the judges training programmes which are funded by the SMP would not be available to judges otherwise; it may be the case that certain Member States could fund such trainings, but (1) it would lack the networking effect and the ability for judges from different Member States and jurisdictions to learn from each other, and (2) it may lead to unharmonised competition enforcement at national level because the trainings themselves, given at national level, might be given with too much emphasis on the national legal context of that Member State.

**In the event of the Pillar 1a measures being stopped or withdrawn, the ability of the Commission to develop, implement and enforce competition rules and support national authorities would be adversely affected**. These measures necessarily involve a certain cost and thus the need for funding from the SMP or some other source. The presence of the network is essential for the implementation of competition policy at the EU level, as there is a delegation of competence. Reflecting, this all NCAs who answered the relevant question in the survey reported that the SMP support for competition policy added value compared to what could be achieved at national level by Member States alone. Many of the digital tools assist greatly with ensuring the confidentiality and security of data so that to ensure the same process is completed while guaranteeing the same level of confidentiality and data security would involve a massive increase in human resources and time. It would require in some cases returning to physical interactions or reliance on offline solutions or less secure cloud solutions. Due to the recent growth in the quantity of documents, without the combination of CASE@EC and eDiscovery, the management, organisation and searching of case files would become a herculean task. Without ECN2

and the European Competition Network, NCAs opined that their ability to interact with and learn from each other would be hampered, as would the sharing of documents. Also, for other tools such as eRFI, even returning to the previous tool (eQuestionnaire) would be difficult due to obsolescence of the technology, meaning the requests for information would need to be sent via email exchange, then the responses manually collated and processed. The costs associated with the operation of the European Competition Network are required by EU Law to be borne by the Commission, so to discontinue such funding may put at risk the Commission's own compliance with EU law[59].

#### 4.1.2. Market surveillance (1b)

Action at the EU level remains crucial for supporting market surveillance, ensuring that products on the EU market do not pose risks to consumers or workers, and safeguarding public interests such as environmental protection, security, and fair trade. As highlighted in Recital 9 of the Market Surveillance Regulation, the responsibility for enforcing Union harmonisation legislation lies with Member States, and their MSAs must ensure full compliance with this legislation. However, EU-level support is essential for MSAs to effectively fulfil their roles. MSAs face shared challenges, particularly with the rise of cross-border e-commerce, and can benefit from sharing information (e.g. on non-compliant products), exchanging knowledge and expertise, and working towards a consistent approach. Their efficiency can also be enhanced by leveraging economies of scale and reducing duplication, for instance in the development and operation of testing facilities.

EUPCN members confirm the added value of the SMP and the ongoing need for EU-level action. As previously mentioned, EUPCN members responding to the survey indicating the continued necessity of EU action and the added value of SMP activities. When asked to elaborate on this added value, respondents cited benefits such as time and cost savings from collaborative efforts on similar products, as well as EU-level testing, particularly where testing is costly or where national testing facilities are lacking.

Without SMP funding, the Commission would need to identify an alternative source of EU funding to meet its legal obligations under the Market Surveillance Regulation. The Regulation requires the establishment and operation of the EUPCN and AdCos, as well as the maintenance of ICSMS and its interface with national systems. These initiatives inevitably incur costs, highlighting the need for funding from the SMP or an alternative source.

#### 4.1.3. Your Europe, SDG, IMI, Solvit (1c/1d)

The number of visits and positive rating of Your Europe and the Single Digital Gateway showcase its usefulness and efficiency[60]. In the absence of SMP funding supporting those projects multiple web sites and fragmented IT systems would have to become available within the policy areas of the Commission in order to provide a similar service. Citizens and business would have to spend much more time and money to find the relevant information, procedures and assistance services.

**The tools offer EU added value by reducing the need for duplication of service provision by national authorities and offering economies of scale.** While much of the information and services could be provided by national authorities, the cost and

[59] Recital 75 of Directive 2019/1/EU provides: 'The general budget of the Union should bear the costs of maintenance, development, hosting, user support and operation of the European Competition Network System, as well as other administrative costs incurred in connection with the functioning of the European Competition Network, in particular the costs related to the organisation of meetings.'
[60] European Commission, DG GROW internal data.

administrative burden would be much greater, since a lot of duplication would arise, e.g. by providing the same information about EU legislation or the rights of consumers and businesses in the single market. Moreover, services and portals offered by national authorities would be unlikely to serve users in the full range of EU languages. Similarly, any portals operated by national authorities could offer the possibility of signposting to other national portals, but this would be more expensive and burdensome to set up and operate compared with the EU portals. IMI offers national authorities one single tool to cooperate between themselves in various policy areas; an alternative solution where different national systems would have to be built for different areas would prove to be extremely expensive (high cumulative cost for the development of national systems and additionally high costs normally required to make these solutions interoperable or connected across borders and technologies) if not also impossible (for certain areas where the traffic of exchanges is low yet important it would be hard to believe that countries would invest the relatively high amounts of money required to build these IT systems).

#### 4.1.4. Policymaking, standard-setting and enforcement (1e)

In the absence of SMP funding, some other EU funding would be required to finance the activities that are essential for the Commission to be able to develop, implement and monitoring the enforcement of Union law. This includes the procurement of services, development and maintenance of IT tools and purchasing access to data. In the absence of EU funding, they would not otherwise be procured by Member States acting alone since they are inherent to the prerogatives of the Commission.

For instance, to fulfil requirements under the Construction Product Regulation, the Commission set up an organisation to coordinate procedures for the establishment of draft European Assessment Documents and for issuing European Technical Assessments, which requires funding[61]. Similarly, the Lifts Directive imposes on the Commission to ensure coordination between notified bodies, hence funding is necessary for the functioning of the Coordination group of Notified bodies for Lifts[62].

Moreover, it is required to finance the payment of membership fees that allow the Commission to participate in international forums and influence decisions relevant for the single market other funding sources would be therefore needed.

**IS THE INTERVENTION STILL RELEVANT?**

### 4.2. Relevance

This chapter answers whether and how the SMP and its objectives are still reflecting current and future needs. Given the varied nature of activities within Pillar 1, the relevance of each sub-pillar is examined individually. However, the public consultation provided an overarching perspective on the relevance of Pillar 1 activities as a whole. The findings indicate strong support for the objectives and activities of Pillar 1 under the SMP, with a substantial proportion of respondents to the public consultation recognising its significance for the single market. Specifically, 44% (28 out of 63) of respondents viewed its relevance to a great extent, while an additional 30% (19 out of 63) found it relevant to a reasonable extent[63].

[61] Technical assessment bodies assess construction products on the basis of European assessment documents. These bodies are designated by EU countries according to national procedures. Voluntary CE marking (EOTA route) - European Commission.
[62] Directive 2014/33/EU of the European Parliament and of the Council of 26 February 2014 on the harmonisation of the laws of the Member States relating to lifts and safety components for lifts (recast) Text with EEA relevance.
[63] Public consultation on the SMP interim evaluation.

### 4.2.1. Competition (1a)

**The objectives and activities of the competition sub-pillar directly respond to the current needs of competition policy, as articulated by DG COMP.** Most notably, the most recent annual report from the Commission on competition policy highlights the need for digital transformation as a priority for driving change and for enabling public sector modernisation[64]. This need arises, according to the report, from the use of new sophisticated digital tools and algorithms by economic operators, combined with an exponential increase in electronic communications and the sheer quantity of data and the number of documents on case files, which makes competition investigations increasingly complex. By financing expert meetings and working groups of the ECN and by supporting National Competition Authorities more generally, the SMP actions also ensure a cooperation in enforcement actions (between the European Commission and National Competition Authorities). Finally, studies and evaluations financed by the SMP correspond to current competition challenges[65].

**Collected evidence under the evaluation confirms the relevance of the competition sub-pillar (1a) to current needs by the level of engagement by NCAs with the various activities funded therein**. As noted above, all 25 NCAs responding to the question in the survey for this evaluation reported that they had used the ECN2 platform (including 18 to a great extent). Most (14/23) also reported that their organisations had participated in the conferences or networking activities funded by the SMP.

### 4.2.2. Market surveillance (1b)

**The activities funded by the SMP are crucial to achieving the objectives of the Market Surveillance Regulation and essential for fulfilling its requirements**. As the Regulation itself does not allocate funding for such activities, financial support from the SMP (or an alternative source) is necessary to ensure these tasks are carried out. Article 29 mandates the creation of the EUPCN as a platform for structured coordination and cooperation between the Member States' enforcement authorities and the Commission. Additionally, Article 11 requires MSAs to participate actively in AdCos, which, under Article 32, must address specific matters related to market surveillance and sector-specific issues. The Commission is also obligated under Article 33 to assist the EUPCN and AdCos in their responsibilities, and Article 34 requires the Commission to maintain the ICSMS and ensure its integration with national market surveillance and customs systems.

**The EUTF, funded by the SMP, address the identified need for testing facilities in relevant sectors.** For instance, certain MSAs have limited experience in testing the security of internet-connected radio equipment, having previously focused on safety requirements. Furthermore, many lack the technical capacity for such testing and are often dependent on third-party testing houses, which can charge between EUR 5 000 and EUR 10 000 for simple equipment and up to EUR 20 000 for more complex devices, with tests taking up to five days. This lack of sufficient testing capacity poses a risk that manufacturers, often from third countries, could introduce low-cost, non-compliant products to the EU market. These products may not provide adequate security, putting

[64] SWD(2024) 53 final Commission Staff Working Document Accompanying the document Report from the Commission Report on Competition Policy 2023.

[65] For example, the study relating to the functioning of Regulation 1/2003 assesses the pertinence of the antitrust procedural framework, which, according to the Commission, remains essential to removing barriers to the Single market and eliminating restrictions in the development of clean technologies and the free flow of resources necessary for the circular economy. See SWD(2024) 53 final Commission Staff Working Document Accompanying the document Report from the Commission Report on Competition Policy 2023.

consumers' personal data and privacy at risk, and leading to potential financial, identity, and other types of fraud. In the case of toys, a recent impact assessment highlighted insufficient testing in some Member States[66]. The report indicated that this shortfall is due to the absence of national testing laboratories and the limited financial resources available to MSAs. Laboratory testing costs are significant, as they require sophisticated, specialised equipment and, in the case of chemical tests, a continuous supply of chemicals – -some of which are quite costly.

### 4.2.3. Your Europe, SDG, IMI, Solvit (1c/1d)

Your Europe and the Single Digital Gateway become more and more relevant with new information areas and procedures expanding their scope. Therefore, the SMP financing is crucial for the Commission to fulfil its legal obligation under the Single Digital Gateway regulation and offer a one-stop shop to provide quality services to citizens and businesses in the Single market.

**Your Europe Advice proved relevant for the needs it was set up for, namely to assist citizens and businesses. It has also proved to be relevant for emerging issues affecting citizens and businesses**. EU citizens in the UK and UK citizens in the EU received responses to their enquiries about their rights following Brexit (e.g. entry, social security, pensions, unemployment benefits, access to healthcare, residence rights, rights to stay, family member rights). YEA provided replies to questions related to Ukraine, such as residence rights, entry rights and access to work: 42 in Q4/2022, 59 in Q3/2023. Reflecting this, the YEA Quarterly Reports began to systematically present evidence about the answers to such questions, as of Q1/2023.

**The IMI is relevant to the need to facilitate mutual assistance and administrative cooperation between Member States to empower the free movement of people, businesses and goods in the Single market.** Indeed, the IMI contributes to coordination, cooperation, and communication between the equivalent authorities of EU Member States, in order to ensure that relevant legislation can be effectively and homogeneously implemented across the whole Single market[67]. The exchanges of information become more structured and information more transparent. IMI also continues to stay relevant since more and more new policy areas need to provide digital tools to support the administrative cooperation, which IMI can easily cater and removing the need to develop new IT systems.

### 4.2.4. Policymaking, standard-setting and enforcement (1e)

Activities across sub-pillar 1e are relevant to the Commission's role in developing, implementing and enforcing Union law. As noted above, the SMP provides essential support to the Commission to fulfil certain legal responsibilities assigned to it and that cannot by law be delegated to Member States. This includes development and maintenance of IT tools aimed at supporting policy, enhancing citizens and business awareness and facilitating the exchange of information between national authorities, as well as fees for membership of international bodies.

For instance, the Commission must support the coordination of notified bodies, or the development of technical specification. The Construction Product Regulation and Regulation on the accreditation and market surveillance relating to the market of products both require establishment of dedicated bodies that the Commission must finance in the

[66] SWD(2020) 287, Evaluation of Directive 2009/48/EC of the European Parliament and of the Council on the safety of toys.
[67] European Commission (2024) Internal Market Information System, Internal Market Information System (IMI) - The EU Single Market - European Commission (europa.eu).

absence of funds allocation in the pieces of legislation[68]. This is also evidenced by the operating of FIU.net, which aims to address these needs and risks, in the field of financial services, within which the ability of the EU to do so is impacted by unclear legal frameworks, uneven supervision, and lack of coordination of financial intelligence units[69].

The fact that the allocation of the budget under this pillar is shared across Commission services allows to better focus and target the above activities to the most relevant needs and risks.

## 5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 5.1. Conclusions

The interim evaluation of pillar 1 of the SMP points to generally positive conclusions across all its objectives and against the evaluation criteria. Progress has been made in addressing the challenges and needs identified in the impact assessment, and the Programme has a positive effect on EU businesses, citizens, and other stakeholders involved in its activities. Due to the nature of some type of expenditure financed under Pillar 1 (e.g. procurement expenditure for low amounts, IT running costs, etc.) it was not possible to evaluate results or impacts but assess progress based on the delivery of outputs. However, while in most cases the positive effects of these outputs in terms of results and impacts are not directly quantifiable, the evidence described in previous sections shows that they have effectively supported the Commission in ensuring a well-functioning of the single market in an efficient way.

The activities financed under pillar 1 have **effectively** supported the Commission in its role derived from the Treaties to develop, implement and enforce EU law. The diverse policy areas coverage from the constitutive sub-pillars enables among others access to services, data, expertise, tools, which are necessary to deepen and improve the functioning of the Single market.

The SMP has facilitated continuous improvements in digital tools serving both the Commission and national authorities in single market matters. Key examples include tools for competition policy (e.g. eRFI, CASE@EC), financial services (e.g. FIU.net), access to information for citizens and businesses (Your Europe, Your Europe Advice) or administrative cooperation between national authorities (IMI). These tools are crucial to advancing policy priorities and are in line with the Commission's Digital Strategy. Further improvements can be considered for the remainder of the programming period: notably by phasing out existing legacy case applications for some instruments in DG COMP and replacing it with CASE@EC and seeking further synergies by deploying those IT tools with other Commission services or national authorities.

Online services funded by the SMP, such as Your Europe, YEA, IMI, and the EU Taxonomy Compass, have **effectively** informed citizens and businesses about single market rights and opportunities. However, collecting user feedback on a more regular basis for certain tools where relevant and if not already collected would provide more comprehensive evidence of their full impact.

[68] Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93.
[69] Report from the Commission to the European Parliament and the Council on the assessment of recent alleged money laundering cases involving EU credit institutions; COM(2019) 373 final.

SMP-funded activities have **effectively** bolstered the capacity of national authorities within various single market sectors. This has been achieved by providing access to better resources (e.g. testing facilities) and enhancing staff capabilities through training, networking, and peer reviews.

Networks benefiting from financial support under Pillar 1 have **effectively** strengthened national authorities' capacities, especially those for NCAs and MSAs, and facilitated cooperation among them, while improving their coordination with the Commission.

Altogether, the evaluation finds that activities within Pillar 1 have enhanced the capacity of both the Commission and national authorities, contributing to more consistent and harmonised enforcement of EU law across the Single market.

Due to a direct supervision of most expenditures by the Commission (via procurement and administrative agreements), the **efficiency** of the SMP's management is aligned with broader Commission activities. This also leads to a minimisation of the administrative burden related to expenditures. Compared to the previous financing period, the integration of budget lines into one consolidated programme has, though, yielded only limited efficiency gains. There has been some reduction of administrative burden, as only one single financing decision must be adopted for the whole SMP, and the wider possibilities of making budgetary transfers between budget lines has contributed to efficiency improvements by reducing the need for budgetary approval. Yet, besides these limited examples, the SMP did not demonstrate additional simplification and efficiency in contrast to what would have been achieved without the incorporation of predecessor programmes and budget lines.

The SMP showcases **coherence** both internally and externally. Its activities are aligned with each other with respect to pursuing the objectives set out in the SMP regulation, and even though depending on the coherence with the wider activities of the relevant Commission services, they are matching the Commission overall strategies and priorities. Nevertheless, incorporating activities within pillar 1 of the SMP has not allowed to generate synergies and joint actions beyond what would have been achieved without a consolidated financial instrument.

The SMP delivers a significant **added value** at EU level by enabling the Commission to meet certain legal responsibilities that cannot be delegated to Member States, ensuring obligations under EU law are fulfilled, as well as by adding economies of scale. The benefits for citizens and businesses could not be replicated by actions at national level, especially considering the cross-border nature of services supported by the SMP. Moreover, in the absence of SMP funding, alternate EU funding sources would be necessary to support activities required under Union law. Deepening and improving the functioning of the Single market will also be key areas to further support to strengthen the EU's competitiveness.

Activities funded under pillar 1 remain **relevant** to EU law and the needs of the Single market. The evaluation concludes that the funding is dedicated to activities specifically mandated by EU law, such as the effective enforcement of competition rules, operation of networks, or of coordination groups, or identified in the Commission's strategies and priorities. The relevance of these activities will also increase since contributing to support

growth, investments and the completion of the single market in line with the Political Guidelines 2024-2029[70].

## 5.2. Lessons learned

Despite the progress noted by the evaluation, several areas for improvement have been identified.

With respect to the monitoring and evaluation framework, the feasibility of updating it, mainly its indicators, should be envisaged, as it would benefit the monitoring, assessment, and further implementation of the SMP, ensuring the actions remain relevant, coherent, effective, efficient, and continuously generating EU added value. This could be achieved by considering removing certain output or result indicators from the SMP monitoring and evaluation framework, particularly where their (non-) achievement is not predominantly attributable to the SMP (e.g. RES 1.1): the current evaluation already does not reflect those indicators now in the evaluation and incorporated the customer benefits (RES 1.1) in the intervention logic of the SMP. In terms of the output indicators, it could be more efficient to select output indicators that encompass several sub-pillars (currently, only IMI is reflected). This could involve indicators such as the use level of IT tools, number of trainings, EUTF establishments, joint market surveillance campaigns, EUCPN participation, YEA user counts, and use of the EU Taxonomy Compass. For result indicators, all sub-pillars and core actions should be covered, potentially incorporating measures of user satisfaction across IT tools, EUTF usage, outcomes of joint market surveillance campaigns, EUCPN members, and user satisfaction with the EU Taxonomy Compass. Additionally, RES1.5 (Number of YEA visits) should be reclassified as an output indicator.

An area for improvement may be to assess whether in the next funding period it would not be more efficient to simplify the evaluation framework for the activities currently covered by this pillar that are by their own nature (studies, IT tools, etc.) inherent to the recurrent needs and prerogatives of the Commission.

The evaluation finds that more frequent collection of feedback from users of services such as YEA or the EU Taxonomy Compass could be implemented. This would provide more robust evidence of service impact and user experiences, enabling continuous improvements.

The establishment of a unified reporting system for the activities, outputs, and results across all budget lines within Pillar 1 during the current funding period could be considered to allow for more substantial and useful data to be made available to the Commission. This system would compile data from relevant Commission units responsible for expenditures and achievements against the SMP's monitoring and evaluation indicators, enhancing transparency and cohesion. Such a system could contribute to an annual monitoring report that supports programme-level evaluations and might identify potential synergies, like joint procurement or cross-policy area training, thereby showcasing the comprehensive effectiveness of SMP activities in meeting the specific objective of Pillar 1 of the SMP Regulation.

The budget allocated to this pillar remains largely insufficient to achieve the challenging political objectives stemming from the Political Guidelines 2024-2029. It restricts the capacity of the Commission to profit from emerging opportunities and finance activities

[70] Political Guidelines for the next European commission, 2024-2029.

aiming for example at gathering new data, financing new IT projects, assessing new policy scenarios and evaluating existing ones or gathering the necessary support to assess the implementation of EU law. The Draghi report clearly outlines new actions to strengthen the Single market and additional financial support through the SMP will be necessary to be in a position to implement such actions.

Potential for synergies within pillar 1 and with other pillars may be further explored and tapped into if they exist. This could shape in cross-pillar joint actions, such as joint training sessions, joint procurement processes, common enforcement actions, shared framework contracts, joint promotion and communication campaigns, collaborative studies and meetings, or consolidated database purchase. This approach not only would safeguard and the improve coherence of activities, but also maximise resource efficiency of pillar 1 and the SMP as a whole.

# ANNEX X. PILLAR 2

## 1. PURPOSE AND SCOPE OF THE EVALUATION/FITNESS CHECK

This annex to the staff working document concerns the evaluation of the SME pillar of the Single Market Programme (SMP)[71] in the period 2021-2023.

This Pillar finances activities according to Article 3(2)(b) of the SMP, which relates to strengthening the competitiveness and sustainability of SMEs and achieving additionality at Union level through measures that:

- provide various forms of support to SMEs as well as clusters and business network organisations, including in the tourism sector, thereby fostering the growth, scale-up and creation of SMEs;
- facilitate access to markets including through the internationalisation of SMEs;
- promote entrepreneurship and the acquisition of entrepreneurial skills;
- promote a favourable business environment for SMEs, support the digital transformation of SMEs and promote new business opportunities for SMEs, including those that are social economy enterprises and those with innovative business models;
- support the competitiveness of industrial ecosystems and sectors, as well as the development of industrial value chains;
- promote the modernisation of industry, contributing to a green, digital and resilient economy.

The research for this evaluation is based on a diverse range of data sources and methods. In particular, the following sources and methods have been used:

- Review of documents including work programmes, implementation reports, monitoring fiches, (examples of) beneficiary reports and relevant webpages
- Literature including policy documents and evaluation reports of predecessor programmes/actions
- Data regarding project calls and monitoring data

Five targeted online surveys among

- European-level business organisations and SMP SME Committee Members[72] (19 responses)
- Beneficiaries of the flagship actions EEN (response rate 28% - 117 responses out of 417 addressees), Euroclusters (response rate 25% - 42 responses out of 170 addressees) and EYE (response rate 37% - 49 responses out of 133 addressees)
- Beneficiaries of other actions (response rate 24% - 75 out of 317 addressees)

Data from the latest Erasmus for Young Entrepreneurs (EYE) feedback survey of Host and New Entrepreneurs for matches starting between 1.2.2023 and 31.12.2023 (503 out of 550 Host Entrepreneurs responded = response rate of 91%; 532 out of 577 New Entrepreneurs

[71] Regulation - 2021/690 - EN - EUR-Lex (europa.eu).

72 The Committee is composed of representatives of all member states, Iceland, Lichtenstein, Norway and associated countries.

responded = response rate of 92%); data on long-term effects of Erasmus for Young Entrepreneurs' exchanges (after one year);

Data from the EEN client survey which was launched in 2023 and is permanently open. Data presented in this report are based on the analysis of the answers of almost 2 400 SMEs in all EEN partner countries. Replies are not geographically balanced and not statistically representative, but nevertheless provide indications for different evaluation questions.

- A public consultation and call for evidence.
- Interviews with different types of stakeholders, including
- Representatives of EISMEA (13)
- European-level business organisations, SMP SME Committee Members (9)
- Beneficiaries of the three flagship actions (19)
- Other beneficiaries (8)
- SMEs supported by flagship actions (6)
- Case studies for Euroclusters, EEN, EYE and the IPR Helpdesk

The research for this evaluation faced several challenges, including in particular:

- The SME Pillar consists of three big flagship actions with multi-annual contracts[73] and a high number of other actions. It was not possible to analyse in-depth every single action. A focus was put on the flagship actions and specific sectoral actions. For actions with a long tradition such as the EEN, identified effects cannot be exactly attributed to the programme period evaluated (2021-2023), as client support normally has long-term or recurrent character and SMEs often have used the services already in previous programme periods. Having said this, there is limited impact on the robustness and validity of findings.
- Concerning the targeted consultations, the response rate was comparable with other similar evaluations such as to those of the consultations carried out for the COSME final evaluation[74].
- Some stakeholder groups such as EU-level business organisations and SMP SME Committee members were sometimes only able to assess specific actions of the Pillar. This may be partly explained by the character of their involvement in the Pillar actions.
- A more detailed overview of methodology is provided in Annex III.

## 2. WHAT was the expected outcome of the intervention?

### 2.1. Description of the intervention and its objectives

With its **overall objective of strengthening the competitiveness and sustainability of European SMEs**, while achieving additionality at Union level, the SMP's SME Pillar contributes to the general SMP objective of improving the functioning of the single market by supporting businesses (SMEs) and facilitating their market access. Only healthy, productive and competitive SMEs can fully utilise the potential of the single market. The

73 59% of the 2021-23 voted budget was allocated to the flagship calls and their supporting activities.

74 COSME final evaluation, October 2024: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation_en For example, the number of responses from EEN member organisations was 117 for this evaluation and 109 for the COSME evaluation. The number of responses from Euroclusters and beneficiaries from social economy and tourism actions (combined) was 117 for this evaluation and 110 for the COSME evaluation.

SME Pillar also contributes, within the domain of enterprise policy, to the SMP's objective of effective policymaking.

This main objective is pursued, in consideration with the 'SME Strategy for a Sustainable and Digital Europe'[75], through six (6) more specific objectives that are explained in detail below. As the six specific objectives emphasise interrelated aspects of competitiveness, and address different levels from individual entrepreneurs, enterprises, business networks, sectors to business environment, some overlap between the objectives is inevitable. In the following, we therefore use a more simplified phrasing of the objectives for the purposes of this evaluation.

The first specific objective - 'SME growth' - is about promoting SMEs, clusters and business network organisations with a view to fostering the growth, scale-up and creation of SMEs, thereby addressing existing barriers to the foundation and expansion of businesses. The most relevant actions for this purpose include the Enterprise Europe Network (EEN) and the Joint Cluster Initiative (Euroclusters), but other actions within the SME Pillar also address this objective. Through these actions, SMEs receive various types of relevant support (e.g. advice, grants) that result in SMEs obtaining new knowledge, developing new skills, establishing new partnerships or creating innovations. This is intended to ultimately induce business growth in terms of jobs, turnover and value added or create new firms.

The second specific objective of the Pillar – 'access to markets' - is about facilitating cross-border activities and internationalisation of SMEs within Europe and beyond (which is closely interrelated with the first specific objective). Among the Pillar's actions, the EEN, the IP Helpdesks or dedicated support centres in Asia strongly focus on this objective. The Joint Cluster Initiative (Euroclusters) is also contributing to the objective. SMEs are offered various forms of assistance, enabling them to acquire knowledge about the markets, developing strategies, protecting their intellectual property (IP) assets before exporting, establishing new business contacts and partnerships or solving legal issues abroad. The goal is to foster additional exports for supported SMEs.

The third specific objective - 'entrepreneurship'- promotes entrepreneurship and the acquisition of entrepreneurial skills via financing the mobility scheme Erasmus for Young Entrepreneurs (EYE). The scheme helps entrepreneurs or would-be entrepreneurs develop relevant competencies and entrepreneurial plans to start and run a company. Experienced host entrepreneurs gain innovative skills and new ideas. This third objective recognises the importance of skills for the success of businesses as well as the fact that European entrepreneurial attitude needs to be cultivated. Ultimately, new businesses and joint ventures are created by supported entrepreneurs in Europe.

The fourth specific objective may be split up into two sub-goals. Objective 4a – 'a favourable business environment' - relates to promoting policymaking for SMEs. To this end, the SME Pillar finances studies, analytical papers, observatories, the network of National SME Envoys and relevant events. Policymakers in Europe use and benefit from these resources and the activities result in concrete recommendations to improve policymaking. Objective 4b 'digital transformation', i.e. promoting the digitalisation of SMEs and their uptake of new business opportunities and models, is e.g. addressed by the Joint Cluster Initiative (Euroclusters) and by funding specific actions for the social economy and the tourism sectors. Through these actions, SMEs receive various forms of

[75] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103.

support to obtain knowledge and skills and develop measures in relation to digitalisation and new (digital) business models. This will lead to an increased level of digitalisation of (supported) SMEs.

Specific objective no. 5 – 'ecosystem support' - recognises the importance of ecosystems, sectors and value chains for the competitiveness of individual enterprises and therefore aims to promote modernising and strengthening these sectors. To this end, the SME Pillar finances Euroclusters within ecosystems, such as the tourism and social economy ecosystems, as well as specific projects or a performance monitoring of EU industry and industrial ecosystems. Overall, these actions support the generation of new knowledge and new measures with a view to strengthening the targeted ecosystems, thereby eventually increasing their competitiveness.

The sixth specific objective – 'industry modernisation/sustainability' - refers to promoting the modernisation of industry and contributing to a green and resilient economy. This objective responds to the finding in the SMP Impact Assessment that the Pillar actions should have a bigger focus on societal challenges. In order to pursue this goal the SME Pillar has mainstreamed a clear sustainability component in many of the Pillar's actions, notably the Enterprise Europe Network or Euroclusters. There are also specific, dedicated actions such as the European Solar Academy and the EEN Energy Efficiency Action. The actions should enable SMEs to access relevant knowledge and to develop skills, partnerships and measures in the field of greening. Ultimately, the level of sustainability of European SMEs will increase in this way.

### 2.2. Point(s) of comparison

The main points of comparison against which the SME Pillar are assessed are the predecessor programme COSME. It is also important to compare the Pillar's objectives and activities to relevant policy documents and strategies in the field of SMEs. Furthermore, the Single Market Programme impact assessment has been taken into account, in particular for assessing progress in SME sustainability. Baselines for the Single Market Programme are mentioned in the assessment for some key indicators.

Overall, COSME was a significantly larger programme in budget terms (EUR 2.4 billion in 2014-2020) as it also included financial instruments - the Loan Guarantee Facility and the Equity Facility for Growth. These instruments are now being implemented outside of the SMP. The total budget earmarked for the SME Pillar for 2021-2027 is EUR 1 billion.

The final evaluation[76] of COSME particularly appreciated the high relevance of the programme and confirmed impact against its objectives and on SMEs' competitiveness in general. The evaluation also found a good level of efficiency and notable EU added value of COSME. However, in terms of design, the evaluation also pointed to the need to better link the individual actions to COSME's objectives and to the need for a more comprehensive indicator and monitoring system across all actions.

Under the SMP SME Pillar more attention is given to results and impacts in the preparation of work programmes and relevant indicators are included in project calls. Coherence of smaller actions is ensured on a regular basis by checking upfront that these smaller actions enhance the achievement of programme objectives (e.g. a study allows to better understand the situation of European SMEs before taking action).

[76] https://op.europa.eu/en/publication-detail/-/publication/a856be38-44ae-11ef-865a-01aa75ed71a1.

The main actions of the SME Pillar, especially its flagship initiatives, have not been newly created, but build on earlier actions implemented for many years under the **predecessor programmes** COSME (2014-2020) and partly the EIP (2007-2013). Under COSME, the budget committed to the EEN amounted to EUR 367.3 million, i.e. EUR 52.5 million per year on average. Under the SMP, the EEN has committed EUR 181 million for 2021 to 2024, i.e. EUR 45.3 million per year on average. As far as EYE is concerned, the average annual budget under COSME was EUR 8.4 million, while it is EUR 10 million for the first four years under the SMP. The clusters budget is on average EUR 12 million annually for the SMP so far, while under COSME this figure was EUR 7.5 million on average[77].

The SME Pillar actions now integrate new forms of support, services and service delivery models to address new needs and challenges faced by SMEs. For example, the Enterprise Europe Network's services were extended under the SMP to include new sustainability-related services through specialised Sustainability Advisers. Support to clusters has been further developed by including the instrument of 'financial support to third parties' (FSTP). Sustainability has also become a prominent feature in many other Pillar actions, e.g. those for the tourism sector. This follows a recommendation in the SMP Impact Assessment to address societal challenges more strongly.

**Indicators** to be used for measuring and monitoring the progress, achievements and success of the SME Pillar were specified in the in the SMP establishment Regulation of 2021. These indicators are displayed in the table below as outputs. Supplementary indicators were defined at the level of results and impacts. In the table, each indicator is assigned to one or more specific objectives.

For the outputs shown in the intervention logic, there is at least one indicator for objectives 1, 2, 3, 4b, and 6. These indicators refer to the number of businesses and entrepreneurs actually using and benefiting from the implemented schemes and projects and their support services/tools. At the level of results, there is also at least one indicator for objectives 1, 2, 3, 4b, and 6. As far as the impact level is concerned, there are indicators addressing objectives 4a and 6.

**Table 9: Overview of indicators according to the SMP Monitoring and Evaluation Framework**

| Indicator | Description | Baseline | Latest achievement | Target | Coverage of specific objectives |
|---|---|---|---|---|---|
| **Indicators at the level of outputs** | | | | | |
| Number of SMEs, clusters, business network organisations, and business support organisations receiving support from the programme, in particular for internationalisation, | Number of entities that received concrete support from the actions | 0 | 266 448[78] | n/a | Objectives 2, 4b, 6 |

[77] The multiannual flagship calls receive budget from the programme each year, but due to the overlap with the preceding programme, implementation started in 2022.

[78] The number 266 448 was calculated by EISMEA in January 2024 and covers the evaluation period 2021-2023. In October 2024 the number of SMES supported could already be calculated at 325 160. This includes 292 045 SMEs supported by the EEN, 3 087 SMEs supported by Euroclusters (including intermediary organisations), 14 414 SMEs supported by IP Helpdesks, 2 682 SMEs supported by the China SME Centre, 7 732 SMEs supported by EU-Japan Centre, 3 510 SMEs to be supported in the tourism ecosystem and 1 690 SMEs to be supported in the social economy ecosystem (in the pipeline). This shows that the situation is dynamic.

| Indicator | Description | Baseline | Latest achievement | Target | Coverage of specific objectives |
|---|---|---|---|---|---|
| digitalisation and sustainability (OP 5) | It relates especially to the EEN and Euroclusters | | | | |
| Number of entrepreneurs benefiting from mentoring and mobility schemes, including young, new and female entrepreneurs, as well as other specific target groups (OP 6) | Participating entrepreneurs (new and host) engaged in a business exchange (EYE) | 0 | 2 086 | Average of 3 000 matched per year | Objective 3 |
| Number of SMEs benefiting from third-party finance to participate in projects for enhancing their competitiveness, sustainability, digitalisation, and/or for innovating business processes (OP 2.1) | Refers to SMEs benefiting from FSTP | 0 | 1 747 | n/a | Objectives 1, 4b, 6 |
| **Indicators at the level of results** | | | | | |
| Number of companies supported having concluded business partnerships (RES 2) | Partnership agreements signed through the EEN services<br>There may be businesses that have obtained more than one partnership agreement | 0 | 1 724 (01/2024) | 2 700 agreements per year | Objective 2 |
| Client satisfaction rate for flagship support services for SMEs (RES 2.1) | Based on annual satisfaction survey<br>It relates to flagship actions | 92% | 99% for EEN<br>96% for IP Helpdesks | Targets:<br>EEN > 90% satisfied; other actions > 80% satisfied | Objectives 1, 2, 3, 4b, 5, 6 |

| Indicator | Description | Baseline | Latest achievement | Target | Coverage of specific objectives |
|---|---|---|---|---|---|
| Number of supported SMEs that undertook business process innovation tied to technological adoption leading to progress with their green transition (including improved climate performance, and/or higher sustainability) (RES 2.2) | Includes SMEs receiving third-party finance (i.e. relates to all actions with third-party finance) | 20% of all entities receiving support from SMP SME pillar | 40% (gross estimate based on call themes)[79] | Target: 30% of all SMEs receiving financial support through SMP SME pillar | Objective 6 |
| Number of supported SMEs that undertook business process innovation tied to technological adoption leading to higher digitalisation (RES 2.3) | Includes SMEs receiving third-party finance (i.e. relates to all actions with third-party finance) | 20% of all entities receiving support from SMP SME pillar | 25% (gross estimate based on call themes) | Target: 30% of all SMEs receiving financial support through SMP SME pillar | Objective 4b |
| Number of supported SMEs (with direct support/third-party finance) that enhanced their skills for implementing sustainable business models and practices and/or their digital skills as a result of participating in the project (RES 2.4) | For all actions providing third-party finance | 20% of all entities receiving support | 15% (gross estimate based on call themes) | Target: 30% of all SMEs receiving financial | Objectives 4b, 6 |
| Number of users of digital services/digital information tools provided by the programme (RES 2.7) | Relates to EEN, EYE, YEB, ECCP<br>One user may be using several digital services | 17.8 million (2021) | 21.5 million (2022)[80] | Target: 18.8 million by 2027 | Objective 4b |
| **Indicators at the level of impacts** | | | | | |
| Percentage of businesses that are climate neutral or negative, or that already have a strategy | Source: Eurobarometer survey | Baseline 24% (2021 data) | 25% (2024) | Target value 2027: 27% | Objective 6 |

[79] There is no distinct data on the allocation of FSTP over thematic fields/ objectives. However, considering the themes of the FSTP calls under Euroclusters and the Tourism actions so far, one could estimate that (i) only 15% are directed to training (representing indicator RES 2.4); (ii) 25% are directed to digitalisation as this is a frequent subject in Euroclusters (representing RES 2.3); (iii) 40% are directed to sustainability as this is frequent subject in both Euroclusters and the tourism actions. Some 20% of FSTP may go to other topics in Euroclusters, e.g. internationalisation.

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[80] The figure of EUR21.5 million pertains to year 2021 and the EEN website only. The indicator was discontinued in the reporting requirements. However, we can expect the figure to be stable for 2022 and 2023. Network partners reported higher results than expected in the number of SMEs using digital services. They are particularly active in providing information, tender alerts or partnering opportunities to SME clients via newsletters, social media and automatic matching tools. In 2020-21 the e-services received a boost, as many existing clients turned to these services and new clients turned to the Network for support.

| Indicator | Description | Baseline | Latest achievement | Target | Coverage of specific objectives |
|---|---|---|---|---|---|
| in place for this purpose (RES 2.5) | | | | | |
| Burden of government regulation (RES 2.6) | Result of opinion survey of World Economic Forum, using a scale from 1=extremely burdensome to 7=not burdensome at all (Question is: How burdensome is it for businesses in your country to comply with governmental administrative requirements (e.g. permits, regulations, reporting)?) | Baseline 3.4 (2020) | 3.8 (2022) | Target value 2027: 3.9 | Objective 4a |

*Source: European Commission (2023), Commission Staff Working Document on the establishment of a monitoring and evaluation framework for the Single Market Programme, SWD(2023) 271 final.*

The monitoring and evaluation system has been supplemented with additional indicators in the Monitoring and Evaluation Framework, which represents a significant improvement over COSME.

The main Pillar actions already contribute through their KPIs (OP5, OP6, OP2.1) to the objective-related indicator system of the Pillar.

The development of the various aspects of SMEs' competitiveness (such as growth, internationalisation, digitalisation etc.) also depends on a number of other factors and policies beyond the activities of the SME Pillar. SME policy is cross-cutting and horizontal. Supporting SMEs rests on key national policies from economic policy to labour market measures. Functional single market rules enable SMEs to expand and do business everywhere in the EU. Trade policy makes it easier to do business globally. National macroeconomic and industrial policies, state aid frameworks, national tax systems and other regulatory frameworks also strongly influence business performance. Thus, neither the development of SME competitiveness in Europe can be attributed primarily to the SMP's SME Pillar nor can the success of the Pillar be judged only on how SME competitiveness develops overall in Europe.

Beyond the expected outputs, results and impacts shown in the intervention logic, the SME Pillar is also seen to contribute to the **Sustainable Development Goals (SDGs)**. In particular, the Pillar is expected to have a positive impact on SDGs 8 and 9, i.e. an inclusive and sustainable economic growth, full and productive employment and decent work for all and a resilient infrastructure, inclusive and sustainable industrialisation and innovation. SDG 8 is particularly supported by the Pillar's actions for the social economy. According to the Programme website, the Pillar is also seen to contribute to combating climate change (SDG 13), sustainable production patterns (SDG 12), and ensuring access to affordable,

reliable, sustainable and modern energy (SDG 7). Furthermore, the SME Pillar is also expected to contribute to the objectives of the Gender Equality Strategy. For example, women entrepreneurs can be supported through EYE and other specific actions dedicated to women have been launched. In line with Commission requirements, the work programme mentions 'climate and biodiversity' as a mainstreaming objective of the Pillar.

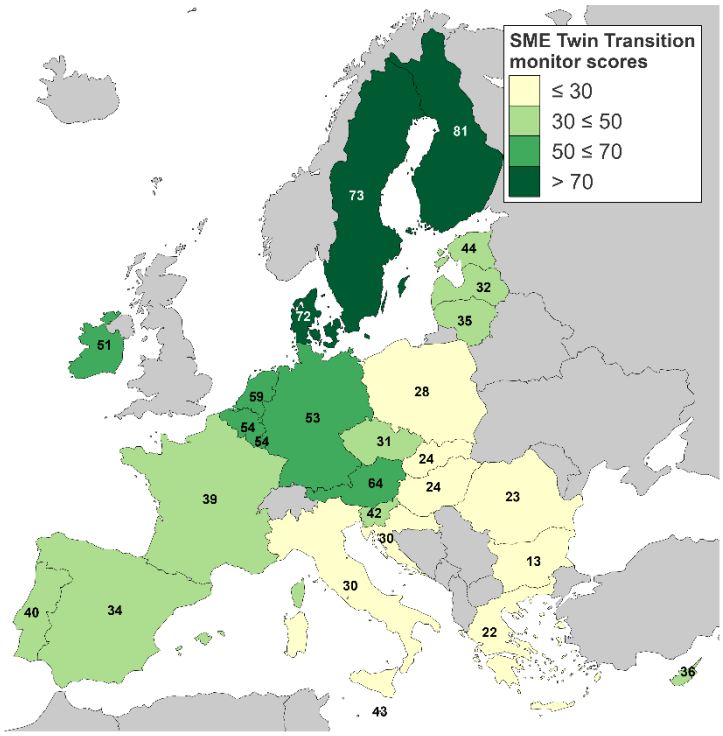
## 3. HOW HAS THE situation evolved over the evaluation period?

### Current state of play

The EU's 25.8 million SMEs represent more than 99% of all enterprises in the EU, employ two thirds of the workforce in the business sector and contribute more than half of the value added. SMEs contribute substantially to the creation of quality jobs at a regional and local dimension, and hence to the creation of social cohesion. SMEs are also instrumental in the green and digital transformation of the economy, including the achievement of climate neutrality.

However, from 2022, difficult macroeconomic conditions with inflationary pressures challenged the robustness of European SMEs. In 2023, SME value added declined by -1.6% in real terms[81].

To support and assess SMEs in navigating the evolving economic landscape, the Commission introduced the SME Twin Transition Monitor[82] in 2025. This tool evaluates the current SME readiness for both the digital and environmental transitions, while also considering their resilience capabilities. The monitor reveals varied readiness across the EU, with Nordic and Benelux countries leading in SME readiness for the twin transition, while Southern and Eastern European countries face greater challenges. The following map displays the final scores of the monitor across all countries.




[81] European Commission (2024), Annual Report on European SMEs 2023/2024, p 2.
[82] The SME twin transition monitor: towards a competitive Europe.

Due to their smaller size, SMEs usually face relatively higher costs and barriers when operating on markets and in the business environment. This refers, for example, to complying with regulation and coping with red tape, accessing markets and customers, obtaining finance, recruiting and training of workers, or developing and implementing innovations. These needs are outlined in the impact assessment for the Single Market Programme, and the SME pillar was designed to meet these challenges.

The Single Market Programme Regulation[83] was adopted on 28 April 2021 and the first work programme[84] on 6 May 2021.

The largest share of the SME Pillar's budget is devoted to the **three flagship initiatives**:

An amount of more than EUR 180 million is used to support the **Enterprise Europe Network** (EEN) and its wide range of business support services in the period 2022-2025. In 2023, the EEN developed the Energy Efficiency Action, which provides direct financial support to SMEs for energy efficiency audits and small-scale technological investments for energy efficiency (budget: EUR 10 million).

Almost EUR 42 million are used for the **Joint Cluster Initiative** to establish and develop 30 Euroclusters within the period up to 2025. Their aim is to improve the resilience of European industrial ecosystems, boost their green and digital transformation and help to better integrate SMEs into ecosystems. The support provided to SMEs either via vouchers (FSTP) or smaller actions enables them to develop and test new products and services. It also supports internationalisation actions and skills development. The European Cluster Collaboration Platform presented the Eurocluster activities and generated spill-over effects.

More than EUR 38 million are being invested in the **Erasmus for Young Entrepreneurs** (EYE) initiative up to 2026 with a view to implementing cross-border exchanges between new or aspiring entrepreneurs and experienced entrepreneurs in other countries.

Another strand of the Pillar's actions addresses the **social economy**. Overall, social economy actions aim to strengthen the sector's resilience, innovation capacity, digitalisation and green transformation, but also the access to public procurement and collaboration with mainstream enterprises.

In terms of supporting ecosystems the **tourism sector,** since the Covid pandemic, is also supported by a variety of actions within the Pillar, helping tourism SMEs boost their businesses, managing the twin transition, and building resilience and to promote Europe as a tourism destination. Up to 2023 the work programmes have committed more than EUR 50 million to tourism-related actions. To a smaller extent the Pillar has also been addressing the **construction, textiles and retail sectors**, as well as supporting some actions aimed at modernising and improving **public procurement**.

Next to the flagships and selected sectors, the SME Pillar focuses on certain (cross-sectoral) themes. The use and exploitation of **intellectual property** by SMEs is supported through international IP helpdesks and contributions to the SME Fund – IP voucher

[83] Regulation - 2021/690 - EN - EUR-Lex (europa.eu).
[84] Single Market programme - legal texts and factsheets - European Commission (europa.eu).

implemented and co-funded by EUIPO. More than EUR 9 million have been budgeted for IP-related actions so far.

Significant budgets are also dedicated to SME **internationalisation** (beyond the EEN), e.g. via the EU SME Centre in China and the EU-Japan Centre for Industrial Cooperation. A smaller share of the budget is dedicated to actions for **skills development**, including e.g. the Pact for Skills and the European Solar Academy. Projects have been designed to support Ukrainian businesses doing business in the EU and in the framework of the European Cluster Collaboration Platform.

Finally, a key field of activity of the SME Pillar refers to advancing evidence-based **SME policies** and **regulation** suitable for SMEs. Relevant actions include, amongst others, the SME Assembly, the SME Envoys, studies and monitoring exercises, the Fit for Future platform, and the regular SME Performance Review.

To implement the activities, the SME Pillar uses different instruments: First and foremost are grants to support projects implemented by relevant stakeholders. A significant number of the grant-based actions are set to provide financial support to third parties (FSTP). Next to grants, procurement is used to entrust contractors with implementing activities, as well as direct awards to or contribution agreements with specialised organisations.

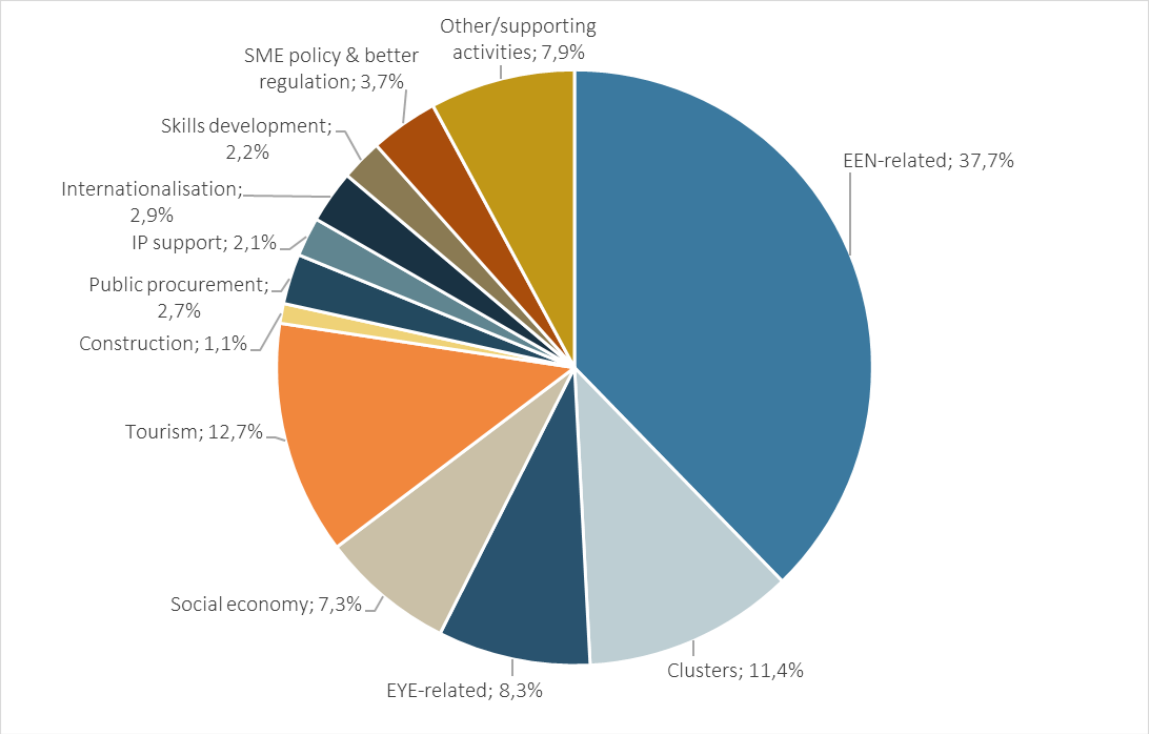
The SMEs executive agency EISMEA[85] is entrusted with the management and implementation of the majority of the SME Pillar actions, and in particular the flagship actions which are marked by continuity from the previous agency and programming period.

A detailed overview of implementation of SME Pillar actions is included in Annex IV.

The following chart shows the percentage distribution of the planned budgets as per the work programmes 2021-2023 (not commitments).

**Figure 1: distribution of planned budgets**

[85] EISMEA - European Commission (europa.eu).




*Source: Work programmes and SME Pillar Implementation Reports as per July 2024.*

## 4. EVALUATION findings (analytical part)

### 4.1. To what extent was the intervention successful and why?

#### 4.1.1. Effectiveness

**Key conclusions**

The EEN is making good progress towards expected objectives. EEN clients (SMEs) report very high satisfaction rates and effects on business performance. EEN services in relation to resilience and resolving single market issues are seen to contribute to growth to a lesser degree but still show very solid impacts.

EYE is on track in terms of number of matched entrepreneurs. EYE overachieves in terms of number of intermediary organisations. Success rates of exchanges are above 95%. Learning effects are significant. EYE also shows a somewhat geographically uneven impact and promotion measures to mitigate this situation are being taken.

Based on preliminary data, the Euroclusters action has been making good progress in terms of achieving the expected results. Resilience, digitalisation and greening are the most promising dimensions of impact.

Cascade funding drives effectiveness: The action uses cascade funding effectively to support SMEs with the testing and development of new innovative products and services. SMEs have also benefited from internationalisation and skills development support. Though, the distribution of beneficiaries is somewhat geographically uneven, mitigation actions have been taken to address imbalances between member states.

Also, other actions supporting internationalisation (IP Helpdesks, EU-Japan Centre, SME Centre in China) achieve high satisfaction rates and numbers of SMEs supported are close to planned targets.

For many ecosystem actions (tourism and social economy) implementation is well under way.

#### *4.1.1.1. Pillar level*

This section looks at the main achievement indicators at Pillar level. According to monitoring data, a total of 266 448 SMEs have received support from the actions under the SMP by the end of 2023 (indicator OP 5). This number does not include an additional 2 086 entrepreneurs benefiting from the EYE mobility scheme (indicator OP 6). By mid-2024, a total of almost 1 750 SMEs have received financial support for third parties (FSTP), which represents indicator OP 2.1. A total of EUR 25.4 million have been awarded to SMEs through FSTP. There is no distinct data on the allocation of FSTP over thematic fields/ objectives. However, considering the themes of the FSTP calls under Euroclusters and the Tourism actions so far, one could estimate that (i) only 15% are directed to training (representing indicator RES 2.4); (ii) 25% are directed to digitalisation as this is a frequent subject in Euroclusters (representing RES 2.3); (iii) 40% are directed to sustainability as this is frequent subject in both Euroclusters and the tourism actions. Some 20% of FSTP may go to other topics in Euroclusters, e.g. internationalisation.

Impact indicator RES 2.5 is the percentage of SMEs that are climate neutral or negative, or that already have a strategy in place for this purpose. It is measured through a Eurobarometer survey[86]. The latest available data refer to 2024 and revealed a value of 25% of SMEs, thereof 4% actually climate neutral/negative and 21% having a strategy in place. The target for the SME Pillar is 27% by 2027. Considering that the baseline value in 2021 was 24%, progress towards this goal is on track.

Impact indicator RES 2.6 'Burden of government regulation' shows an improvement at the EU level from a value of 3.6 in 2021 to a value of 3.8 in 2022 (latest available year). The indicator reflects wider framework conditions and is measured through a survey of the World Economic Forum[87], more specifically by tracking replies to the survey question: 'In your country, how easy is it for companies to comply with government regulation and administrative requirements (e.g. permits, reporting, legislation)? (1 = Overly complex; 7 = Extremely easy)'. Therefore, higher values indicate a better performance (i.e. less burdensome regulation). The target value set by the MEF for the SME Pillar is 3.9 for the EU average.

**Table 10: Overview of selected indicators**

| | **SMEs, clusters, business network organisations, business support organisations receiving support (OP 5)** | **Percentage of SMEs that are climate neutral or negative or have a strategy in place (RES 2.5)** | **Burden of government regulation (RES 2.6)** |
|---|---|---|---|
| Source | Programme monitoring | Eurobarometer survey | Survey of the World Economic Forum (1 = Overly complex; 7 = Extremely easy) |
| Baseline value (2021) | n/a | 24% | 3.6 |

[86] SME Eurobarometer survey 2024: https://single-market-economy.ec.europa.eu/news/eurobarometer-smes-and-skill-shortages-2024-03-14_en#:~:text=Skills%20shortages%20represent%20a%20serious%20problem.
[87] See Global Competitiveness Index 2022, World Economic Forum.

| | | | |
|---|---|---|---|
| Intermediate value | 266 448 (2023) | 25% (2024) | 3.8 (2022) |
| Target value (2027) | n/a | 27% | 3.9 |

*Source: Elaboration for the supporting study.*

Other indicators defined in the MEF (see overview of indicators in previous section), are action-specific and discussed in the sections below.

**Overall impact on competitiveness**

The following table provides an overview of how major Pillar actions have an impact on the key objective of the Pillar, i.e. on different dimensions of competitiveness of SMEs:

**Table 11: Overview of impacts on competitiveness of SMEs**

| Action | Impact |
|---|---|
| EEN | Helps SMEs to access and do business on new markets<br>Helps SMEs to introduce new products and do business with new products<br>Facilitates access to finance for SMEs Contributes to growth of turnover and jobs |
| Euroclusters | Helps SMEs to increase resilience<br>Helps SMEs to develop new processes and products<br>Helps SMEs to upskill and/or reskill the workforce<br>Helps SMEs to access new markets<br>Helps SMEs to increase digitalisation |
| EYE | Enhances skills of new and existing entrepreneurs and can make them more successful on the market<br>Contributes to boosting entrepreneurial spirit and motivation<br>Contributes to creation of new businesses |
| Other internationalisation support, including IP Helpdesks | Helps SMEs to access new markets and export Helps SMEs to translate their IP into revenues |
| SME policy | Contributes to shaping a conducive business environment for SMEs<br>Contributes to reducing costs (red tape) of doing business<br>Contributes to seizing business opportunities |
| Ecosystem support | Helps SMEs with greening and digitalisation, which strengthens ecosystem transitions |

*Source: Elaboration for the supporting study.*

According to the EU-level business organisations and SMP SME Committee Members surveyed in the context of this evaluation, the SMP's SME Pillar makes a difference with a view to strengthening the competitiveness of European SMEs[88]. A similar proportion of these stakeholders say that the Pillar makes a difference with a view to contributing to a green and resilient economy.

Through the above-mentioned impacts on growth, jobs, innovation in SMEs and on skills (for entrepreneurs as well as workers in SMEs) the SME Pillar also contributes to the Commission's key objective of 'an economy that works for people' and, in particular, to

88 This view was confirmed by 17 of 19 surveyed stakeholders.

creating quality jobs connected to e.g. innovation, internationalisation and digitalisation in SMEs.

Across the Pillar, no particular unintended effects have been identified. The final COSME evaluation did not report any unintended effects either.

**Visibility of the SME Pillar**

Communication activities are important for outreach and awareness raising about the SME Pillar actions and therefore have an influence on its effectiveness. Communication activities include the EISMEA website, promotion activities for calls, digital information as well as social media activities. As a general rule, the single Pillar actions do not promote the SME Pillar as such, but spread targeted information on relevant measures to their clients.

The national representatives of the SMP/COSME Committee (the advisory committee for the SME Pillar) are also an important channel for promoting the SME Pillar in the participating countries. EISMEA's information tools (rather than the SMP website) are most frequently used by stakeholders to find out about the funding opportunities under the SME Pillar.

From the viewpoint of the surveyed EU-level business organisations and SMP SME Committee members, the SME Pillar is reasonably well known among the relevant target groups[89].

The following sections discuss the effectiveness of major actions of the Pillar. For clarity the Section is structured by flagship actions.

#### *4.1.1.2. EEN*

The Enterprise Europe Network (EEN) was initially set up in 2008 and operated as a pilot under the EIP (2007-2013). COSME provided follow-up funding to the EEN during 2014-2020, building on the success of the network during the CIP and EIP.

Based on the 2021 call for proposals, the EEN action has created or maintained a network of more than 450 business support service providers throughout Europe. The network covers 35 countries, with EU financial resources invested into the network being relatively evenly distributed across the countries.

Data from EISMEA show that, under the SMP, the EEN has already reached over 290 000 companies (KPI 1)[90] and acquired over 16 000 unique clients (KPI 2), each of which received dedicated personal business support services. These figures represent well over 50% of the numbers expected by Network partners in their proposals for the entire action period (3.5 years) as stated in the monitoring fiche.

By the end of 2023, the Network has also registered approximately 6 700 'achievements' (KPI 3), which stand for a completed service or series of services that have led to a concrete impact on the company (for example a new business partnership, introduction of an innovation or a new technology, entry into a new market, etc.). This is in line with previous years, as shown in the final evaluation of COSME, which shows e.g. that EEN business cooperation services have led in 2015-2016 to 5 019, 2017-2018 to 5 700, 2019 to 2 945

89 Out of 19 stakeholders, 9 (47%) think that the Pillar is reasonably well known, while 7 (37%) think that the SME Pillar is not well known.

90 Beneficiaries set those targets in their proposals.

and in 2020-2021 to more than 5 000 international partnership agreements. By June 2023, almost 2 400 unique clients with an impact-assessed client journey have been reported, which corresponds to more than 50% of the targets set by the applicants in their proposals.

**Table 12: Achievements of mandatory KPIs of EEN**

| Indicator | Achieved (end of 2023) | % of target to be achieved by mid-2025* |
|---|---|---|
| KPI 1: SMEs served by EEN | 292 045 | > 50 |
| KPI 2: Unique clients in the Network client journey | 16 000 | > 50 |
| KPI 3: Achievements | 6 767 | > 50 |
| KPI 3a Advisory Achievements (AAs) | 4 719 | |
| KPI 3b Partnering Achievements (PAs) | 2 048 | |
| KPI 4: Unique clients with an impact assessed in their client journey | 2 392** | 51 |

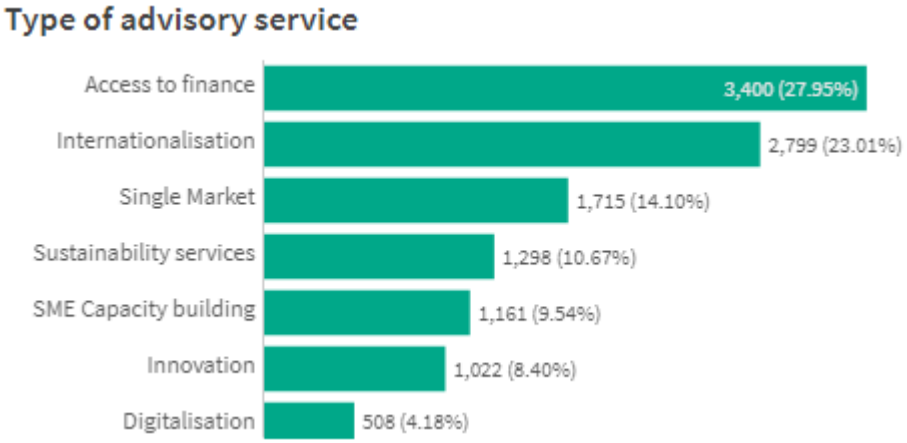
** beneficiaries have set targets for the entire contract period in their proposals; current achievement percentages according to monitoring report*

*** data from the first reporting period (until June 2023)*

*Source: EISMEA, reference period January 2022- December 2023.*

Concerning the advisory services the main three areas on which companies have asked for advice are access to finance (28%), access to third-country markets (23%), and access to the single market (14%).

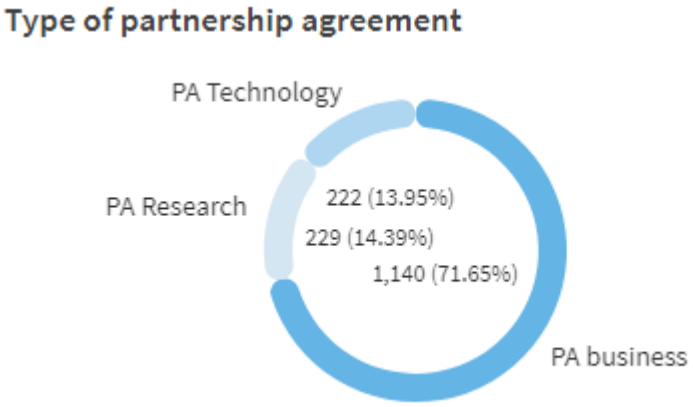
**Figure 2: Thematic focus of advisory services offered by the EEN**




*Source: data from interim reports submitted by EEN beneficiaries to EISMEA with reference period January 2022- June 2023.*

Out of the partnering services, 72% were provided to support companies in finding a business partner, 14% for research partners and 14% for technology partners.

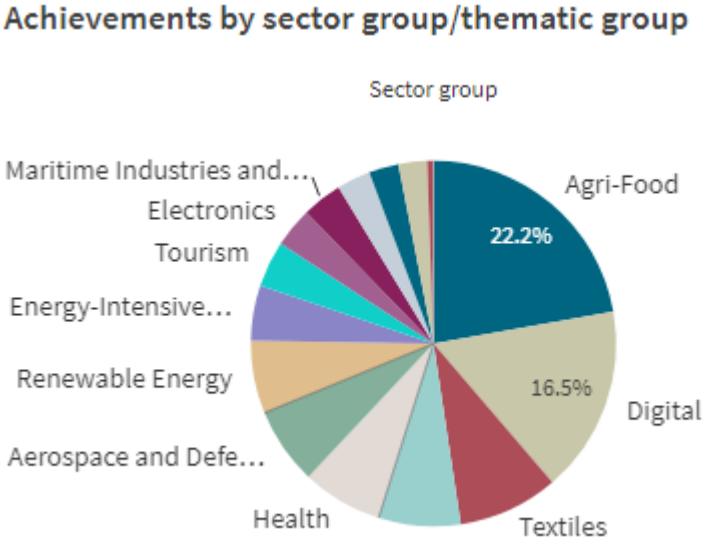
**Figure 3: Type of partnership agreements signed by companies thanks to the support offered by the EEN**




*Source: data from interim reports submitted by EEN beneficiaries to EISMEA with reference period January 2022- June 2023.*

The companies that receive the services of the Network belong to all sectors, but the three most represented sectors are agri-food (22%), digital (16.5%) and textiles (9%).

**Figure 4: Sectors to which companies receiving support from the EEN belong to**




*Source: data from interim reports submitted by EEN beneficiaries to EISMEA with reference period January 2022-June 2023.*

The EEN holds annual conferences. For example, the 2021 Annual Conference in Stuttgart (hybrid) was attended by 1 466 registered participants and more than 160 speakers. The 2022 conference in Prague counted 1 193 participants and 136 speakers. The 2023 conference in Bilbao counted 1 164 participants and 109 speakers. The post-conference satisfaction rates of participants are usually over 90%.

The EEN also produces audiovisual communication to promote its services. In 2021, outputs included:

- EEN Awards: 7 videos produced.
- Thematic animation: 3 of the videos produced resulted in 1 544 627 impressions, 232 606 engagements, 696 784 video views and 81 972 link clicks.
- Success stories: 5 success stories and articles/

Furthermore, in 2021, 38 online training sessions were held with a total attendance of 3 518 participants.

In an **impact survey** conducted in 2023 among its **client SMEs**, the EEN was praised for excellent service quality, fast response times and meeting the needs of companies. It attained a very high score of client satisfaction: 99% of clients are satisfied and would recommend Enterprise Europe Network, 89% of clients confirm that EEN meets their needs 'extremely well' or 'very well'. 75% find EEN services to be of high quality and customised. (EEN Impact Survey 2023)[91].

Furthermore, respondents indicated that EEN has a strong, positive impact on the ground as 68% of clients have improved their economic results thanks to the Enterprise Europe Network (acknowledging that economic results always have multiple causes, which is also emphasised by the interviewed EEN partners). Those that were able to name a figure (around 21%) estimated the increase in turnover due to EEN as high as 19.71%. Furthermore, according to the responses, EEN helped 30% of its clients save or create jobs – in total this represents 2 836.2 jobs (1.2 per client company) according to the survey. It must be noted that EEN also provides an SME feedback service to the Commission to support the work for assessing options for future policy measures (gathering data from SMEs on their concerns / issues experienced and how they can be addressed). Since 2021, the EEN has distributed consultations and collected feedback on new policy initiatives from over 400 000 companies.

Key competence areas of the Network, as seen by client companies, are international business partnering (in particular within the EU), access to funding/finance as well as innovation support, in particular with a view to Horizon Europe and the EIC. These services attract 44%, 34% and 29% of clients, respectively.

As the following Table displays, the impact of EEN services is rated by the surveyed EEN members to be most significant in terms of access to markets. There is also a noticeable impact seen on turnover growth, but to a lesser extent on employment growth. This means that additional turnover does not always translate into additional jobs in a proportionate way.

**Table 14: What is the impact of EEN services on the following aspects of performance of SMEs? Assessment by EEN member organisations, shares in %**

| | strong impact | reasonable impact | minor or no impact | don't know |
|---|---|---|---|---|
| Turnover growth | 32% | 60% | 5% | 3% |
| Employment growth | 10% | 57% | 26% | 6% |
| Access to markets | 58% | 36% | 3% | 3% |
| Product innovation | 27% | 48% | 19% | 6% |
| Process innovation | 20% | 52% | 17% | 11% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

91 The impact survey was launched in 2023 and is permanently open. The data presented in this report are based on the analysis of the answers of almost 2 400 SMEs in all EEN partner countries. The objective of the survey was to capture the satisfaction and impact rates of individual regional consortia in order to help them understand the quality of their services and to gather data for their own KPI/success rates. Thus, replies are not geographically balanced and not statistically representative, but can nevertheless represent relevant indicators to different evaluation questions.

The following Table shows that – according to the surveyed EEN members – the services in relation to business partnerships and access to finance and EU funding are regarded as most impactful with a view to contributing to the growth of SMEs. EEN services in relation to resilience and resolving single market issues are seen to have a somewhat lower but still very solid impact on SME growth.

**Table 15: What is the degree of impact of different EEN services on the growth of SMEs (turnover, jobs)? Assessment by EEN member organisations, shares in %**

| | strong impact | reasonable impact | minor or no impact | don't know |
|---|---|---|---|---|
| Internationalisation advice | 37% | 51% | 5% | 7% |
| Innovation advice | 25% | 54% | 11% | 10% |
| EU single market (legislation, obstacles) | 19% | 49% | 19% | 14% |
| Business partnerships (matching) | 44% | 40% | 14% | 3% |
| Access to finance (finding sources, preparing) | 44% | 41% | 11% | 3% |
| Access to EU funding opportunities | 43% | 41% | 9% | 8% |
| Digitalisation | 24% | 44% | 15% | 17% |
| Sustainability / sustainable business models | 26% | 53% | 14% | 8% |
| Resilience (analysis, solutions) | 13% | 44% | 26% | 18% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

The interviewed beneficiaries also identify the services in relation to internationalisation, innovation and access to funding as the services with the strongest impact among their clients. With the help of the networks, SMEs get information on foreign markets and legislation, find business partners along the supply chain, are informed about funding opportunities and supported in the application process. This resulted in successful market entries, sustainable partnerships and successful funding applications.

Digitalisation and sustainability are becoming increasingly important areas, with each of them representing around 20% of client requests. In addition, many innovation and technology transfer services also lead to increased sustainability and resilience of SMEs. For example, over a third of innovation support services aim at improving the strategic and managerial competence of companies to innovate and manage change processes. Regardless of the topic the network partners see themselves as classical first-stop-shop which can provide tailored support in specific areas, provides first information in others and signposts the client to other partners. The embeddedness of the beneficiaries in the international network on the hand, and the national ecosystem on the other is a key success factor in this context.

EEN member organisations, mostly regional/national business associations, business support organisations, innovation agencies or regional development organisations, usually also provide other services outside the EEN. The survey among the member organisations shows that these entities strongly benefit in various ways from participating in the EEN network (see Table below).

In particular, there is a strong positive effect on the organisations' skills and competencies and on improved reputation. This is also confirmed in the interviews. Being a network partner increases the overall credibility of the organisation. The provision of other services outside the EEN is beneficial as well. For example, EEN clients can be referred to training schemes offered beyond the scope of EEN services. However, cross-fertilisation between EEN and non-EEN services works the other way as well: 37% (43 out of 117 respondents) say that their activities outside the EEN support the implementation and success of EEN services to a 'great extent' and for 50% this is true to at least 'some extent'.

**Table 16: Benefits of participation in the EEN Network for EEN member organisations; share of EEN members in %**

| | strong effect | some effect | no effect | don't know |
|---|---|---|---|---|
| improved reputation | 58% | 32% | 9% | 1% |
| facilitates the provision of other services | 55% | 39% | 6% | 0% |
| facilitates access to national funding | 19% | 36% | 41% | 4% |
| facilitates participation in other EU programmes | 39% | 39% | 18% | 3% |
| facilitates finding partners for other projects | 47% | 45% | 5% | 3% |
| increases our skills and competencies | 62% | 32% | 5% | 0% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

The EU-level business organisations and SMP SME Committee members surveyed for this evaluation study confirm the effectiveness of the EEN[92] and that it makes a difference with a view to particularly increasing internationalisation of European SMEs[93].

In the framework of the Public Consultation, out of the 34 respondents that were familiar with the EEN, most viewed its effectiveness positively: 22/34 (65%) viewed it as reasonably effective and 10/34 (29%) as very effective.

The EEN's effectiveness is based on its permanent adaptations to the needs of SMEs (see section on relevance). The precise attribution of the EEN to internationalisation or economic achievement of the supported SMEs is hard to measure as the EEN normally is only one of multiple support SMEs receive. The impact survey shows high satisfaction with the services overall. The majority of the EEN member organisations assess the EEN's **visibility** as 'reasonable' (76 or 65% out of 117 survey respondents). 9% think that the EEN is 'very well known', while 26% say it is 'not well known'.

#### *4.1.1.3. EYE*

EYE is the main action of the SMP addressing the specific objective of promoting entrepreneurship and the acquisition of entrepreneurial skills. The first-level result indicator most relevant to EYE is 'Number of entrepreneurs benefiting from mobility scheme (OP 6)'. Looking at EYE over time and considering this indicator, as expected, the

92 Out of 19 respondents, 9 (47%) indicate high and another 9 (47%) indicate reasonable effectiveness of the EEN (one person did not answer the question).

93 14 out of 19 (74%) say that the SMP's SME Pillar actually makes a difference (6 indicate a big and 8 a reasonable difference). 16% (3 persons) see the SME Pillar making little or no difference in this regard. Two respondents answered 'don't know' to the question.

progress has been growing over the lifetime of the action. While the action only facilitated 54 exchanges in its first year (2009) under the Entrepreneurship and Innovation Programme, the overall number of exchanges has now surpassed the mark of 12 000 exchanges with the participation of 45 countries, with some years accounting for 1 200 exchanges alone. The number of exchanges (one exchange involving one New Entrepreneur and one Host Entrepreneur) under the SMP stood at 1 169 (data as of June 2024). Thus, the number of entrepreneurs that have benefited from the mobility schemes under the SMP was 2 338 by June 2024 according to data from the EYE IT tool at DG GROW.

Since the start of the SMP, EYE has encountered a slight backlog in terms of the number of entrepreneurs that have benefited from the mobility scheme due to the following difficulties:

- When EYE projects supported under the previous COSME programme were ongoing, less exchanges were possible, which is why the Commission extended the contract with the Intermediary Organisations to allow them to spend the remaining budgets in the following years, enabling spending rates of 88-90% of their grants.
- The signature process of some third countries associated to the SMP was delayed limiting the access to a wider pool of Host and New Entrepreneurs.

According to the monitoring fiche for the action[94], the indicators to be achieved by January 2027 using funding from this Multiannual Financial Framework period are as follows:

- **Circa 12 000 entrepreneurs matched**. So far the above-mentioned 2 338 entrepreneurs have been matched by June 2024 out of 9 300 entrepreneurs to be matched. There will be two more calls under the SMP to select additional intermediary organisations, so the target of 12 000 is likely to be reached.
- **Circa 14 000 entrepreneurs newly registered**. So far 5 308 entrepreneurs were newly registered between February 2023 and June 2024.
- **70-100 Intermediary Organisations involved in the implementation of EYE**. The 137 Intermediary Organisations involved between February 2023 and June 2024 already outperforms that target.
- **At least 30 countries covered.** The current projects already cover 33 countries which outperforms the target.

**Feedback from EU-level business organisations and SMP SME Committee members**

In the framework of the Public Consultation, 16 out of the 32 respondents familiar with EYE (50%) agreed or strongly agreed that EYE has helped support new or aspiring entrepreneurs. In addition, the business organisations and SMP SME Committee members surveyed for this evaluation study confirm the effectiveness of EYE as well as that it makes a difference with a view to fostering entrepreneurship[95].

**Feedback from Intermediary Organisations**

Intermediary Organisations (IOs) estimate that EYE has a positive overall impact on New Entrepreneurs. For instance, 41 out of 49 respondents to the survey among IOs confirm that the overall impact of completed exchanges for New Entrepreneurs is 'Very good' or 'Reasonably good' as far as the aim of acquiring new skills is concerned. On the other

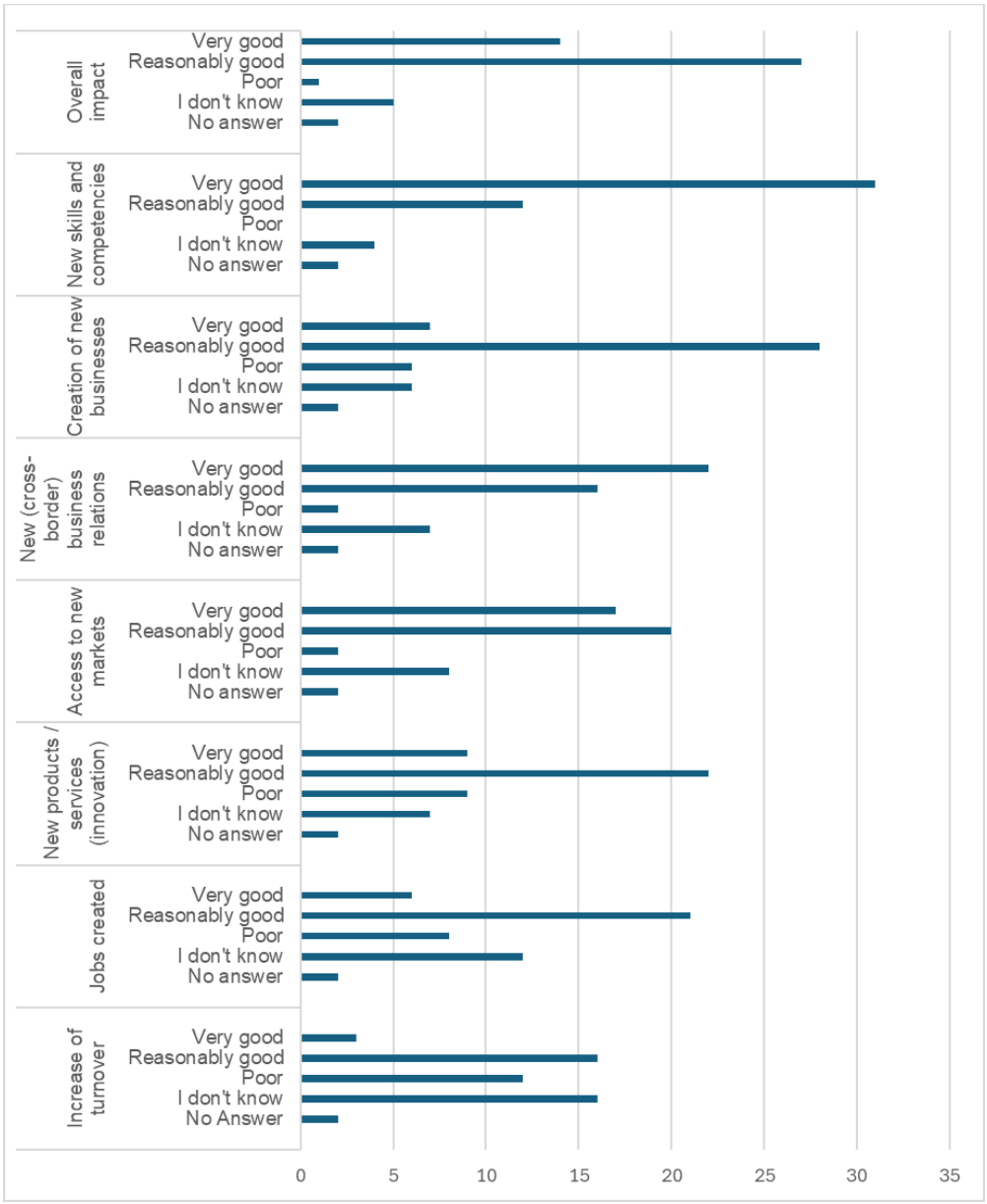
[94] SME Pillar Monitoring Fiche – Financial year 2021. Action: GRO/SME/21/12196- Erasmus for Young Entrepreneurs – SMP-COSME-2021-EYE.

95 Out of 19 respondents, 2 (11%) indicate high and another 11 (58%), indicate reasonable effectiveness of the action.

hand, respondents assess that less impact for New Entrepreneurs occurs in the domains 'Increase of turnover' (12 out of 49 respondents), 'New products/services (innovation)' (9 out of 49 respondents) and 'Jobs created' (8 out of 49 respondents).

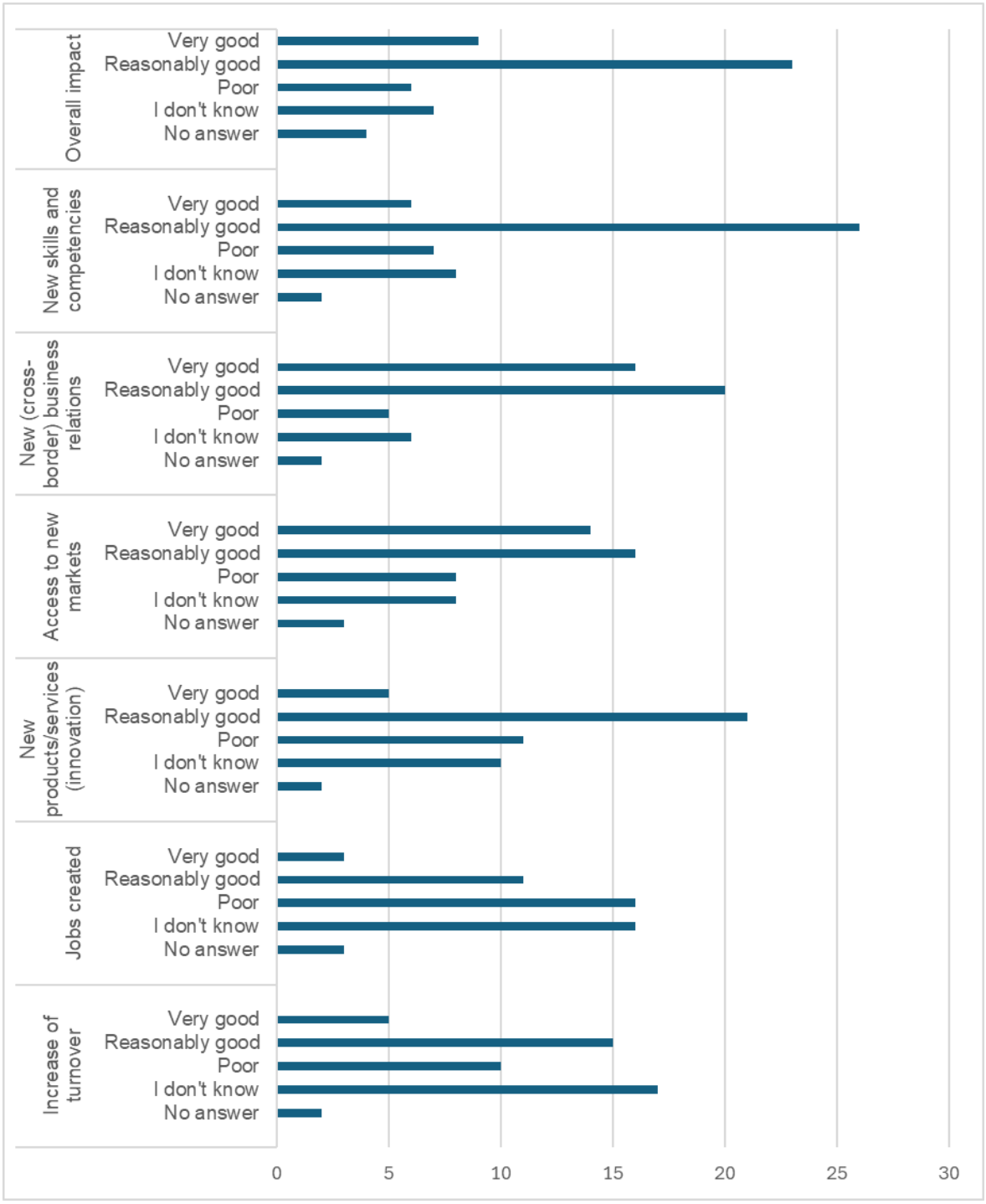
32 out of 49 Intermediary Organisations rate that completed exchanges under EYE positively affected Host Entrepreneurs. This overall approval rate on the part of Host Entrepreneurs is lower than that for New Entrepreneurs. Host entrepreneurs do not receive a financial contribution for the exchanges. However, elements such as building cross-border business relations or acquiring new skills are highly valued by Host Entrepreneurs (with 36 combined mentions of 'Very good' and 'Reasonably good' for 'New (cross-border) business relations' and 32 combined mentions of 'Very good' and 'Reasonably good' for 'New skills and competencies').

**Figure 5: Results of completed exchanges for New Entrepreneurs (as rated by Intermediary Organisations)**




*Source: Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated and were asked the question 'In your opinion, how would you rate the results of the completed exchanges for New Entrepreneurs in the following domains?'.*

**Figure 6: Results of completed exchanges for Host Entrepreneurs (as rated by Intermediary Organisations)**




*Source: Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated and were asked the question 'In your opinion, how would you rate the results of the completed exchanges for Host Entrepreneurs in the following domains?'.*

**Feedback from entrepreneurs**

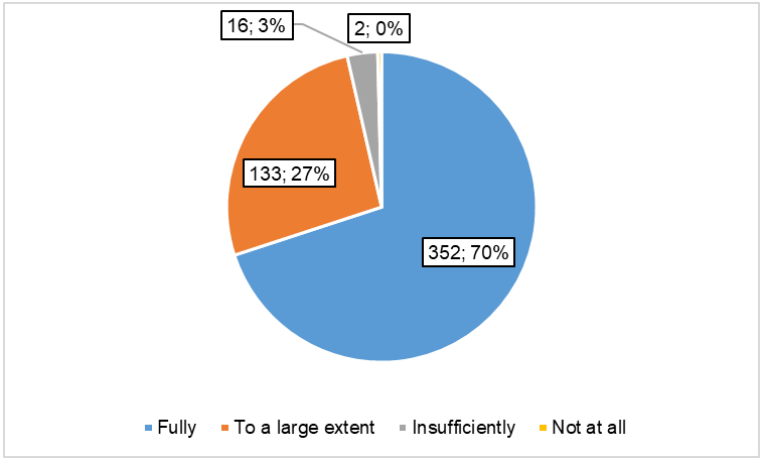
EYE can also be evaluated based on feedback from the final recipients of the action and in this regard both the view of New and Host Entrepreneurs matter. After each exchange, both New and Host Entrepreneurs are asked to fill in a feedback questionnaire. Host Entrepreneurs can participate in the action multiple times, but only if they fill in the feedback questionnaire from the previous exchange first. The feedback survey has a response rate of over 90%. The entrepreneurs are provided with a set of 16 comprehensive questions that enable the Commission to collect relevant data and to make an assessment about the effectiveness of the action.

EYE is open to entrepreneurs from all sectors, including information technology/digital, architecture, advertising, marketing, consultancy, hospitality/tourism, engineering & machinery, cultural and creative industries, agriculture or education. EYE is not based on nationality but residency. Therefore, it can also include non-EU citizens who are long-term residents in Europe and aim to start a business there as well as residents of countries participating in the SMP. Additionally, EYE is open to all ages: 'Young' in the context of EYE does not refer to the age of participants but rather to how long they have been active in business and entrepreneurship. Typical 'new' entrepreneurs are around the age of 35, already held jobs and decided to change their careers. The EYE application now includes questions about green, digital and social business models and will have statistics on the participants' activities in these areas. EYE is open to all genders with equal participation rates for New Entrepreneurs and 70% male versus 30% female participation rates for Host Entrepreneurs.

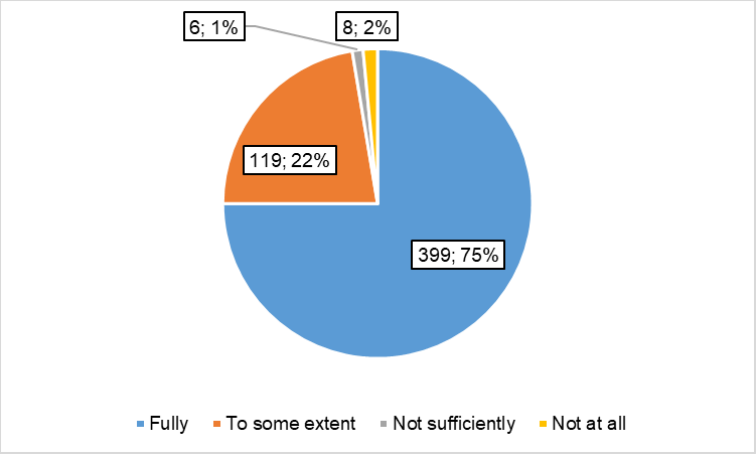
Prior to the exchange being approved by the Commission, New Entrepreneurs and Host Entrepreneurs prepare an exchange activity plan, called 'commitment', allowing for mutual understanding of aims and benefits to be reached during the exchange. A detailed activity plan is one of the key factors positively influencing the effectiveness of the exchange as it reduces the risk of issues by allowing the best match possible. The current feedback survey shows that 97% of Host Entrepreneurs and New Entrepreneurs conclude that the objectives of the stay as set out in the EYE commitment have been met fully or to a large extent (figure below).

**Figure 7: Extent to which objectives of the stay have been met**

Host Entrepreneurs' feedback to the question 'Have the objectives of the stay as set out in the Erasmus for Young Entrepreneurs Commitment been met?'



New Entrepreneurs' feedback to the question 'Have the objectives of your stay abroad been met?'

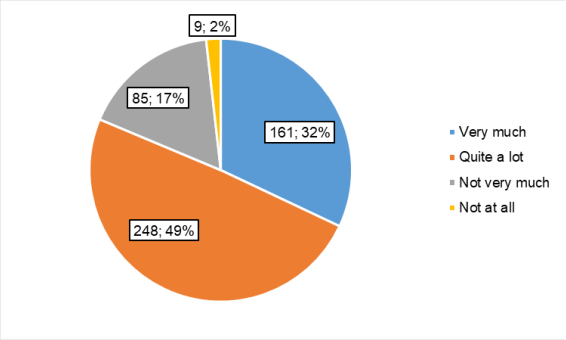



*Source: Survey data from the latest feedback survey of Host and New Entrepreneurs for matches starting between 01.2.2023 and 31.12.2023 as shared by DG GROW with the contractor on 19 June 2024. 503 out of 550 Host Entrepreneurs responded (response rate of 91%) and 532 out of 577 New Entrepreneurs responded (response rate of 92%).*

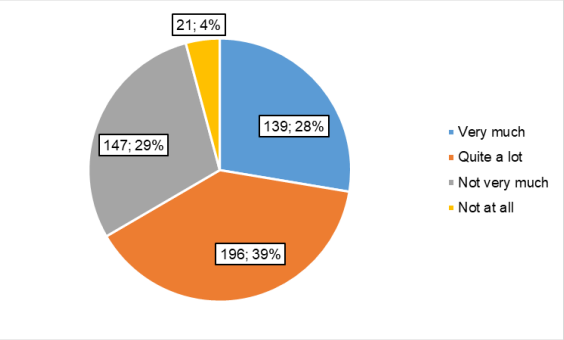
EYE's objective is that New Entrepreneurs gain valuable new experience and knowledge about entrepreneurial skills (e.g. how to start and run a business) through exchanges with Host Entrepreneurs. Through the knowledge exchange with the New Entrepreneur from a different country, Host Entrepreneurs benefit mainly in terms of ideas to improve their own company. In fact, a combined 87% of Host Entrepreneurs state that the development of ideas to improve their company matters to them as a benefit of the exchange 'very much' and 'quite a lot'. This is followed by benefits in terms of 'I gained useful know-how for my business' (combined 81%) as well as 'I acquired knowledge and skills about new methods' (combined 81%, too). This underlines the strong learning and development element in EYE, including for Host Entrepreneurs, due to New Entrepreneur's fresh ideas and perspectives on how to approach processes and projects (figure below).

**Figure 8: Outcomes/benefits of the exchange to the business of Host Entrepreneurs**

I gained useful know-how for my business

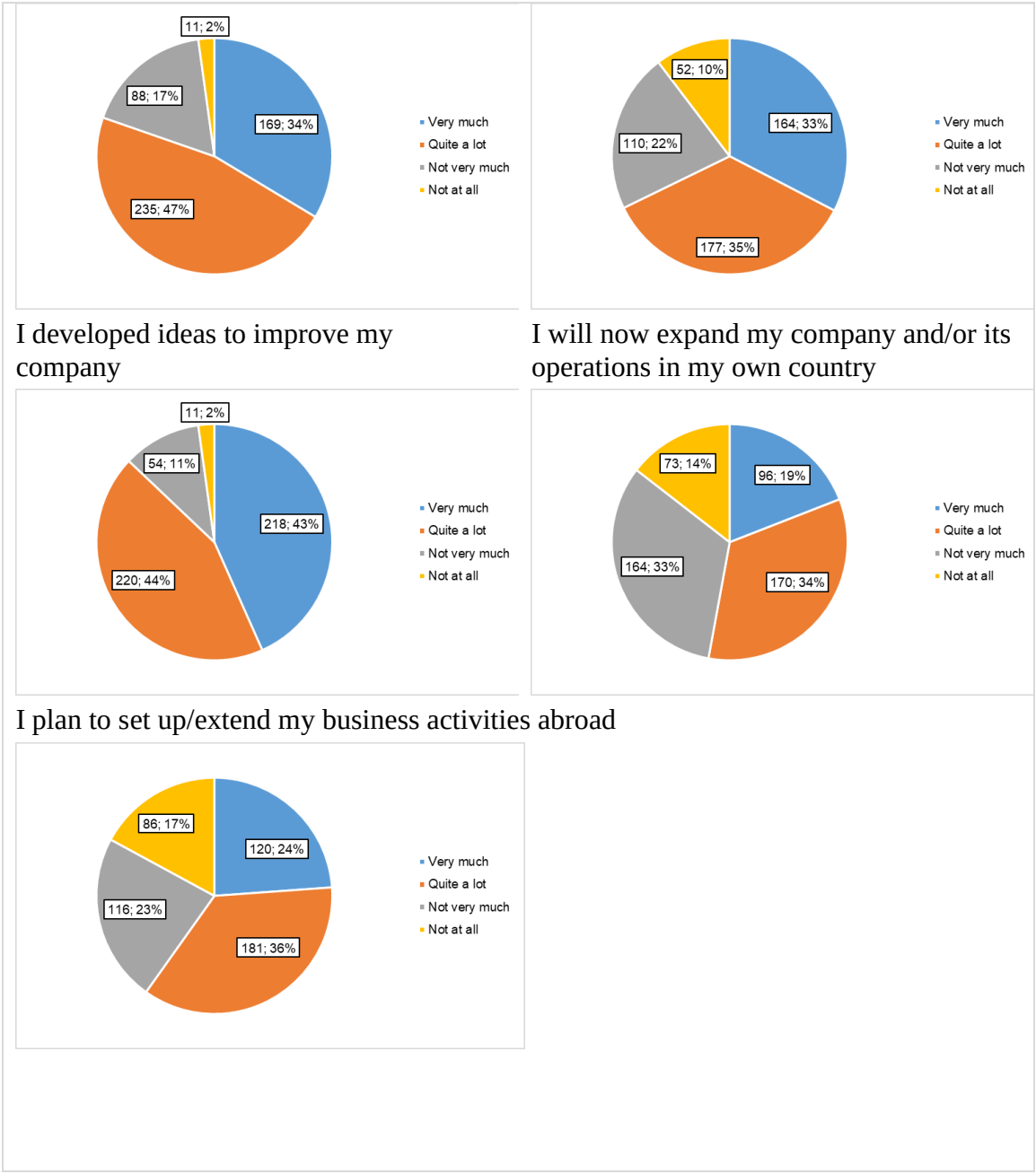



I acquired knowledge and intelligence about new markets




I acquired knowledge and intelligence about new methods

I developed new international contacts and potential new international business opportunities

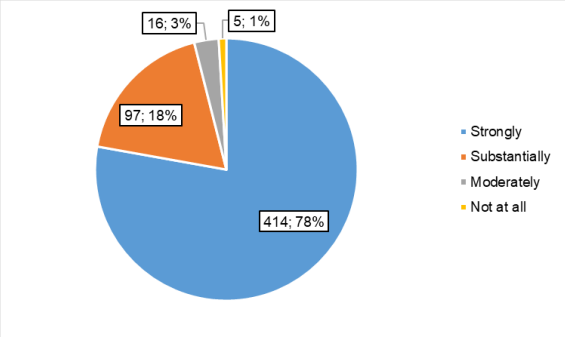



*Source: Survey data from the latest feedback survey of Host and New Entrepreneurs for matches starting between 1.2.2023 and 31.12.2023 as shared by DG GROW with the contractor on 19 June 2024. 503 out of 550 Host Entrepreneurs responded (response rate of 91%) and 532 out of 577 New Entrepreneurs responded (response rate of 92%).*

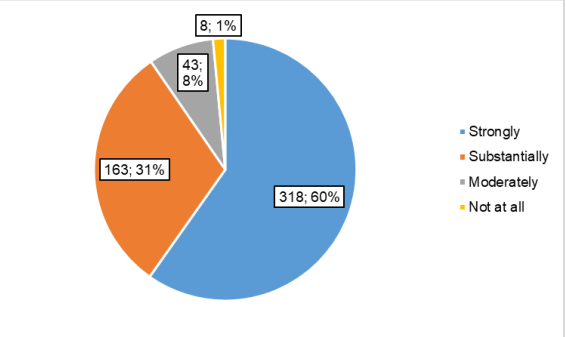
The New Entrepreneurs benefit mostly from their participation in EYE in terms of the acquisition of useful knowledge for their new company. A combined 96% of New Entrepreneurs benefit 'strongly' or 'substantially' in this regard. Results for other possible benefits for New Entrepreneurs point to the same direction, for example with a combined 95% of New Entrepreneurs confirming that EYE helped gaining insight into a different cultural and organisational setting/workplace or a combined 91% of New Entrepreneurs confirming that EYE increased their understanding on how to manage an SME.

**Figure 9: New Entrepreneurs' benefits from participation in EYE**

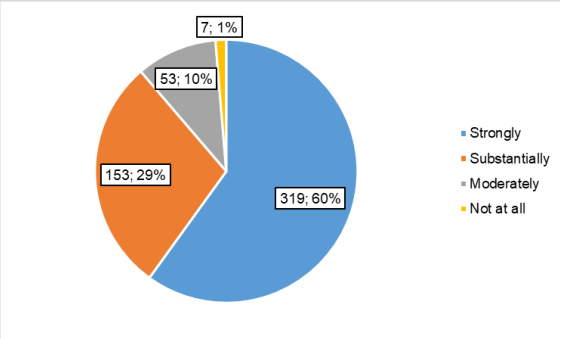
You acquired useful knowledge for your (future) company



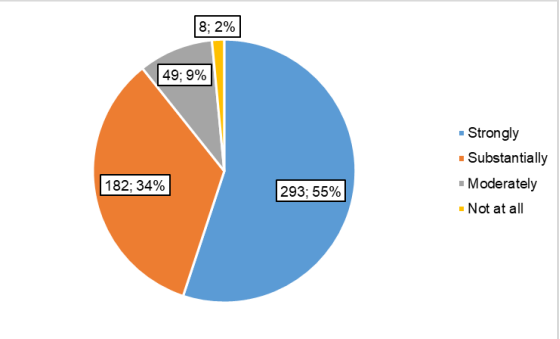

You increased your understanding on how to manage an SME



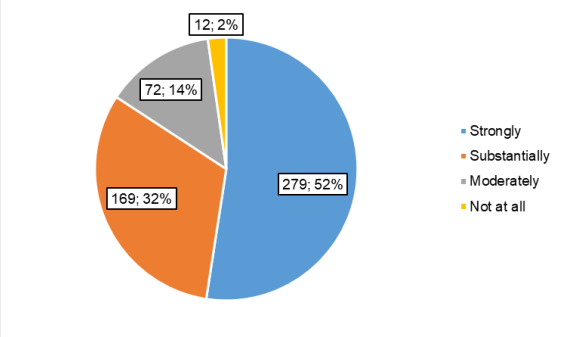

You broadened your network of contacts



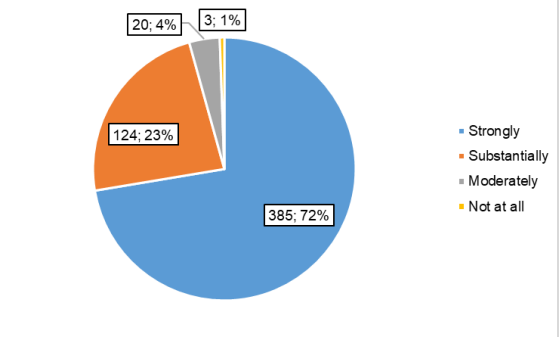

You gained knowledge about foreign markets



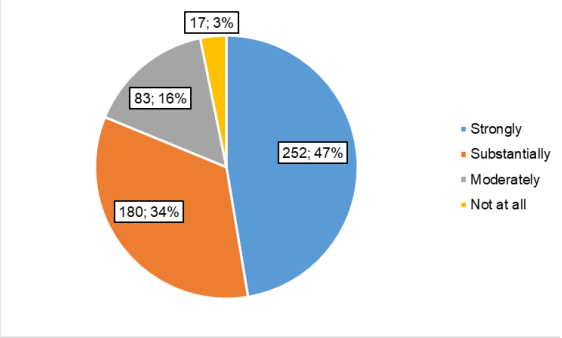

You developed potential new business opportunities



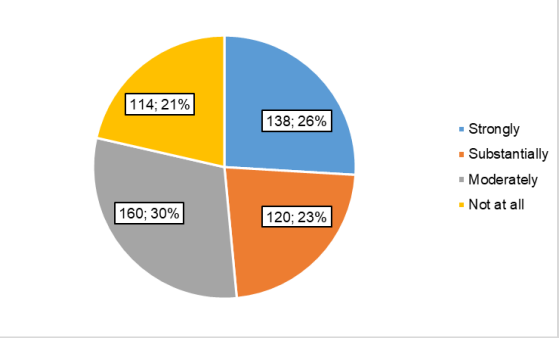

You gained insight into a different cultural and organisational setting/workplace

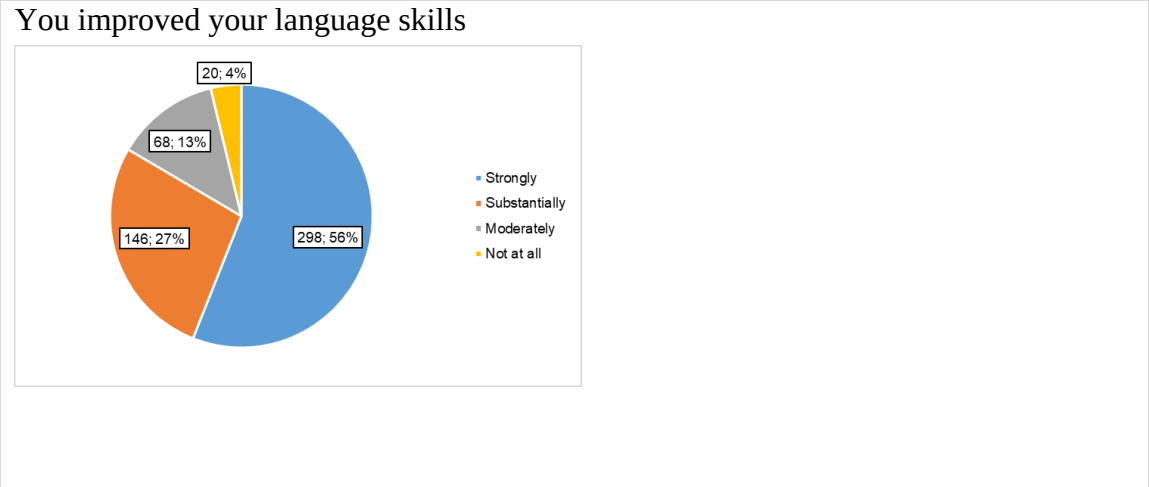



You gained a good understanding of the regulatory framework in another EU country




You found a supplier, buyer or joint venture partner






*Source: Survey data from the latest feedback survey of Host and New Entrepreneurs for matches starting between 1.2.2023 and 31.12.2023 as shared by DG GROW with the contractor on 19 June 2024. 503 out of 550 Host Entrepreneurs responded (response rate of 91%) and 532 out of 577 New Entrepreneurs responded (response rate of 92%).*

In order to be able to systematically evaluate the long-term impact on participants and the value of the EYE, the Commission introduced in September 2024 long-term feedback questionnaires one, three, and five years after the exchange. The feedback allows to gather long-term data and conclude on the long-term impact of the action on New and Host Entrepreneurs. Overview of results after one year is provided below.

Naturally, there is currently only a very small number of New Entrepreneurs under Cycle 13 (i.e. exchanges in 2023, where EYE is under the SMP) that have completed their exchange for at least one year. More specifically, there was feedback to the survey from 10 New Entrepreneurs having completed their exchange in 2023. The validity of the findings will increase with time and a bigger group of New Entrepreneurs. Three out of ten have established a business and become an entrepreneur within one year of the exchange, i.e. by September 2024. Another five are in the planning phase of becoming an entrepreneur, while two have cancelled their intentions of establishing a business. Seven of the ten New Entrepreneurs are still in contact with their Host Entrepreneur after one year.

As far as Host Entrepreneurs are concerned, there are responses to the long-term feedback survey from 53 entrepreneurs that have started being a Host in 2023 or later (registration may have been prior to 2023). 50 of 53 (94%) are still in contact with the entrepreneurs they have hosted[96]. The following table provides an overview of the impacts of the exchanges as reported by the 53 Host Entrepreneurs. The most frequent impact refers to an extension of the service or product portfolio as was mentioned by 58% of the Host Entrepreneurs. More than one third reported job creation. The amount of jobs created was indicated by broad categories, but based on the answers it can be estimated that on average 0.6 jobs have been created (including those with no jobs created).

**Table 17: Impacts of EYE exchanges for Host Entrepreneurs**

| Type of impact | % of Host Entrepreneurs reporting the impact |
|---|---|
| Increased turnover | 28% |
| New jobs created | 34% |

[96] Note that all HE that started hosting in 2023 or 2024 have been surveyed regardless of when the exchange was completed.

| Type of impact | % of Host Entrepreneurs reporting the impact |
|---|---|
| | (estimated average number of jobs per HE: 0.6) |
| Extended service/product portfolio | 58% |
| Improved business model | 30% |
| Expanded business to new international markets | 43% |

*Source: DG GROW, Long-term feedback survey, September 2024; data based on responses of 53 Host Entrepreneurs with their first exchange in 2023 or 2024*

**Euroclusters**

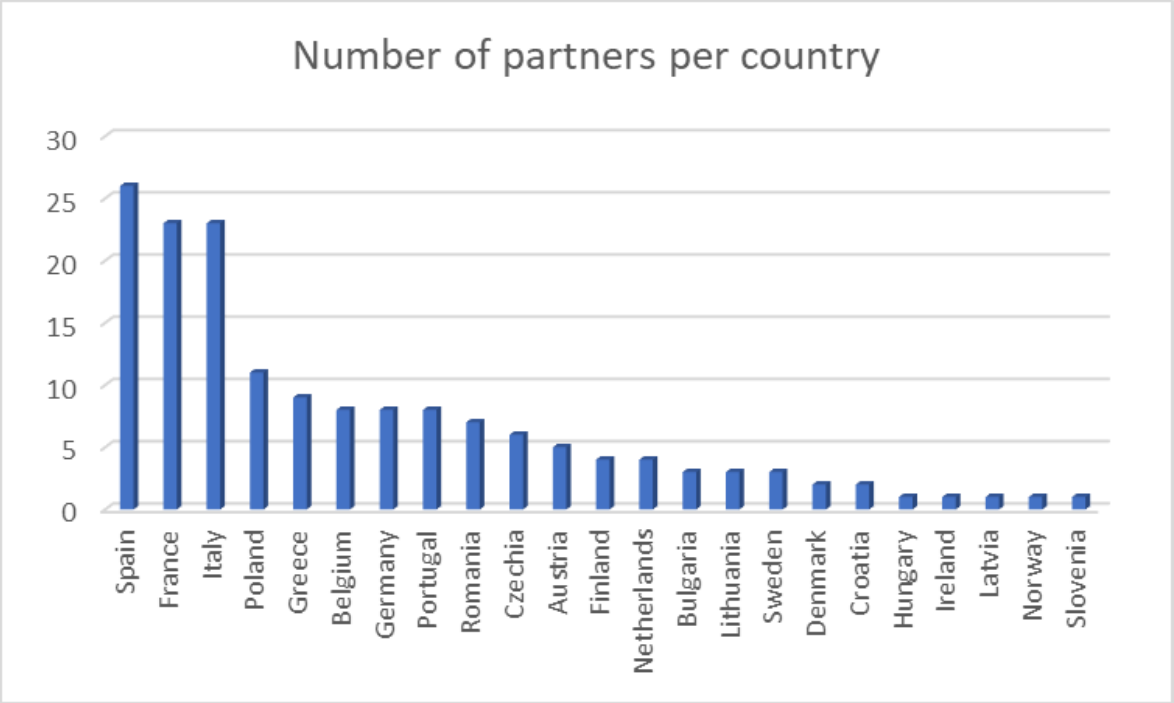
Euroclusters foster partnerships of cluster organisations which team up with other types of organisations. The aim is to develop and implement supporting measures for companies in and beyond their industrial ecosystem, and by doing this, create and reinforce vital collaboration networks at EU level with a view to improving the resilience of the European industrial ecosystems and boost their green and digital transformation.

The first Euroclusters call resulted in 30 projects being selected with a total budget of EUR 42 million. Euroclusters projects have launched a network of cross-sectoral initiatives, aiming to strengthen Europe's resilience by connecting actors across countries, sectors and industrial ecosystems to implement the EU Industrial Strategy. The consortia have developed partnerships between companies of different kinds and sizes (with an emphasis on SMEs), and other organisations such as research and knowledge institutions, science and technology parks, business support organisations, financial service providers, non-profit organisations and related public bodies in EU Member States.

Consortia of cluster and other partners teamed up to develop and implement supporting measures for companies. Thanks to a range of FSTP calls Euroclusters have been able to: i) network by developing value chains in the single market; ii) innovate to build capacity in critical supplies and technologies; iii) adopt processes and technologies; iv) train the workforce; v) and boost access to international markets.

These consortia involve 160 partners from 23 different countries and cover 13 of the 14 industrial ecosystems (only retail is missing). The size of the partnerships varies between 3 to 15 partners (average 6.3 per project).

**Figure 10: Euroclusters beneficiaries per country**




*Source: Data from EISMEA.*

Thirty projects are focused on one of the 14 industrial ecosystems, thus some of the industrial ecosystems are covered twice, while 10 have a cross-sectoral approach[97]. The partners cover 22 out of the 27 EU countries providing good overall coverage of EU countries and geographical balance. This can be explained by the call requirement to form a consortium with at least one partner established in a less developed region[98]. One non-EU country is involved (Norway).

By the end of May 2024 (latest data available so far), the 30 Euroclusters have provided FSTP to a total of 1 281 different companies (1 396 funding cases) with an estimated budget allocation of EUR 22 million (out of EUR 31 million of FSTP budget in total). To date some 85 Euroclusters open calls for FSTP have been launched in total[99] with 44 dedicated to innovation, 19 to internationalisation, 15 to training and 7 to a mix of activities (digital, services, prize contest and green). Further FSTP calls will be launched as several projects are still ongoing.

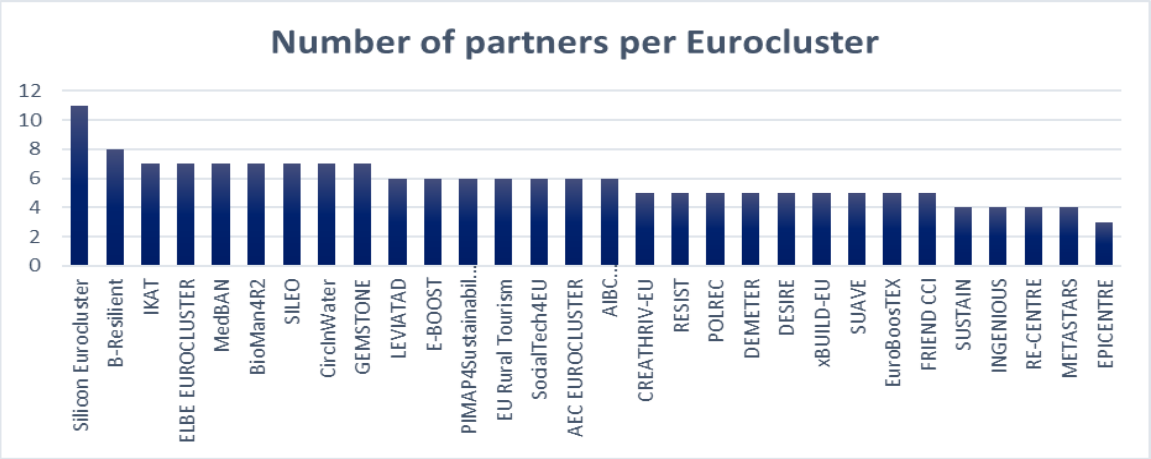
According to the cluster beneficiaries survey (response rate 28%, 42 replies out of 149 partners), the most frequently cited factors for Euroclusters effectiveness are an alignment with industry needs, a good collaboration between partners, an active and well-balanced consortium, the efficiency of the FSTP tool (79% considered it as reasonably or very effective), an active involvement of multi-level stakeholders and the ability of partners to mobilise efficiently their networks (60% of cluster beneficiaries said they benefit from better reputation and visibility and 88% of cluster beneficiaries considered that Euroclusters facilitate the finding of partners for other projects).

On the other hand, the main limit for effectiveness that has been identified most often concerns the budget. For project partners, the feedback suggests that the remaining budget,

[97] So-called 'Open strand' which invites proposals to focus on cross-fertilisation of various industrial ecosystems with no specific focus on one industrial ecosystem.
[98] According to the policy cohesion eligibility criteria 2021-2027 https://ec.europa.eu/regional_policy/policy/how/is-my-region-covered_en.
[99] According to available data on Funding and Tenders portal.

once the obligatory 75% of the budget has been allocated to SMEs, is insufficient to cover all the remaining project activities in sufficient depth. Meanwhile SME beneficiaries and their partners consider that the maximum grant of EUR 60 000 per SME is insufficient to deal with all the project development and market testing or end user cooperation they would like to undertake.

**Figure 11: Number of partners per Eurocluster**




*Source: EISMEA monitoring data; note: each Eurocluster is denoted by its Acronym.*

The FSTP projects are often small scale and may not be directly relevant to macro level value chain trends. Nevertheless, later analysis, by the cluster partners, once all the projects are completed, might enable the Euroclusters to identify some value chain trends that could be capitalised upon.

The promotion and implementation of green transition activities is identified as a strong and shared objective across Euroclusters. Some Euroclusters highlighted the fact that the green transition theme is a growing topic for SMEs. The majority of companies are eager to integrate a green action plan into their business strategies. Although SMEs are quite receptive to the needs of the green transition, making it a reality in daily business life is complex. They lack references, examples and concrete use-cases relevant to their value chains. Notwithstanding these elements, 'twin transition' support is a key and appreciated element of the Eurocluster offer.

Euroclusters have addressed the digital transition dimension in a number of ways. First, several projects are positioned on a cross-sectoral dimension and have integrated the digital transition dimension into their value chain concept. These projects will often include cluster partners from thematic / industry domains and digital clusters and thus have proven to be good accelerators of the digital transition journey of SMEs. Furthermore, the FSTP calls of these Euroclusters have also tended to encourage cross-sectoral activities.

Meanwhile, sector-specific Euroclusters have tackled the digital transition dimension through targeted FSTP calls and by creating cooperation linkages with EDIH's (see chapter on Coherence below).

These elements would seem to confirm that the Euroclusters and their cluster partners have both delivered SME digital transition actions and have the capacity to continue to deliver on this strategic priority, for example by working in close partnership with their regional EDIHs.

The cascade funding (FSTP) approach is considered as a powerful trigger of innovation projects, and it generates fruitful collaborations between EU companies and SMEs. Cluster partners and coordinators interviewed acknowledge the high rate of applications from a large cross section of countries and the encouragement of interregional or cross-border projects which prove the attractiveness of the scheme even though certain topics and services such as training were less successful at attracting take up by SMEs.

Since many Euroclusters are still under way, the data concerning the number of SMEs applications received across the Euroclusters and by type of FSTP voucher are incomplete. Nevertheless, several of the interviews with clusters confirm the general opinion expressed above. As an example, EPICENTRE Eurocluster received 134 SMEs applications of which one third came from the consortium countries while the rest came from outside[100] the consortium, and they selected a total of 50 projects. Some 88 SMEs from 14 countries have also participated in MedBAN Eurocluster vouchers calls, collectively submitting 100 applications[101] of which 58 were awarded. If we extrapolate on the available data (about 100 applications per Eurocluster), we can estimate that about 3 000 applications from companies will have been received at the end of this Euroclusters contract period.

In the latest project reports submitted to EISMEA and made available to the evaluation team (14 Euroclusters), project coordinators declared that 3 087 SMEs, clusters and business network organisations, and business support organisations received direct and indirect support from their Eurocluster actions (this number also includes support other than FSTP). Furthermore, 49 business partnerships were concluded by the supported companies. Euroclusters projects are also creating and reinforcing vital collaboration networks at EU level through the setting up of large alliances concerning 149 partners from 24 countries.

The KPI data presented in the table below are based on data of 30 Euroclusters.

**Table 18: Achievements of mandatory KPIs based on data from 30 Euroclusters**

| Indicators | Achieved to date | Target |
|---|---|---|
| 1. Number of resilience preparedness/ business continuity plans | 100 | 593 |
| 2. Number of new-to-firm products/ services identified | 480 | 822 |
| 3. Number of SMEs supported which undertook business process innovation tied to technological adoption leading to higher sustainability and digitalisation | 529 | 1 166 |
| 4a. Number of employees in cluster organisations which received trainings | 547 | 1 155 |
| 4b. Number of SMEs investing in skill development of their employees in the scope of the project | 831 | 1 944 |
| 5a. Number of collaboration agreements signed with entities in third countries. | 18 | 207 |
| 5b. Number of SMEs that benefited from internationalisation services | 576 | 3 092 |
| 6a. Number of Social Media followers (per Social Media channel used). | 39 689 | 20 695 |
| 6b. Number of SMEs directly supported and coming from regions and countries different from those of individual Euroclusters' partners | 612 | 1 405 |

[100] https://epicentre.idconsortium.com/.
[101] https://magellancircle.eu/wp-content/uploads/2023/10/medban-infografia-FINAL.pdf.

*Source: EISMEA Project Reports.*

The surveyed EU-level business organisations and SMP SME Committee members indicate 'high' or 'reasonable' effectiveness of Euroclusters[102].

In the framework of the Public Consultation, 17/25 (68%) of respondents familiar with Euroclusters agreed or strongly agreed that the initiative has helped supported SMEs to be more innovative, resilient, digital and sustainable

#### *4.1.1.4. Other actions*

Since late 2020 and up to February 2024, the IP Helpdesks supported 14 414 SMEs, thereof India 2 882; South-East Asia 3 866; China 4 418; and Latin America 3 248. These numbers are for SMEs supported via direct enquires and trainings (helpdesks provided seminars and awareness raising events as well to SMEs, but specific participation breakdown was not provided).

The overall figures of the four International Helpdesks for the above-mentioned period are:

- Over 15 000 stakeholders directly involved.
- 7 830 Queries received. The China Helpdesk being particularly efficient with over 2 500 queries answered, 98.8% of them within three working days. The Latin America Helpdesk reached an impressive 83.1% of the queries answered within one day.
- 501 Trainings and 7 549 people trained. The China Helpdesk having been able to train twice the target number of staff.
- 585 matchmaking events. The South-East Asia Helpdesk alone carrying out over 200 of them.
- 147 Case Studies - Real life examples on IP practices.

For one IP Helpdesk interviewed in the framework of the evaluation, a satisfaction survey among SMEs revealed that 96% of participants in services are satisfied, for the helpline satisfaction was even 100%[103].

According to the interviewed Helpdesk, start-ups benefit the most from the IP helpdesk, because compared to large enterprises they are less equipped with relevant resources, contacts and knowledge.

**Case study: Benefits and impacts of the International IP Helpdesks for SMEs**

A Spanish entrepreneur intended to develop an eco-lodge concept in a privileged natural enclave in Costa Rica. When he started developing the concept, he asked the IP Helpdesk for assistance – in both the planning phase and the implementation phase. The Helpdesk assisted him with ruling out IP-related risks and finding the best and most versatile approach to protect the company's name. Help included e.g. advice on the word mark, verifying that the sign was still available, advice on registering the local domain name and on registration requirements and the competent authority. The Helpdesk also referred the entrepreneur to a local IP attorney.

The trademark was granted. The entrepreneur appreciated the facts he learned about domain names vs trademarks, the first-to-file principle, enforcement actions, who can

102 Out of 19 respondents, 4 (21%) indicate high and another 12 (63%) indicate reasonable effectiveness of the action. One respondent rated the effectiveness to be low and two persons did not answer the question.

103 This was reported in the framework of an interview. Details on the survey were not given.

apply for a trademark, possibilities to save costs etc. The guidance received has allowed him to design a realistic IP protection strategy. This also contributed to successfully receiving finance from a bank and other investors, which finally resulted in expanding the project to 22-room hotel complex.

*Source: European Commission (2024), SMP Success Stories 2023-2024*

The EU SME Centre in China is a EU initiative that provides a comprehensive range of first-line and hands-on support services to European SMEs, getting them ready to do business in China. This includes newcomers to the Chinese markets as well as SMEs already active in China. The EU SME Centre has been set up in 2008 in Beijing to address the fact that SMEs are typically less resourced than larger firms to address the complexities of entering global markets. The EU SME Centre is managed by a consortium of companies, currently the China-Italy Chamber of Commerce (CICC) in partnership with the European Union Chamber of Commerce in China (EUCCC), the Fondazione Italia Cina, and the Sociedade Portuguesa de Inovacao[104]. Through their member networks and understanding of the local market, the implementing partners bring the Centre's complementary services to a larger number of European SMEs across Europe and China.

Selected achievements of the Centre in the period of July 2022 to December 2023 include:

- 15 webinars and 12 workshops delivered (average satisfaction rate of 4.4 on scale from 1 to 5)
- 323 enquiries of SMEs or intermediaries answered (ask-the-expert service)
- 32 specific technical assistance activities to SMEs
- 27 due diligence tests on potential Chinese business partners for EU SMEs
- 16 MoU-based partnerships established with business support organisations
- Implementation of the Understanding China Training Programme

Overall, 2 682 SMEs (or intermediaries) did receive support from the Centre in the reporting period.

The EU-Japan Centre for Industrial Cooperation promotes industrial, trade and investment cooperation between the EU and Japan. It facilitates exchanges of experience and know-how between EU and Japanese businesses. Throughout its 37 years of activity, the EU-Japan Centre has gained a rich experience in providing business support services to European businesses, in particular SMEs, wanting to develop their business in Japan. These services include: business missions to major trade fairs, training programmes about Japanese business culture and manufacturing excellence, and information helpdesks about Japanese tax rules, public procurement, technology transfer, and trade-related aspects. The EU-Japan Centre also organises policy seminars mobilising key stakeholders from both sides, including businesses, researchers, students, and think tanks to reinforce EU-Japan industrial, trade and investment cooperation.

The following table summarises the achievements (outputs) of the EU-Japan Centre for the periods 2022/23 and 2023/24 combined:

**Table 19: achievements of the EU-Japan Centre 2022-2023, 2023-2024**

| | target | achieved result |
|---|---|---|

[104] Also associated are the European Trade Promotion Organisation Association (ETPOA) and the EU-China Business Association (BE).

| | | |
|---|---|---|
| Policy events | - | 21 events with 8 307 audience reached |
| Training programmes | 14 events | 14 events with a total of 238 participants |
| EU-Japan business round tables | 2 annual conferences | 2 conferences |
| Helpdesks | 20 reports<br>44 webinars<br>700 inquiries<br>3-6 matchmaking events<br>2 pitching events<br>4 technology partnerships | 31 reports<br>78 webinars (899 participants)<br>553 inquiries<br>4 matchmaking events (318 b2b)<br>9 pitching events<br>22 technology partnerships |
| Keys to Japan | - | 54 SME applications<br>4 SMEs awarded |
| Cluster and SME support missions and EEN Japan activities | 6-8 missions<br>230 inquiries<br>27 partnerships<br>17 advisory activities | 8 missions<br>249 inquiries<br>22 partnerships<br>40 advisory activities |

*Source: DG GROW monitoring data.*

For the latest period between April 2023 and March 2024[105], the EU-Japan Centre helped 35 SMEs and clusters to exhibit their services and meet potential partners at Japanese trade fairs, hosted 14 European SMEs managers in the 'Get Ready for Japan' training programmes, and arranged industrial internships for 16 European students in Japan and 22 Japanese students in Europe. It also organised 10 market access workshops across Europe with over 400 participants, hosted 11 policy events attracting over 4 400 participants.

According to monitoring data, a total of 7 732 SMEs have received support from the EU-Japan Centre and the number of concluded business partnerships was 16.

According to a survey conducted for a report of the European Court of Auditors[106], there is a high degree of satisfaction with the services of the EU-Japan Centre as well as with the IP Helpdesks, while the EU-China Centre scored a lower satisfaction rate (which may have to do with its shorter period of existence).

SME studies aim to support policy decisions and policymaking, to strengthen evidence-based policymaking and contribute to a more favourable business environment and lower regulatory burden. The mix of analysis and sources used (top down and bottom-up), with EU-27 data (SME Performance Review) and discussions by SME representatives (SME Envoy reports and SME Assembly), is useful to inform policymaking. The 2023 SME Assembly has attracted 650 participants (physical and online)[107].

As a contextual indicator of policymaking measures of the SME Pillar, we can observe the improvement of the burden of government regulation indicator measured by the World Economic Forum[108]. In 2022, stakeholders' perception of the regulatory burden for businesses in the EU was on average 3.8, up from 3.6 in 2021 (see indicator RES 2.6).

[105] https://www.eu-japan.eu/publications/2023-fiscal-year-achievement-report-key-figures-statistics.
[106] European Court of Auditors (2022), SME internationalisation instruments, Special Report 07.
[107] Source: EISMEA work programme 2023.
[108] By tracking replies to the survey question: 'In your country, how easy is it for companies to comply with government regulation and administrative requirements (e.g. permits, reporting, legislation)? (1 = Overly complex; 7 = Extremely easy)'. Higher values indicate a better performance (i.e. less burdensome regulation).

Over the previous three years the indicator shows that there have been improvements in 22 Member States[109].

In addition, 80% of the EU-level business organisations and SMP Committee Members responding to the survey for this evaluation consider SME studies as useful in contributing to the evidence base and, consequently, improving the business environment[110]. SME studies also informed the EU SME Strategy and its related actions.

**Tourism actions**

Tourism-related actions form a significant part of the Pillar's portfolio of activities. Two actions have created transnational partnerships of stakeholders in tourism:

- Sustainable growth in tourism – support to SMEs (TOURSME 2021): The action aims at strengthening the competitiveness and sustainability of tourism SMEs, through enhancing environmental and market intelligence and exchange of best practices, and by boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer. Direct beneficiaries are consortia of public and private stakeholders which have to directly support a minimum of 80 tourism SMEs from a minimum of three countries (also via FSTP).
- Sustainable growth and building resilience in tourism - empowering SMEs to carry out the twin transition (TOURSME 2022): The action's objective is to enhance the competitiveness of tourism SMEs by capacity building. Beneficiaries are transnational consortia which have to deliver a compendium of lessons learned and best practices concerning the needs of SMEs, contribute to capacity building by supporting at least 50 innovative projects and offer trainings to SMEs as well as contribute to capacity building for local tourism ecosystems.

The beneficiary partnerships created by these actions are depicted in the table below.

**Table 20: Beneficiary partnerships created by tourism actions**

| | TOURSME 2021 | TOURSME 2022 |
|---|---|---|
| Budget committed in EUR | 11 756 000<br>(6 870 000 for FSTP) | 20 452 000<br>(12 895 000 for FSTP) |
| Number of projects | 10 | 6 |
| Total number of partners | 67 | 49 |
| Total number of partners combined | 115 | |
| Number of countries involved | 21 | 18 |
| Number of countries combined | 25 | |

*Source: EISMEA.*

The two actions created a total of 16 projects involving 115 different partners, stemming from 25 different European countries.

These projects include FSTP as a main component (approximately 60% of the budget). According to the projects' targets, more than 1 400 SMEs should be financially supported with an amount of almost EUR 20 million. Data on the actual distribution of FSTP is currently available for four projects from the TOURSME 2021 call: A total of 351 tourism

[109] https://single-market-scoreboard.ec.europa.eu/business-framework-conditions/administration_rules_en.

[110] Question 'How useful and effective are the studies and monitoring exercises, the SME Assembly, and the SME Envoys in contributing to evidence-based SME policymaking, reducing administrative burdens, and improving the business environment?' 'Don't know' 3 replies, 'Hardly / not useful' 1 reply, 'Reasonably useful' 12 replies, 'Very useful' 4 replies.

SMEs from 14 countries have been awarded financing with an average amount of EUR 7 300, totalling to almost EUR 2.6 million.

As can be seen from the Table below, the participation of beneficiaries in tourism-related actions has various positive effects on the beneficiary organisation itself. The strongest effects relate to increasing skills in the organisation (67% of beneficiaries reporting a strong effect) and an improved reputation (64% with a strong effect of that kind).

**Table 21: Effects of participation in tourism actions on beneficiaries' organisation, % of beneficiaries**

| | strong effect | some effect | no effect | don't know |
|---|---|---|---|---|
| improved reputation/visibility | 64% | 36% | 0% | 0% |
| facilitates access to regional/national funding | 33% | 42% | 24% | 0% |
| facilitates participation in other EU programmes | 33% | 61% | 0% | 6% |
| facilitates finding partners for other projects | 52% | 42% | 6% | 0% |
| increases our skills and competencies | 67% | 21% | 9% | 3% |
| attracts new members to our network | 58% | 39% | 3% | 0% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among beneficiaries of actions TOURSME 2021 and TOURSME 2022; sample size: 33 beneficiaries.*

In the framework of the survey among the beneficiaries of tourism-related actions (TOURSME 2021 and TOURSME 2022), beneficiaries highlighted the following factors positively influencing the effectiveness of their projects:

- The availability of financial support to third parties (SMEs): Out of the 26 surveyed beneficiaries using FSTP, 14 (54%) rated the instrument as very effective, 10 (38%) as reasonably effective, and only 2 (8%) as little effective. However, the fact that the instrument cannot be used for purchasing equipment is seen as a significant limitation to achieving more impact for SMEs.
- Good communication and coordination between project partners.
- Adjustment of offered services/tools to national and local circumstances of tourism businesses.

The EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study confirm a reasonable effectiveness of the actions for the tourism industry. Out of 19 respondents, 10 (53%) indicate reasonable effectiveness of these actions.

**Social economy actions**

The Commission has set out scenarios to develop a social economy vision with a green and digital focus by providing support to social economy enterprises to further grow and thrive in the context of the 'proximity and social economy' ecosystem[111]. In particular, the

[111] European Commission (2021). COMMISSION STAFF WORKING DOCUMENT. Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital Proximity and Social Economy industrial ecosystem. SWD(2021) 982 final.

Pillar action on improving the socio-economic knowledge of the 'proximity and social economy' ecosystem has made social economy business models better understood by policymakers providing them with relevant data and statistics. Furthermore, partnerships between regions have been forged, e.g. through the European Social Economy Region (ESER) network, to exchange best practices and success stories in different sectors involving social economy actors.

The 2021 'Resilience' call resulted in 19 projects with a total of 122 partners from 22 countries and aims at supporting more than 1 330 SMEs/organisations in the sector and creating almost 220 business partnerships. According to monitoring data from 6 of the projects, a total of 727 SMEs/organisations have received support to date.

The 2022 'SEE' call has resulted in 6 projects with a total of 44 partners. The projects are set to financially support a total of 360 SMEs with a total amount of almost EUR 3.1 million.

The EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study indicate reasonable effectiveness of the actions for the social economy[112].

### 4.1.2. Efficiency

**Key conclusions**

In terms of the Time to Inform (TTI) and the Time to Grant (TTG) the Pillar is efficiently managed. Both periods are on average shorter than in the previous programme (COSME).

Due to the composition of its actions, the SME Pillar requires are relatively high administrative and management input on the part of EISMEA.

Smaller actions with less economies of scale should be used in well-founded cases (e.g. experimentation with new approaches, significant leverage effects).

Beneficiaries perceive the administrative burden associated with participating in the calls and projects in general as reasonable. As regards, the simplification potential of the Pillar, lump sums, FSTP tool and the choice of appropriate instrument at the moment of drafting the call are perceived to facilitate the management of the Pillar. Simplifications for beneficiaries also entail defining clear and focused objectives for projects (for example defining clear project objectives). Further simplification measures should be pursued.

The SMEs rate EEN service provision as efficient/responsive.

The instrument of financial support for third parties (FSTP) is, in many contexts, an efficient way to financially support small businesses and is well appreciated by SMEs because of its simplicity. At the same time, the instrument can constitute some administrative burden for project consortia, especially for smaller and unexperienced organisations. The needed effort to set up FSTP calls may lead to delays in project implementation.

Retrieved from https://single-market-economy.ec.europa.eu/consultations/scenarios-towards-co-creation-transition-pathway-resilient-innovative-sustainable-and-digital_en (last accessed on 29 April 2024).

[112] Out of 19 respondents, 2 (11%) indicate high and another 9 (47%) indicate reasonable effectiveness of these actions. Four respondents (21%) rated the effectiveness to be low and another four persons did not answer the question.

While the SME Pillar accounts for approximately 6% of EISMEA's delegated appropriations in 2023, approximately 22% of the Agency's staff and 18% of its administrative budget are allocated to the Pillar. This is because, compared to the Horizon Europe programmes, the Agency is also managing, the SME Pillar consists of a high number of different and relatively small actions that entail less economies of scale in administration and management.

This section discusses different aspects of efficiency of the SME Pillar and its actions. The first part looks at the management of the Pillar, notably the extent to which the budgets are implemented, the time needed from calls to contracts (start of projects) and resources of EISMEA used to manage the actions. The second part assesses the administrative burden for beneficiaries implementing and for SMEs using the Pillar's support services. The third part looks at the overall costs and benefits of the actions. The fourth part discusses flexibility within the Pillar.

**Implementation of the budget**

In general, there is a high execution rate of the Pillar budget (see table below). All the years show a high use rate. The high execution rate is in line with the predecessor programme COSME and other programmes such as Creative Europe and Horizon Europe[113].

**Table 22: SME Pillar budget implementation 2021-2023**

| | Budget available (EUR million) | Budget implemented (EUR million) | Percentage implemented |
|---|---|---|---|
| 2021 | 99.8 | 99.6 | 99.8% |
| 2022 | 132.5 | 126.4 | 95.4% |
| 2023 | 133.3 | 107.8 | 98% |
| Total | 365.6 | 333.8 | 98% |

*Source: data provided by DG GROW. The percentage of implemented budget takes into account the voted budget and the EFTA contributions.*

**Time to inform and time to grant**

In the context of open calls, 'Time to inform' (TTI) refers to the time from the call deadline to the invitation to sign the contract. 'Time to grant' (TTG) refers to the time elapsing between the closure of a call and the signature of the Grant Agreement, which often coincides with the start of the project.

**Table 23: Time to Inform (TTI) and Time to Grant (TTG) in COSME and the in the SMP SME Pillar**

| | COSME | SME Pillar |
|---|---|---|
| Average TTI | 115 days | 86 days |
| Average TTG | 226 days | 218 days |
| TTGs above the legal target (273 days) | 0.14% | 0.03% |

*Source: calculations by EISMEA (based on eGrants).*

Compared to COSME, the speed of implementation has improved significantly as far as the evaluation of proposals is concerned (average TTI decreased from 115 to 86 days). A smaller decrease can be observed for the conclusion of grant agreements (from 226 to 218

[113] European Commission (2024), Study supporting the final evaluation of the COSME programme, p. 133.

days). Overall, the reduction in the time needed for the evaluation phase has allowed very good compliance with the legal target of 273 days for signing grant agreements. 99.97% of SMP SME grant agreements have been signed on time.

As far as 'Time to Pay' is concerned, according to data from EISMEA's annual work programmes, 100% of payments to beneficiaries of the SME Pillar were made within the legal deadlines in 2021 to 2023.

**EISMEA resources used**

The following table, based on EISMEA's annual work programmes, shows the amount of staff and administrative budget of EISMEA devoted to the SME Pillar. The SME Pillar appears to account for a relatively large share of EISMEA's total programme-related staff and administrative budget: While the SME Pillar accounts for approximately 6% of EISMEA's delegated appropriations in 2023, approximately 22% of the Agency's staff and 18% of its administrative budget are allocated to the Pillar. This is due to the fact that, compared to the Horizon Europe programmes the Agency is also managing, the SME Pillar consists of a high number of different and relatively small actions that entail less economies of scale in administration and management. However, the number of EISMEA staff deployed for the SME Pillar has been decreasing between 2021 and 2023, indicating some efficiency gains in this respect[114].

**Table 24: EISMEA staff and administrative budget related to the SME Pillar**

| | Number of staff | Administrative budget (EUR million) |
|---|---|---|
| 2021 | 100 | 5.57 |
| 2022 | 100 | 8.09 |
| 2023 | 93 | 9.39 |

*Source: EISMEA Annual Work Programmes.*

At the level of the Commission, several departments are involved in drafting a work programme for the SMP. Within the SMP, the different types of actions require different needs and may require revisions of work programmes for various reasons. Work programme revision is coordinated in a single process and one amended version is published for all Pillars at the same time.

From the perspective of the SME Pillar coordination team, one advantage of integrating the SME Pillar into the SMP is that the Pillar's coordination team launches a single interservice consultation. The integration of the Pillar within the SMP also guarantees to have a reasonably sized programme and a critical mass within the landscape of other EU programmes.

**Administrative burden**

Overall, administrative requirements for smaller (grant-based) actions may be proportionally bigger. This would point to the need of prioritising bigger actions, thereby attaining efficiency gains, and using small actions only in specific cases, e.g. for experimenting with innovative approaches.

114 The staffing decision to reduce headcount has been taken from a long-term perspective and stems from a Commission Decision of February 2021, which, according to EISMEA, does not reflect the real needs of the Agency in terms of number of staff for the implementation of the WP. Staffing levels will be considered as part of the Agency evaluation.

**Flexibility**

In terms of flexibility in shaping and adjusting actions, the programme rules do allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation. In practice, the structure of the Pillar exerts certain limits to the overall flexibility. There are the flagship actions that absorb an important part of the budget. They have built-in flexibility mechanisms, allowing the possibility to adapt their services to help SMEs to address new challenges, but to some extent it is also the size of the partnerships and networks created that may imply certain limits to significant changes in terms of the actions' content as it is also important to maintain a good continuity and stability of the networks and their services. The other, smaller actions can be more varied. According to the EU-level business organisations and SMP SME Committee Members surveyed for this evaluation there is sufficient continuity in the SME Pillar's actions and work programmes[115].

Furthermore, a significant budget for support actions (21 million EUR over 3 work programmes) also seems to contribute to some flexibility within the Pillar.

#### *4.1.2.1. EEN*

The administrative burden for EEN beneficiaries mainly concerns the application process and reporting requirements. In terms of person-days, the interviewed coordinators indicate a minimum of 20 days and up to 50 days in some cases for the application process, and 10 to 20 days for the reporting. Partners invest around 10 days for application and 5 days for reporting. The COSME final evaluation does not include a comparable figure, but interviewed EEN member organisations indicated that the cited person-days basically compare to applications and projects they carry out in other EU programmes.

EEN member organisations perceive mostly a reasonable administrative burden associated with their EEN activities. The survey among member organisations reveals that 47 out of 117 respondents (40%) indicate a 'high' burden and 66 (56%) indicate a 'reasonable' or 'low' administrative burden.

The table below shows the assessment by EEN member organisations of various features of the EEN action. Member organisations express good satisfaction with the possibilities of mutual learning and exchange within the network as well as with the flexibility in implementing and customising services for SMEs. Contract management is also rated high. In addition, 61% of member organisations are satisfied with the co-funding rate and 77% are satisfied with reporting requirements. Satisfaction with the EEN IT tool (NEXT) could be improved with 44% of member organisations assessing it as satisfactory at present.

**Table 25: Assessment of aspects of EEN programme management by member organisations, share of member organisations in %**

| | very satisfactory | reasonably satisfactory | not satisfactory | don't know |
|---|---|---|---|---|
| Amount / co-funding rate of the EU grant | 11% | 50% | 36% | 3% |
| Contract management | 29% | 57% | 6% | 8% |
| IT tools | 8% | 36% | 54% | 3% |

[115] Out of 19 survey respondents, 13 (68%) indicate sufficient continuity, while 5 (26%) think that the degree of continuity is insufficient (1 person answered 'don't know').

| | | | | |
|---|---|---|---|---|
| Mutual learning / exchange among members | 40% | 46% | 9% | 5% |
| Room for flexibility and customisation of services | 39% | 43% | 11% | 7% |
| Reporting requirements | 15% | 62% | 21% | 3% |

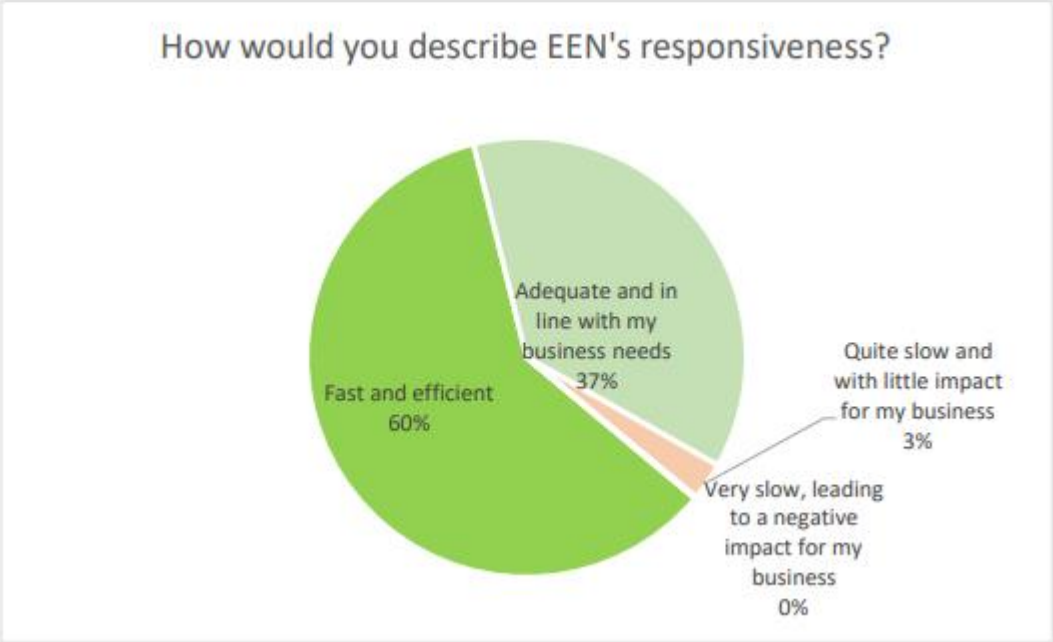
*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

The Commission put efforts into reducing the amount of reporting data and finding easier ways of gathering the data. When designing the work programmes and actions the SME Pillar coordination team regularly asks for possible simplifications that could be put in place for the different actions and proposes the possibility of using lump sums for certain types of costs. The Commission is very sensitive concerning complaints and tries to simplify and tailor the rules to SMEs by seeking dialogue with the budget authorities.

The responsiveness of the EEN vis-à-vis their SME clients is measured in the framework of the EEN Impact Survey (see above). 60% of the responding SMEs say that the EEN is 'fast and efficient', 37% regard responsiveness to be 'adequate', and only 3% assess the EEN to be 'slow' (see figure below).

**Figure 12: SMEs' view of the EEN's responsiveness**




*Source: EEN Impact Survey 2023.*

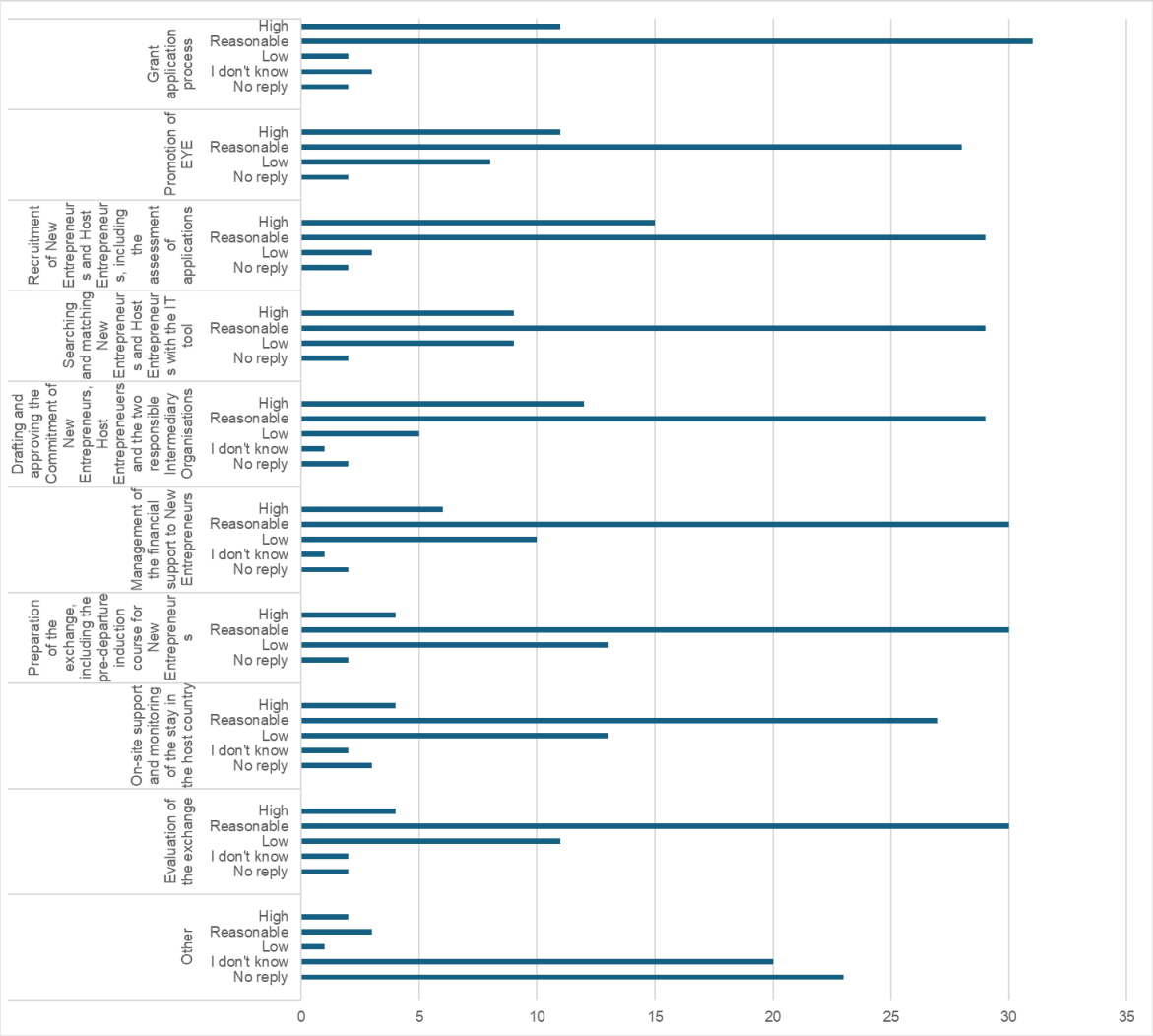
The interviewed SMEs underlined that the access to their EEN networks is always simple and that the network partners respond very quickly and adequately. The support is appreciated as personalised and tailored to the individual companies and offers the needed level of information.

#### *4.1.2.2. EYE*

The administrative burden of participating in EYE is overall reasonable (see figure below). The most time-intensive activity for Intermediary Organisations is the recruitment of New Entrepreneurs and Host Entrepreneurs, including the assessment of applications (15

mentions of ‘High’ out of 49 survey participants). However, this cannot be regarded as an administrative activity in the strict sense.

**Figure 13: Administrative burden for Intermediary Organisations per activity**




*Source: Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated and were asked the question ‘How do you rate the administrative burden associated with your following activities as an EYE Intermediary Organisation?’.*

**Case study: Time to grant and cost of participating in EYE as Intermediary Organisation – an example**

The cost of participating in EYE as Intermediary Organisation varies according to the country of the Intermediary Organisation, its type, its role in the European partnership as a coordinator, bearing a proportionately higher cost or as partner, bearing a proportionately lower cost, and many other factors. For example, an Intermediary Organisation from Central Europe, which is a partner in a European partnership of EYE cycle 13, estimated that it used seven person-days to complete the EYE application, uses five-person-days to complete the EYE reporting annually, and reported that it took some 90 days for the time to grant, measured as the time between the deadline for submission of proposals and the signature of grants. Assuming a daily cost of EUR 277 for a full-time equivalent working eight hours per day in the Intermediary Organisation, one can assess the cost of applying for EYE as a partner at EUR 1 939 and its costs of annual

reporting in the context of EYE at EUR 1 385 which can be overall appraised as reasonable compared to the benefits of participation.

*Source: Written exchange with Intermediary Organisation.*

The administrative burden on the part of Host and New Entrepreneurs is largely reasonable as rated by Intermediary Organisations[116]. The major difference between both categories of entrepreneurs is that processes concerning the former are lighter and largely administered online, while the latter have more information obligations to fulfil due to the financial support paid to them. New Entrepreneurs have for example to come up with high-quality business plans that require feedback from Intermediary Organisations, prepare monthly activity reports, gather proof for her/his stay, rent at a reasonable price, communicate with the Intermediary Organisations or complete the feedback questionnaire.

New Entrepreneurs receive different allowances depending on the country they go to for the exchange – a mechanism to factor in the cost of living of the country of the Host Entrepreneur. The cost of living can also vary regarding whether the stay is in a rural or urban region for which the allowance does not account for. The allowance aims to compensate New Entrepreneurs for about 70% of the costs of travel and staying abroad. From June 2024, the allowances have been increased by on average 10-12%, striking a balance between the available EYE budget in the SMP and the targeted number of exchanges, because higher allowances translate into fewer exchanges. The increase is much appreciated by Intermediary Organisations and the New Entrepreneurs. According to survey data from the latest feedback survey of Host and New Entrepreneurs, almost two thirds of New Entrepreneurs confirmed that the financial assistance provided was 'more or less' sufficient (44%) or sufficient (19% confirmed that it was sufficient by indicating 'Yes') to cover travel, accommodation and subsistence costs. 37% indicated that it was insufficient[117].

#### *4.1.2.3. Euroclusters*

In the framework of Euroclusters, cascade funding, also known as Financial Support for Third Parties (FSTP), is an important mechanism to distribute EU funding to beneficiaries (SMEs). This funding method aims at simplifying the administrative procedures, creating a light, SME-friendly application scheme, by allowing EU-funded projects to subsequently issue, in turn, open calls for the funding of SME innovation projects. The SME Pillar uses cascade funding in several of its actions.

FSTP, also known as cascade funding, is mainly used to provide SMEs specific support related to developing their innovation performance and their resilience and green and digital transformation. A maximum of EUR 60 000 can be awarded to a single SME. This procedure is much simpler for SMEs than participating in a classical European call for proposals.

The cascading financial support mechanism is regarded as the main advantage of the Eurocluster initiative and is highly appreciated by the clusters and their SME members, based on the interviews and survey conducted with clusters beneficiaries (81% considered

[116] Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated and were asked the question 'How do you rate the administrative burden for entrepreneurs when participating in EYE?'. When asked about Host Entrepreneurs, 28 Intermediary Organisations mentioned that administrative burden was 'Reasonable', one that it was 'High'. When asked about New Entrepreneurs, 31 stated that it was 'Reasonable' and 10 that it was 'High'.

[117] Survey data from the latest feedback survey of Host and New Entrepreneurs for matches starting between 1.2.2023 and 31.12.2023 as shared by DG GROW with the contractor on 19 June 2024. 503 out of 550 Host Entrepreneurs responded (response rate of 91%) and 532 out of 577 New Entrepreneurs responded (response rate of 92%).

it as very or reasonably effective[118]). On average, approximately 58 companies benefit from one million euro spent on cascade funding. The flexibility of the FSTP mechanism has also been widely appreciated as it allows each consortium to adapt the open calls design to its specific needs in terms of budget, services, timeline, evaluation criteria etc.

Cluster interviewees also acknowledge the high value of being able to define their own application process. The main advantages of FSTP reported for SMEs are: to offer simple application and reporting processes, a lump-sum payments scheme, an easy access to EU funds and a fast-track evaluation procedure. Companies' feedback also highlighted the advantage to easily access the cluster teams to understand the open calls requirements and smoothen the process of application. The relationship established between clusters and their members help to attract SMEs that would not otherwise apply to such funding programmes. Very small enterprises have also been able to submit project ideas and to obtain Eurocluster grants.

Regarding the administrative complexity of implementing funded projects, based on SMEs beneficiaries feedback, these are in line with normal EU project requirements such as meeting reports, occasional bank guarantees for advance payment and monitoring mechanisms. Some SME beneficiaries occasionally perceive these requirements as too burdensome, given the scale of the funding.

An important part of the work is dedicated to designing, promoting and evaluating the Euroclusters FSTP calls and applications. The FAQ could be further developed and made available on a platform to share the answers from project coordinators and create a community tool to enable coordinators to support each other in the spirit of further simplification.

On financial aspects, clusters interviewees indicated that the management of FSTP can be quite challenging especially for small cluster organisations with less experience and also with smaller budgets or financial resources. In addition, less experienced clusters may not always be familiar with the necessary workload required for setting up the FSTP. As a result, Euroclusters might be more challenging for smaller clusters and thus favours experienced clusters with a critical mass in terms of financial and human resources.

From an SME perspective, cascade funding brings significant simplifications to the process of applying for funding in comparison to the procedures of a standard call. The downside of the instrument is the lengthiness of the implementation of the calls. It often takes a long time before the funds are disbursed and before the project results and impact can be assessed.

#### *4.1.2.4. Other actions*

Concerning the IP Helpdesks, the interviewed partner describes the administrative processes as very clear and smooth. As the first payment is linked to the first report, the first few months of the project have to be pre-financed. One person full-time is dedicated to managing the administrative issues of the regional helpdesk. However, information on administrative burden has not been systematically collected for the IP Helpdesks, SME China Centre, and EU-Japan Centre.

**Social economy actions**

[118] Question 'How effective are the vouchers for SMEs used in the framework of your FSTP?', 'Very effective' 23 replies, 'Reasonably effective' 11 replies, 'Little or not at all effective' 5 replies, 'Don't know' 3 replies.

The administrative burden associated with activities in the SMP-supported project on the social economy is reasonable. A total of 28 out of 44 beneficiaries (almost 64%) found that it was 'reasonable' and 'low'. Only 10 out of 44 (23%) found it to be high[119].

With regard to cascade funding, a major element for the assessment of efficiency, 16 out of 44 organisations (36%) that participated in SMP initiatives/calls on social economy as a project coordinator or partner found it 'very effective' or 'reasonably effective' with the remaining ones (64%) providing no answer or indicating 'I don't know', which means that many beneficiaries are not yet acquainted with or implementing FSTP in their projects. Those knowing cascade funding welcome its flexibility to adapt to the unique needs of different projects and allow for quicker adjustments based on project progress[120].

**Tourism actions**

According to the survey among beneficiaries of the tourism actions TOURSME 2021 and TOURSME 2022, 76% of the respondents (i.e. 23 out 33) rate the administrative burden associated with their participation in the project as 'reasonable' or 'low', while 24% indicate a 'high' burden.

A simplification point mentioned in the interviews with beneficiaries concerns the decision to change the reporting rules of travel expenses towards lump sums. This eliminated an extra level of new reporting rules and procedures, simplified the budget allocation across the organisations and reduced administrative work.

The following Table shows the assessment of different administrative aspects related to project participation by beneficiaries of the tourism actions TOURSME 2021 and TOURSME 2022. Overall, most beneficiaries are very or reasonably satisfied with these conditions and elements of administration. Reporting requirements and funding ratios are not satisfactory for 12% of respondents.

**Table 26: Assessment of administrative aspects of participation in tourism actions by beneficiaries, % of beneficiaries**

| | very satisfactory | reasonably satisfactory | not satisfactory | don't know |
|---|---|---|---|---|
| Amount / coverage ratio of the EU grant | 42% | 39% | 12% | 6% |
| Contract management | 42% | 52% | 0% | 6% |
| Possibilities for participation/ consultation across projects | 39% | 52% | 9% | 0% |
| Reporting requirements | 30% | 52% | 12% | 6% |
| Collaboration with European Commission / EISMEA | 39% | 33% | 0% | 27% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among beneficiaries of actions TOURSME 2021 and TOURSME 2022; sample size: 33 beneficiaries.*

The above-mentioned tourism actions apply the instrument of financial support to third parties (FSTP). The beneficiaries surveyed have been asked about their experiences with

[119] Survey of high-level stakeholders, filtered for respondents involved in social economy-related projects funded by the SMP.
[120] Qualitative feedback to survey questions 'What are the main advantages of FSTP?', 'What are the main disadvantages of FSTP?' and 'What could/should be done to improve the instrument of FSTP? (including any suggestions you may have for speeding up the implementation of projects and delivering quicker results/impacts)'.

FSTP in terms of ease of management – for themselves and for SMEs. Out of 22 respondents answering the question, 18 (82%) rated FSTP as very or reasonably practicable for applying SMEs. Only 2 respondents (9%) assess the instrument as not practicable for SMEs (2 respondents indicated 'don't know'). FSTP is seen as particularly helpful in engaging very small businesses, where the (small) grant amounts can make a difference for the enterprise. However, the surveyed beneficiaries still see some weaknesses and room for improvements of the FSTP instrument, including:

- Considering the small amounts of grants and the fact that beneficiaries usually have to deal with micro-enterprises call for simplifying administrative processes (awarding, monitoring, reporting) as much as possible.
- Allowing the money to be used for purchase of equipment.

**Cost-benefit assessment**

The assessment of the cost-benefit ratio (results per amount invested) of Pillar actions follows the approach used in the final COSME evaluation by calculating cost-effectiveness indicators (CEA indicators). These indicators represent achieved benefits per million EUR of costs and are shown in the table below. A methodological challenge in calculating these indicators is the imperfect congruence of reference periods of benefits and costs, which is inherent to an interim evaluation. More specifically, the share of commitments or budgeted costs of multi-annual actions actually invested (i.e. spent by beneficiaries) up to 2023 had to be estimated. So, for the EEN it is assumed that approximately half of the total commitments have been invested in services by 2023. For EYE it is assumed that approximately a quarter of the total commitments have been invested in exchanges, and for Euroclusters it is assumed that approximately 70% of the committed budget have been invested by mid of 2024 (based on the committed FSTP budget). Costs other than EU funding consist mainly of beneficiaries own contributions.

However, the cost values applied are presumably still overestimated and indicator values thus underestimated. For example, the COSME final evaluation – having fully congruent data - calculated 258 entrepreneurs benefiting from EYE per million euro of EU funding (compared to 209 calculated in the table below) and 5 337 SMEs supported by the EEN per million euro of EU funding (compared to 3 244 calculated in the table below).

The COSME interim evaluation covering COSME's first three years (2014-2016), which might be a more valid point of comparison, calculated only 98 entrepreneurs per million euro invested in EYE. This speaks in favour of a significant improvement in cost-effectiveness of EYE under the SMP. The estimated number of jobs created by host entrepreneurs[121] amounts to approximately 54 per million euro of total costs under the SMP so far, while the COSME interim evaluation for the period of 2014-2016 reported 58 jobs per million euro created by both host and new entrepreneurs together. Again, this points to a positive efficiency performance of EYE under the SMP.

As far as the EEN under the SMP is concerned, the number of SMEs supported per million euro of total costs is estimated at 1 825. This is significantly less when compared to the number calculated in the final COSME evaluation for the period 2014-2020, which was 2 960 SMEs. However, the COSME interim evaluation for 2014-2016, again a presumably better point of comparison, determined a number of only 991 EEN-supported SMEs per

[121] Job creation by new entrepreneurs could not have been calculated because of too small sample size in EYE impact survey.

million euro of total costs invested. This indicates a positive development of cost-effectiveness of the EEN under the SMP.

For Euroclusters, a comparison to the cost-effectiveness indicator in the COSME interim evaluation does not seem to be valid as the form of support to SMEs has significantly changed since then.

In general, the cost-benefit ratios calculated in the Table below will improve as the programme progresses over time.

**Table 27: Efficiency indicators for Pillar actions**

| Indicator | Benefits (units) | EU funding (EUR m) | Other costs (EUR m) | Benefits per EUR m EU funding | Benefits per EUR m total costs |
|---|---|---|---|---|---|
| EEN | | | | | |
| Number of SMEs supported | 292 000 | 90 | 70 | 3 244 | 1 825 |
| Number of partnership agreements concluded | 2 048 | - | - | - | - |
| Number of jobs created by supported SMEs (according to EEN impact survey) | 2 836 | 90 | 70 | 31.5 | 18 |
| EYE | | | | | |
| Number of entrepreneurs engaged (host and new) | 2 086 | 10 | 1.5 | 209 | 181 |
| Number of jobs created by Host Entrepreneurs (see section on effectiveness) | 626 | 10 | 1.5 | 62.6 | 54.4 |
| Euroclusters | | | | | |
| Number of SMEs supported/benefiting | 3 087 | 30 | 1 | 103 | 100 |
| Number of SMEs receiving FSTP | 1 281 | 22 | - | 58 | - |

*Source: SME Pillar monitoring data; estimates for costs; 'other costs' represent mainly beneficiaries' own contributions.*

### 4.1.3. Coherence

**Key conclusions**

Synergies and cooperation between the various actions of the SME Pillar, particularly the flagship actions or the IP Helpdesks, appear to have gradually improved over the last few years. There are many examples of systematic coordination involving these actions. Smaller actions or less continuous actions have weaker links to other Pillar actions.

Synergies between the SME Pillar and other SMP Pillars show the potential for improvement. Some examples of coordinated activities exist and have been quoted in the text.

There is a mixed assessment by stakeholders about advantages and disadvantages of the SME Pillar being part of the SMP. Disadvantages are associated with the cross-thematic nature of the SMP which can make coordination more complex at different levels. However, the higher overall weight of the SMP is perceived as an important advantage for the Pillar's actions.

There are numerous examples of synergies and cooperation between the SME Pillar actions, notably the flagships, and other major EU programmes (e.g. Horizon Europe, ERDF, Digital Europe (EDIHs)).

There are also many examples of synergies with national and regional support programmes. The EEN, EYE and Euroclusters cooperate locally with national/regional programmes there is also some overlap and competition at the same time.

This section discusses the coherence of the SME Pillar and selected major actions of the Pillar. This relates to coherence within the Pillar, within the SMP and with programmes beyond the SMP. Again, for clarity, the Section is structured by the Pillar's flagship actions.

#### *4.1.3.1. Internal Coherence*

**Coherence within the Pillar**

The Commission considers possible synergies and overlaps during the process of work programme development. When policy units design an action, they are encouraged to think about possible synergies with other actions. Sometimes possibilities for improvement are detected by EISMEA in the process of drafting the call, in cases where that was not obvious from the work programme text. Overall, fostering synergies across the programme is taken into account when shaping the annual work programme.

There is not only synergies between the actions of the Pillar, but between the six specific Pillar objectives as well. The six specific objectives all address important dimensions of the overarching objective of strengthening SME competitiveness. Their interplay becomes apparent as many Pillar actions (e.g. Euroclusters) pursue more than one of the specific objectives to utilise their combination to the benefit of SMEs. For example, internationalisation and digitalisation are strongly interrelated: European SMEs require digital innovation to be successful on international markets.

The EU-level business organisations and SMP SME Committee Members surveyed in the context of the evaluation have a mixed view of the coherence of the different actions within the SME Pillar. Out of the 19 respondents, 6 (32%) rate the Pillar's actions as well coordinated, while another 6 (32%) think that coordination/synchronisation could be improved.

Examples of synergies between the Pillar's actions are given in the action-specific sections below.

**Coherence within the SMP**

In the light of the final COSME evaluation, the Pillar coordination team plans to pay more attention to synergies with other actions within the SMP, as there seems to be room for improvement mainly for the smaller actions. For the flagship actions, synergies are more systematic and have developed over time. Examples of synergies include:

- training for the SOLVIT centres together with EEN members;
- a request of DG SANTE for cooperation with EUIPO in the field of plant-related patents;
- the temporary use of budgets of Pillar 1 by the SME Pillar at the beginning of the SMP.

#### *4.1.3.2. External Coherence*

**Coherence with other EU programmes**

The following table summarises synergies and links between SME Pillar actions and other EU programmes. In many cases the interactions with other programmes are characterised by complementarity and additionality, e.g. where support from IP Helpdesks is taken up in addition to EEN services. SMEs often use such combinations of support on a long-term and continuous basis.

**Table 28: Examples of synergies/links between SME Pillar actions and other EU programmes**

| SME Pillar action | Other EU programme | Brief description |
|---|---|---|
| EEN, Euroclusters | EDIHs | Cooperate at regional/national level to boost digitalisation of SMEs |
| EEN | ERDF (Interreg) | EEN provides advice to SMEs with a view to participating in the programme |
| EEN | Horizon, EIC | EEN provides information and advice to SMEs with a view to applying for funding |
| EEN | IP Helpdesks | Signposting |
| Euroclusters | European Innovation Ecosystems (EIE) Programme | Euroclusters participate in the EIE Programme |
| Euroclusters | Interreg | Euroclusters use Interreg funding for joint projects |
| International IP Helpdesks | IP Helpdesks e.g. under Horizon | Joint events, joint web-offers |

*Source: Elaboration for the supporting study.*

**EEN**

The EEN members are encouraged to cooperate with relevant stakeholders, such as clusters, trade promotion organisations or chambers of commerce, and ideally include them in their consortia. The regional orientation of EEN entails developing synergies with the Structural Funds and EEN members often participate in advisory committees for the Structural Fund actions. Generally, the EEN cooperates with programmes relevant to SMEs to gather information that can be shared with their clients and to train the network's members.

The EEN and the European Digital Innovation Hubs (EDiHs) have developed local cooperation to provide complementary innovation services for SMEs. EEN partners support transnational technology transfer as well as innovation management capacity building, while EDiHs focus on access to testing, developing skills essential for digital

transformation and helping companies use digital technologies for sustainability and circularity.

The annual EEN conferences dedicate specific sessions to synergies with other programmes and actions. For example, the 2022 conference in Prague included sessions on the European Innovation Council and on 'Erasmus for Young Entrepreneurs: new wings for EEN clients'. The 2023 conference in Bilbao included a session on the synergies between the EEN, EYE and Clusters as well as the European Innovation Council (EIC). As a result of these discussions, there is increasing collaboration between EEN sustainability advisers and the Euroclusters as well as between the EEN members and EYE Intermediary Organisations.

Based on the survey among EEN member organisations, the following Table shows the extent to which EEN members collaborate with other EU programmes and initiatives. Most frequent and intense is collaboration with the ERDF (in particular Interreg), Horizon Europe, and Digital Europe (including EDIHs). As far as other actions of the SME Pillar are concerned, collaboration is most frequent with the IP Helpdesks: 56% of EEN members indicate at least some extent of cooperation. 42% of EEN organisations cooperate with EYE and 32% with Euroclusters.

**Table 29: Collaboration of EEN member organisations with other EU programmes/initiatives, share of member organisations in %**

| | to great extent | to some extent | little / not at all | don't know |
|---|---|---|---|---|
| InvestEU (including with InvestEU financial intermediaries) | 3% | 21% | 66% | 10% |
| European Regional Development Fund (ERDF) programmes | 35% | 34% | 25% | 6% |
| Horizon Europe | 41% | 44% | 14% | 2% |
| European Innovation Council (EIC) | 28% | 37% | 31% | 4% |
| Digital Europe / European Digital Innovation Hubs | 38% | 37% | 21% | 5% |
| Startup Europe initiative | 9% | 32% | 50% | 10% |
| IP Helpdesks | 13% | 43% | 36% | 9% |
| Euroclusters | 8% | 24% | 57% | 11% |
| Erasmus for Young Entrepreneurs EYE | 10% | 32% | 51% | 7% |
| LIFE+ | 8% | 23% | 61% | 9% |
| European Social Fund (ESF) instruments | 14% | 27% | 51% | 8% |
| Recovery and Resilience Facility | 10% | 26% | 52% | 12% |
| Erasmus+ | 18% | 27% | 49% | 6% |
| European Space Programme | 6% | 17% | 62% | 15% |
| Innovation Fund | 7% | 38% | 46% | 9% |

*Note: Percentages may not add up to 100 due to rounding. Those in bold typeface are part of the Single Market Programme.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

There is also a strong collaboration between the EEN and national and regional support programmes: 94% of the surveyed member organisations (110 out of 117) state that they link up with national/regional programmes. EEN member organisations are encouraged to cooperate and liaise with similar service providers in their geographic areas.

Apart from other EU programmes, there is cooperation with regional or national programmes: 26% of the surveyed EEN members (30 out of 117) state that they compete with regional or national support schemes. In this context, EU-level business organisations mention cooperation with established services of the Chambers of Commerce.

With regard to the advantages and disadvantages of EEN's integration in the SMP, 44% (52 out of 117) of the surveyed member organisations see more advantages and have a positive stance on it and 51% have a neutral opinion.

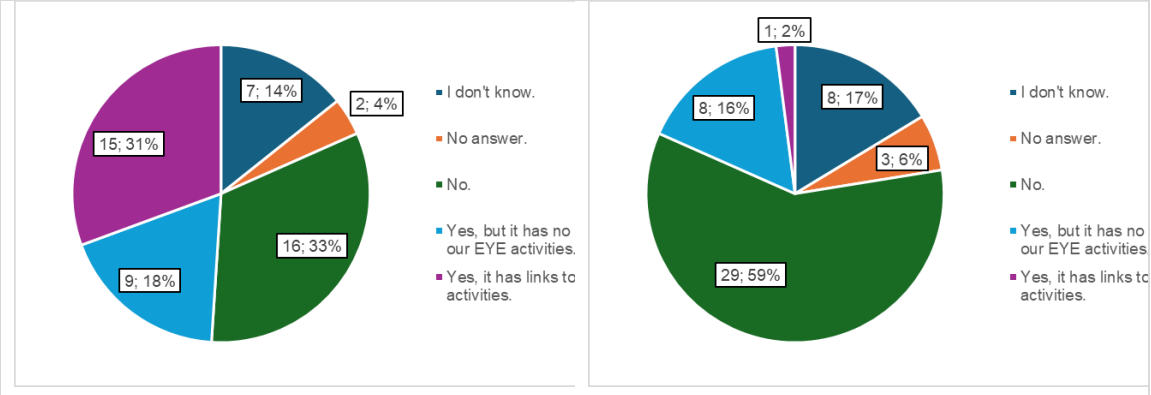
For SMEs, the EEN represents the first contact point to get information about EU programmes and (national and regional) support opportunities. The interviewed SMEs underline the importance of the network as a translator and facilitator in this context, especially for Horizon. The network partners identify suitable programmes, provide relevant information and help SMEs to write competitive proposals. EEN thus opens the door to multiple funding opportunities. With a view to national/local programmes, the interviewed stakeholders mention the advantage that network partners also offer services beyond the EEN or are involved in other support programmes. They emphasise the additionality of EEN in this function as a door-opener.

**EYE**

Links between EYE and other SME Pillar actions, notably EEN and Euroclusters exist in cases where Intermediary Organisations are beneficiaries under one or more actions at the same time. In addition, some beneficiaries under EYE have established links with beneficiaries under EEN, for example, to cross-promote the actions to their respective target audience at events, to identify possible Host Entrepreneurs for EYE or Host Entrepreneurs to become members of EEN and seek their support services for their business trajectories. Overall, 49% of EYE Intermediary Organisations confirm that they have links to the EEN in some way. In a similar vein, a few EYE Intermediary Organisations promote Euroclusters to alumni New and Host Entrepreneurs as follow-up support services after EYE. Every third EYE Intermediary Organisation (33%) confirms that links exist in some way (figure below).

**Figure 14: Links of EYE Intermediary Organisations with EEN and Euroclusters**

| Intermediary Organisations' feedback to the question 'Does your organisation have some form of involvement with the Enterprise Europe Network?' | Intermediary Organisations' feedback to the question 'Does your organisation have some form of involvement with Euroclusters?' |
|---|---|




*Source: Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated.*

Concerning coherence of EYE with EU and other initiatives outside the SMP, Intermediary Organisations refer to various support measures including Erasmus+, Horizon Europe, the Digital Europe Programme, MobiliseSME, the European Social Fund Plus or even European Economic Area and Norway Grants. The nature of synergies differs on a case-by-case basis. While Erasmus+ can for example be used to cross-promote EYE and vice versa, EYE Intermediary Organisations can at the same time be beneficiaries of funds under Horizon Europe.

One common issue of New Entrepreneurs is to secure funds and financing for their start-ups during and after their stay. EYE Intermediary Organisations address this issue by guiding New Entrepreneurs to relevant regional, national, EU and other opportunities – some of which are mentioned above.

**Euroclusters**

There is good evidence of coherence and connections of the Euroclusters with Smart Specialisation Strategies (S3) strategies[122] and S3 thematic partnerships. In 2010, the European Commission called on national and regional governments to develop S3 for research and innovation (R&I) to encourage all European regions to build on the assets and resources available on the territory, to identify their key priorities and involve stakeholders. Some cluster organisations work closely with their regional authorities, for example when designing Interregional Innovation Investments (I3) which require both strong alignment with S3 strategies and letters of support from regional authorities.

Eurocluster beneficiaries mentioned in the survey the role played by European Digital Innovation Hubs (EDIH), European Regional Development Fund (ERDF), IP Helpdesk services, Horizon Europe and Digital Europe as those EU programmes that cross-fertilise the most with their Euroclusters activities. Some clusters have also strengthened value chain cooperation with the use of Interreg Europe funding, for example in the thematic area of water, sport and well-being and personalised medicine. Eurocluster partners have also been active in designing pilot initiatives via the Vanguard network. In the second half of 2024 the Vanguard Network launched an SME funding mechanism called Vinnovate that seeks to support cross-border SME innovation activities in a similar way (but larger grants) to the FSTP vouchers offered by Euroclusters and is seeking to connect SMEs via innovation projects.

[122] See https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/about_en.

Some 40% of the Euroclusters beneficiaries declared through the evaluation survey that they are connected to the EEN. Based on the survey addressed to clusters beneficiaries, 76% of the respondents considered there is a potential for more systematic coordination of Euroclusters with regional or national programmes/initiatives.

**Other actions**

As far as the IP Helpdesks are concerned, there are strong synergies with the EEN as well as national (e.g. Chambers of Commerce) and regional services. The cooperation is reciprocal, and clients are signposted if the own expertise and mandate is not covering the demand of the SME. Due to the clear identity of the IP helpdesks (business-oriented, for small and medium-sized enterprises, for using the intellectual property as a business tool) there is complementarity with other services. The International IP Helpdesks cooperate with all other EU-supported IP Helpdesks. This involves joint events on IP topics or linking/sharing web-based offers. The EU SME Centre in China provides complementary services with the relevant IP Helpdesk in China.

There are complementarities with national services, as some Member States and Chambers of Commerce provide support to companies that want to expand to China and have established representative offices. This results in more contacts with SMEs and Chambers of Commerce.

According to a survey conducted for a report of the European Court of Auditors[123], cooperation between the EEN and the EU-Japan Centre works very well.

**Promoting a favourable business environment:** There is a logical articulation between some SME studies and the EEN, for example through the European SME Week[124].

Regarding SMP-supported social economy actions, synergies with ESF+, Erasmus+ or ERDF were observed, particularly in skills and training, and for capacity building of work integration social enterprises (WISEs). The advocacy efforts of beneficiaries of social economy projects play a crucial role in ensuring these synergies. The project GreenBoost4WISEs[125], aims to make business and processes of WISEs more sustainable and to raise awareness on benefits of greener practices through capacity building, knowledge transfer and transnational cooperation. Thus it contributes to the European Green Deal.

The survey among beneficiaries of the tourism actions TOURSME 2021 and TOURSME 2022 shows that 4 out of the 33 responding beneficiaries (12%) have established cooperation with the EEN. There is also some project-related cooperation with Euroclusters and EYE.

Cross-fertilisation and synergies with EU programmes other than the SMP is slightly more frequent according to the survey among beneficiaries of the two tourism actions. In particular, the Horizon programme has been mentioned by 7 (21%) and ERDF projects have been mentioned by 5 (15%) out of 33 beneficiaries. In the interviews, synergies with Interreg, ERDF and ESF have been mentioned.

Furthermore, 5 out of the 33 responding beneficiaries (15%) are using synergies with national or regional support programmes, mainly in the fields of tourism, culture and

[123] European Court of Auditors (2022), SME internationalisation instruments, Special Report 07.
[124] https://single-market-economy.ec.europa.eu/smes/sme-strategy/european-sme-week_en.
[125] See also https://www.ensie.org/projects/greenboost4wises (last accessed on 19 September 2024).

nature. However, 25 beneficiaries (76%) do see a potential to increase synergies and coordination between their SMP tourism project and regional/national support programmes.

## 4.2. How did the EU intervention make a difference and to whom?

### 4.2.1. EU added value

**Key conclusions**

Almost all actions of the SME Pillar entail significant EU added value. This was confirmed in all types of stakeholder consultations.

The EU added value is attributed by stakeholders to the fact that almost all actions are strongly based on cross-border cooperation, which could not be triggered by national support programmes.

Projects and initiatives on SME policy at EU level result in comparable data, benchmarking possibilities, mutual learning and guidance on how to develop the SME dimension in regulation and in relation to the single market.

Where an uneven participation of countries in Pillar calls and projects has been identified as a certain risk in maintaining the EU added value, for example in the case of EYE, mitigation actions have been taken to ensure a balanced participation of EU SMEs.

This section discusses the EU added value of the SME Pillar and selected major actions of the Pillar. Again, the Section is structured by the Pillar's flagship actions.

The EU-level business organisations interviewed in the framework of this evaluation confirm that an EU added value is evident in the Pillar's actions and topics. As key factors in this regard they mention the cross-border cooperation and the possibility to develop activities that can be implemented nationally and then scaled-up in larger EU programmes.

#### *4.2.1.1. EEN*

EEN is a European network and its consortia cooperate with other consortia to support the SME clients. This international network effect is the main advantage of having an international business support programme. Furthermore, within the EEN, international expertise can be tapped very quickly to discuss problems faced by SMEs.

The survey among EEN member organisations shows that 78% of respondents (91 out of 117) could not implement the relevant services as effectively outside the EEN. Only 16% say that these services could be performed equally well outside a European network. According to the member organisations, the main factor underlying the EU added value is a wider base of knowledge, expertise and potential business partners at EU level.

Interviewed beneficiaries underline the advantage of the availability of local experts in other countries. 'EEN is the bridge to Europe and to EU programmes' as one of the interviewed SME clients said.

Looking at the different types of services provided by the EEN, the EU added value seems to be highest for the business partnership matching and for the services related to resolving single market issues. Single market services are hardly provided outside the EEN (i.e. under other budgets). On the other hand, advice on access to finance and innovation advice is also provided independently from the EEN.

Also, most of the EU-level business organisations and the SMP SME Committee members surveyed for this evaluation confirm an EU added value of the EEN. Out of 19 respondents, 16 (84%) think that it is an advantage that the EEN's services are provided through an EU-level programme as compared to a national or regional programme.

#### *4.2.1.2. EYE*

Most of the EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study confirm a clear EU added value for EYE. Out of 19 respondents, 14 (74%) think that it is an advantage that EYE is provided through an EU-level initiative as compared to a national or regional programme. Feedback from Intermediary Organisations points into the same direction: Almost two thirds of organisations (63%) state that EYE-like cross-border exchanges could not be organised and implemented just as effectively without an EU-level programme[126].

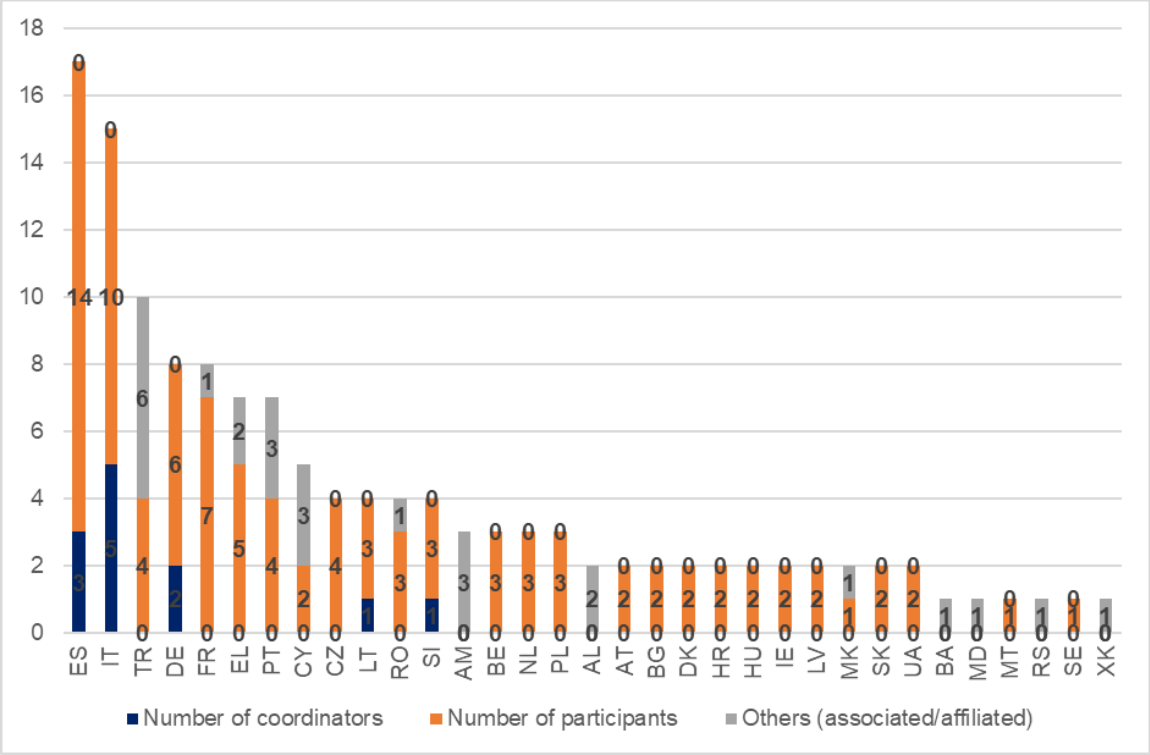
Qualitative survey responses indicate that an EU-level action is seen as more effective due to its ability to facilitate cross-border cooperation, provide uniform rules, offer robust financial and structural support, and increase opportunities for entrepreneurs[127]. The coordination by the Commission, and alignment with the EU's core objectives further enhance its value added compared to national or regional programmes.

The exchanges of Host and New Entrepreneurs are closely linked to the development of international business in the medium- to long-term, with established business relationships and opportunities in the wider EU single market, especially if New Entrepreneurs have innovative ideas to commercialise.

While coordination of the action at the EU level has benefits, there are differences between countries. The interest in exchanges from Host and New Entrepreneurs varies from country to country. Countries with long business traditions tend to have higher demand from Host Entrepreneurs, others tend to receive more requests from New Entrepreneurs. Some countries already have comprehensive packages of financial and non-financial support to entrepreneurs and start-ups at the national and regional level which are more attractive to entrepreneurs. Statistically, Spain and Italy have the highest numbers of Intermediary Organisations (figure below).

**Figure 15: Number of Intermediary Organisations (IOs) under the Single Market Programme**

[126] Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated.
[127] Survey among 133 Intermediary Organisations run between May 14-30, 2024 in which 49 Intermediary Organisations participated.

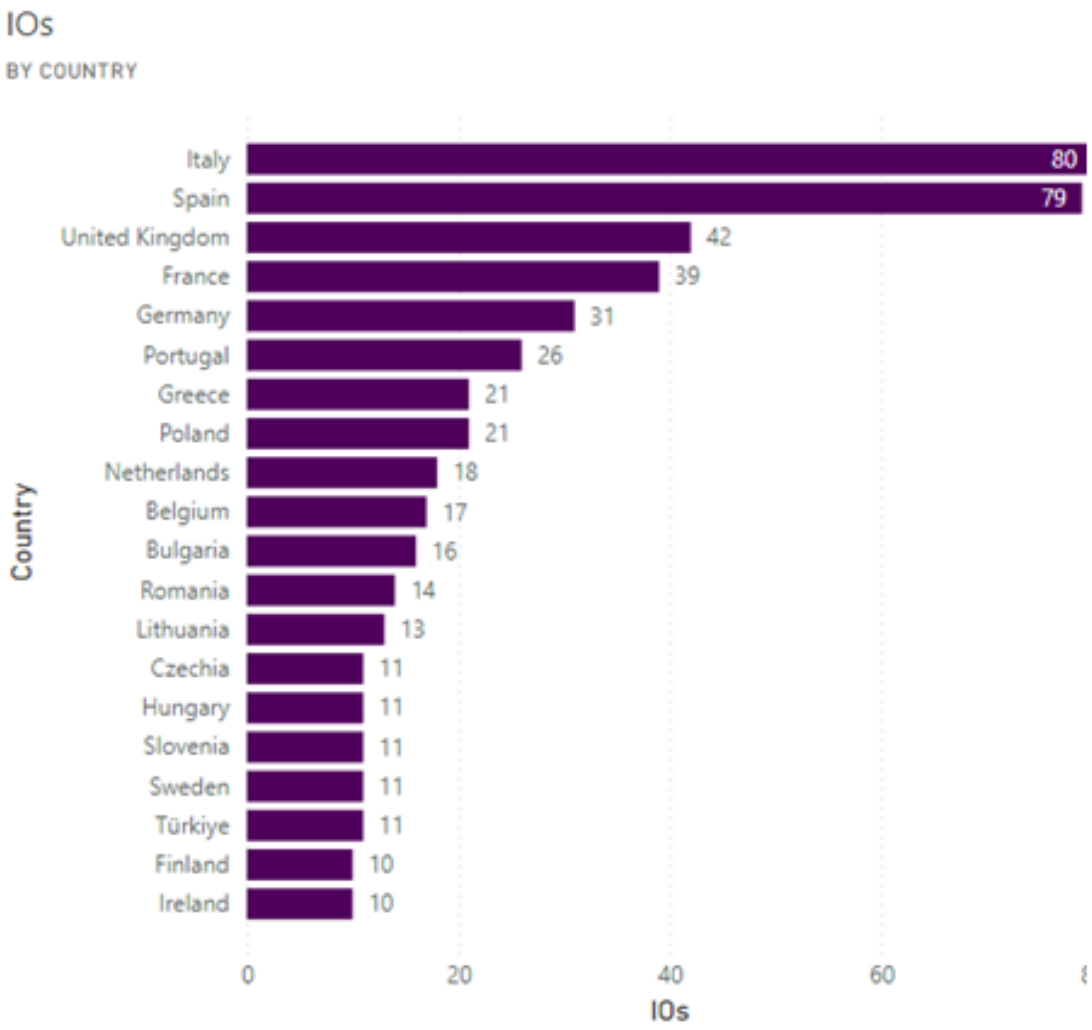



*Source: SME Pillar Monitoring Fiche – Financial year 2021; Action: GRO/SME/21/12196 – Erasmus for Young Entrepreneurs – SMP-COSME-2021-EYE. (implementation period in the contract/grant agreement: 01/02/2023 to 31/01/2027). Note: A European Partnership is a consortium of Intermediary Organisations that have signed a grant agreement with EISMEA. Each European Partnership is composed of one Lead Intermediary Organisation (i.e. coordinator) and other entities from different SMP participating countries (i.e. partners).*

Spain and Italy are the countries with the highest numbers of Intermediary Organisations participating in EYE's cycle 13. Also under the COSME and EIP, most of the Intermediary Organisations came from Italy and Spain. The following Figure shows the cumulative numbers of Intermediary Organisations per country (from cycle 1 running from 2008 to 2010 to cycle 13 running from 2020 to 2023)[128].

**Figure 16: Cumulative numbers of EYE Intermediary Organisations (IOs) per country over cycles 1 to 13 (period 2008-2023)**

[128] EYE is organised in cycles which correspond to the periodic calls for proposals. Each European partnership only belongs to one specific cycle. Participating Intermediary Organisations can be part of several cycles within the same or different European partnerships, if they are selected in the corresponding call for proposals.




*Source: DG GROW. Note: Numbers do not represent counts of unique Intermediary Organisations.*

In addition, in absolute terms and since the start of the Programme, the highest numbers of applicants to EYE, including New Entrepreneurs and Host Entrepreneurs, also come from Spain and Italy as the following table shows.

**Table 30: Number of applications from New/Host Entrepreneurs since the start of the EYE programme**

| Country | Number of applications |
|---|---|
| Spain | 8 871 |
| Italy | 8 776 |
| Germany | 2 668 |
| United Kingdom | 2 533 |
| Poland | 2 499 |
| Greece | 2 375 |
| France | 2047 |
| Türkiye | 1 737 |
| Portugal | 1 706 |
| Romania | 1 624 |
| Netherlands | 1 483 |

| Country | Number of applications |
|---|---|
| Belgium | 1 307 |
| Lithuania | 1 142 |
| Slovenia | 1 018 |
| Hungary | 868 |
| Ukraine | 797 |
| Austria | 795 |
| Slovakia | 783 |
| Bulgaria | 770 |
| Czechia | 766 |
| Croatia | 756 |
| Cyprus | 737 |
| Latvia | 689 |
| Ireland | 516 |
| Serbia | 507 |
| Sweden | 502 |
| Denmark | 454 |
| Finland | 313 |
| Estonia | 288 |
| Armenia | 251 |
| Malta | 242 |
| Albania | 231 |
| United States | 211 |
| North Macedonia | 210 |
| Bosnia and Herzegovina | 200 |
| Kosovo | 177 |
| Montenegro | 126 |
| Moldova | 94 |
| Luxembourg | 92 |
| Singapore | 69 |
| Iceland | 44 |
| Canada | 32 |
| Israel | 23 |
| Norway | 23 |
| Taiwan | 22 |
| South Korea | 20 |
| Liechtenstein | 2 |
| Total | 51 396 |

*Source: European Commission, DG GROW.*

The data on the countries of Intermediary Organisations and applicants indicate a geographical imbalance regarding the uptake of EYE. The Commission addresses this imbalance by supporting and encouraging Intermediary Organisations to recruit entrepreneurs from under-represented countries and by targeted promotion in those countries.

Naturally, certain features of exchanges attract and respectively discourage applicants from participating countries. For instance, classic factors are the relevance and strength of the

market of the Host Entrepreneur for the business idea of the New Entrepreneur, the amount of the country-specific financial support to the New Entrepreneur and the fast and prompt processing of the application, but also other aspects such as links to the culture of the country of the Host Entrepreneur and learning of the language[129].

In the past five years, the Commission tested the extension of EYE to countries beyond Europe like Canada, Israel, Singapore, South Korea, Taiwan and the United States. This initiative can contribute to bringing out knowledge and skills to the EU.

#### *4.2.1.3. Euroclusters*

The survey conducted for this evaluation showed that 74% of cluster beneficiaries[130] said that the activities and results of their Eurocluster could not be achieved just as effectively without an EU-level programme, i.e. through (several) national programmes. The main reasons stated in the survey are: higher funding rate for clusters with EU calls, the cascade funding scheme doesn't or rarely exists at the national level, EU cross-border collaboration is not possible at national level and essential in some industries/sectors, networking opportunities for clusters and companies available on the EU-wide scale, lack of cluster policy at national level, better access to new knowledge, technologies and experiences.

The majority of the EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study confirm an EU added value for Euroclusters. Out of 19 respondents, 14 (74%) think that it is an advantage that Eurocluster services/support is provided through an EU-level programme as compared to a national or regional programme.

All cluster partners and coordinators interviewed acknowledged Euroclusters as being successful in connecting them to other EU clusters across Europe (98% said they benefited from improved reputation and visibility[131]). Clusters have created new interlinkages with different industrial ecosystems in the Open Strand creating interesting cross-thematic cooperations. Cluster managers also identify EU networking and cooperation very positively as it broadens their opportunities in terms of projects and visibility (89% said Euroclusters facilitate the finding of partners for other projects and 71% said it facilitates their participation in other EU programmes[132]).

Euroclusters can provide clusters an additional argument to secure and lever additional funding from regional and/or national authorities by demonstrating the impact of their services in the local ecosystem. The involvement of a cluster in an Eurocluster is also a positive indicator for national cluster labelling policies.

**Figure 17: Number of awarded FSTP SMEs per country**

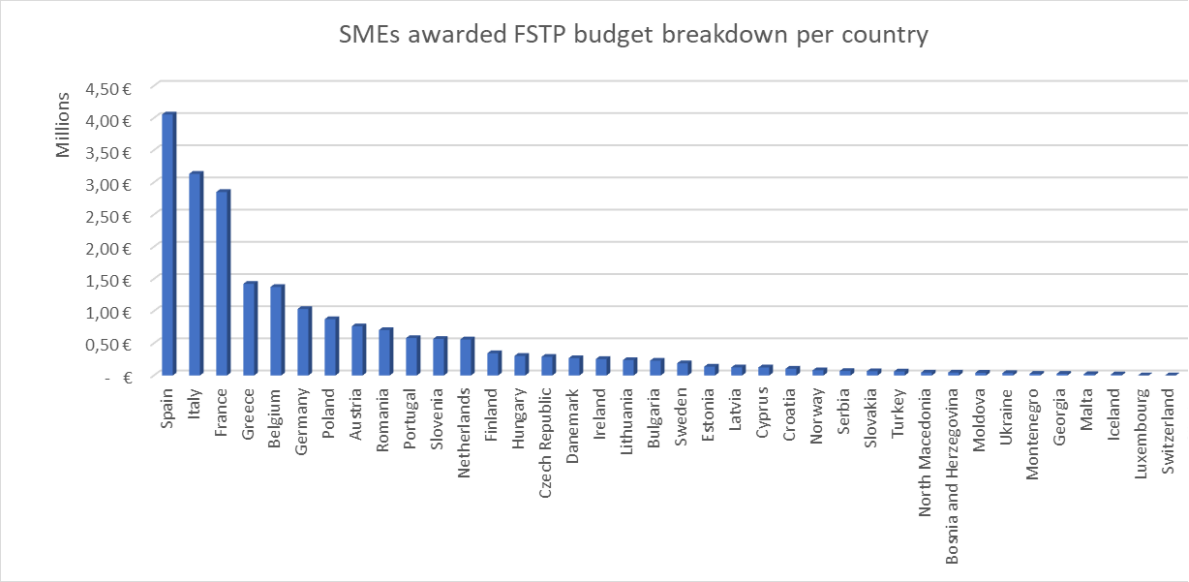
[129] Responses to question 'Which feature(s) of EYE exchanges attract(s) applicants from certain countries?' of a survey among 133 Intermediary Organisations run between May 14-30, 2024 to which 49 responded.
[130] Question 'Could the activities and results of your Eurocluster be achieved just as effectively without an EU-level programme, i.e. through (several) national programmes?' out of 42 responses, 31 said 'No, not at all', 5 'Yes, equally well', 4 'Yes, but less effectively, 1 'Yes, even more effectively' and 1 'Don't know'.
[131] Question 'What results does your participation in the Euroclusters programme have on your own organisation?: We benefit from improved reputation/visibility' 340 replies; 'Strong result' 25 replies, 'Some result' 16 replies, 'No result' 1 reply.
[132] Question 'What results does your participation in the Euroclusters programme have on your own organisation?: It facilitates participation in other EU programmes'105 replies; 'Some result' 22 replies, 'No result' 9 replies, 'Strong result' 8 replies, 'Don't know' 3 replies.

*Source: EISMEA monitoring data.*

To date the average number of SMEs supported by each Eurocluster is 46 companies and most of the beneficiaries of FSTP (SMEs) come from Italy (210), Spain (195), France (159), Greece (91), Belgium (85), Romania (59) and Germany (49) while the least represented EU countries are Cyprus (4), Malta (1) and Luxembourg (1).

58 non-EU companies (4% of the total) have been awarded grants: Serbia (11), Bosnia and Herzegovina (9), North Macedonia (9), Türkiye (5) and Georgia (5), Montenegro (5), Ukraine (4), Norway (2), Moldova (3), Iceland (1), Switzerland (1), Armenia (1). Some 96 companies have been awarded with several Euroclusters vouchers. Consequently, the total awarded budget per country is: Spain (EUR 4 million), Italy (EUR 3 million), and France (EUR 2.8 million).

**Figure 18: Awarded FSTP budget breakdown per country (total EUR 22 million)**




*Source: Data from EISMEA.*

The specific focus put on SMEs from EU-13 countries[133] through an incentive to reach them in the Eurocluster call[134] was effective as 261 SMEs from this geographical area (22% of the total) received EUR 3.7 million via FSTP. Cluster interviewees acknowledged the fact that most of FSTP beneficiaries are both SMEs and very small enterprises. The capacity of Euroclusters to support these types of companies proves the effectiveness of both the FSTP scheme and the Euroclusters flagship action to reach their main target groups and enhance the competitiveness of these companies.

Overall, the success rate of the Euroclusters call is high with half of the applications being successful.

The most successful countries in terms of project success rates considering the number of applicants are: France (77%), Austria (75%), the Netherlands (67%), Slovenia (67%), Czechia (60%) and Italy (60%)[135] while the least successful are from Poland (20%), Croatia (33%) and Latvia (30%)[136].

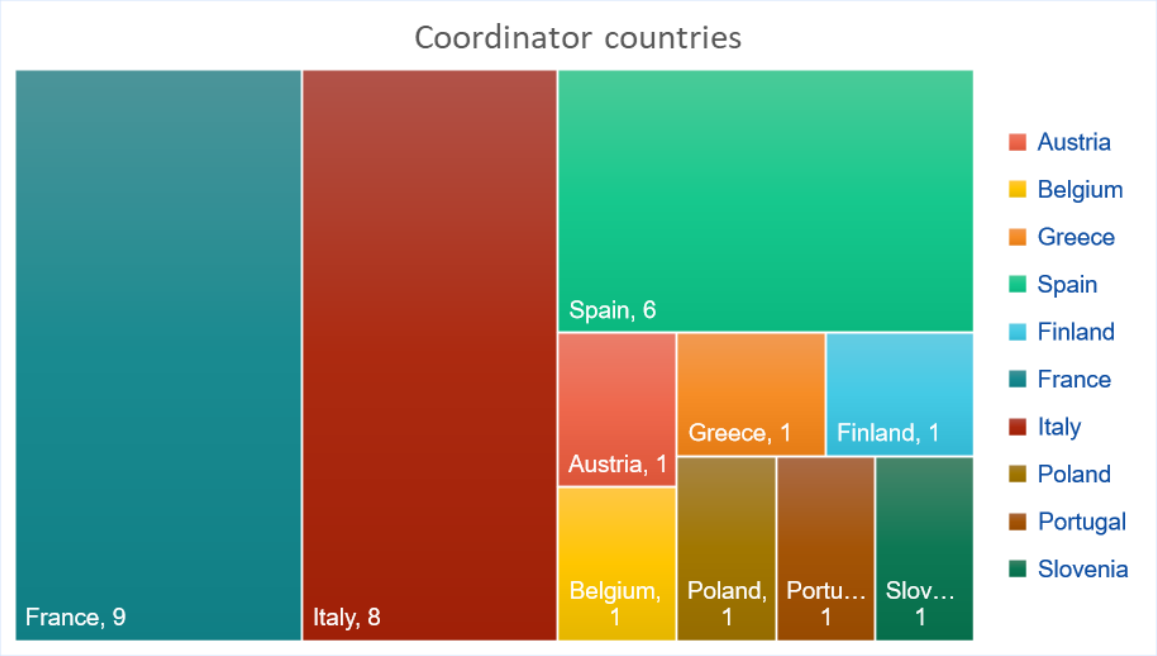
The main countries in terms of partner representatives are Spain (26), Italy (23), France (23) and Poland (11) while Ireland (1), Hungary (1), Latvia (1), Norway (1) and Slovenia (1) are the least represented.

The majority of Eurocluster coordinators come from France (9), Italy (8) and Spain (6). Indeed, compared to previous COSME projects, we observe roughly the same country ranking in terms of number of cluster beneficiaries: France (71), Spain (65) and Italy (49) were the three first countries represented[137].

The historical involvement of clusters from these countries in COSME projects can explain that they are able to leverage from their experiences over time and track record throughout the COSME programme. Evaluators see the track record of applicants positively[138]. However, to counter this effect the call requirement to include at least one partner from a less developed region (GDP per capita < 75% as defined under cohesion policy) has resulted in a number of 'newcomers' being able to participate in the project consortia.

**Figure 19: Euroclusters coordinators**

[133] Member states which joined the European Union in or after 2004: Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia, Slovenia, Bulgaria, Romania, Croatia.
[134] 'At least 10% of the supported SMEs will come from EU regions different from the countries of individual Euroclusters' partners. Specific attention needs to be paid to EU-13 countries in the calls and those EU regions with which the Euroclusters' partners had no previous cooperation and shall focus on engaging actors from regions with different levels of economic development', P30 of the call document.
[135] France (24 partners awarded out of 31 applicants), Austria (6 partners awarded out of 8 applicants), Netherlands (4 partners awarded out of 6 applicants), Slovenia (2 partners awarded out of 3 applicants), Czechia (6 partners awarded out of 10 applicants), Italy (24 partners awarded out of 40 applicants).
[136] Poland (9 partners awarded out of 44 applicants), Latvia (3 partners awarded out of 10 applicants), Croatia (1 partner awarded out of 3 applicants).
[137] Based on available data on ECCP platform for ESCP-4i: Fourth generation, ESCP-4i: Third generation, ESCP-4i: Second generation and Innosup 2020 projects.
[138] The call specifies 'Applicants must have the know-how, qualifications and resources to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature)' and applicants need to present a list of their previous projects (key projects for the last 4 years).




*Source: Data from EISMEA.*

#### *4.2.1.4. Other actions*

With respect to the social economy actions, most of the EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study confirm an EU added value. Out of 19 respondents, 12 (63%) think that it is an advantage that the actions are provided through an EU-level programme as compared to national or regional programmes[139]. EU-level programmes enable broader support and knowledge transfer across regions, which is crucial for the growth and sustainability of social economy enterprises. Another advantage of the EU intervention is the possibility to share experiences and information and meet organisations from other countries.

The survey among beneficiaries of tourism-related actions, more specifically TOURSME 2021 and TOURSME 2022, revealed that 61% of respondents (20 out of 33) could not achieve the activities and results of their project without an EU-level programme, i.e. through (several) national programmes. Another 24% of the respondents could possibly achieve the activities and results also through national programmes, but less effectively so. Thus, an EU added value is confirmed by 85% of the beneficiaries.

The European Travel Commission (ETC) which carries out the project 'Promoting trans-European tourism products in third countries' has a pan-European approach and promotes visits to Europe as a whole or multiple country visits for tourists from abroad. There is always a pan-European theme in the campaigns and the project creates a spirit in the different countries to work and promote their destinations together.

A small majority of the EU-level business organisations and SMP SME Committee Members surveyed for this evaluation study also confirm an EU added value for the tourism-related actions. Out of 19 respondents, 10 (53%) think that it is an advantage that the actions are provided through an EU-level programme as compared to national or regional programmes.

[139] Survey of high-level stakeholders, filtered for respondents involved in social economy-related projects funded by the SMP.

According to the surveyed and interviewed beneficiaries, the main factors creating the added value of participating in an EU-level programme include:

- The invaluable learning effect from an exchange of knowledge, experiences and good practices across countries;
- The possibility to develop practices and models that are applicable on a European market, which is particularly important for tourism businesses;
- The greater credibility and visibility of a European-level project.

Suggestions for improving EU added value from the interviewed beneficiaries mainly address the problem of over- and under-represented countries. Benefits of participating in such calls are widely distributed and rules that countries from three different geographical groups have to be involved are implemented. The FSTP calls for funding SMEs are not limited to the countries represented by the consortium partners.

As far as SME studies, policy events and forums are concerned, these actions clearly demonstrate EU added value by providing high-quality quantitative and qualitative data related to SME issues and challenges at EU level. This set of information allows a better understanding of the situation of SMEs, offers comparable data to analyse the differences between EU countries, and provides stakeholders with elements to design SME policies. This range of information would not be available otherwise.

Would the SME Pillar actions be withdrawn, considering the aspects discussed above it is very unlikely that replacing programmes could be initiated and developed by the Member States or regional governments. The essence and value of all actions is their cross-border dimension. Member States could not or only partially (e.g. on a bilateral basis) develop and manage programmes entailing EU-wide exchange and cooperation. A withdrawal of the EEN would not only mean a loss of its unique support structure and services, it would also have negative indirect effects on services of member organisations provided outside the EEN.

## 4.3. Is the intervention still relevant?

### 4.3.1. Overall relevance

**Key conclusions**

Overall, the objectives of the SME Pillar are of high relevance.

The work programmes, which should translate the objectives into actions, are developed with strong references to EU strategies and using consultations with relevant stakeholders. This contributes to ensuring relevance. There are sufficient flexibility mechanisms to respond to changing circumstances and overall, there is a good balance between change and continuity.

However, the work programmes (up to 2023) do not always explicitly link actions to Pillar objectives. It is therefore hardly visible to what extent the portfolio of actions addresses which objectives. It is recommended to explicitly assign objectives to actions in the work programmes.

Furthermore, while it is acknowledged that small actions can support piloting and testing new approaches, over-fragmentation of action portfolios should be avoided.

Relevance and the level of consultation with stakeholders are also high at the level of individual actions. In some cases (e.g. Euroclusters, EEN), some projects/beneficiaries

may feel overloaded with too many (new) themes or objectives to be addressed/achieved at once.

This section discusses the relevance of the SME Pillar and selected major actions of the Pillar. Again, for clarity the Section is structured by the Pillar's flagship actions.

**Overall Pillar**

The consultations carried out for this evaluation generally confirm the relevance of the objectives of the Pillar. In the framework of the Public Consultation, out of 47 respondents familiar with the SME Pillar, 38 (81%) believe that the objectives and activities of the Pillar are highly relevant to the needs of SMEs. The targeted EU-level business organisations and SMP SME Committee Members surveyed for this evaluation assess the SME Pillar overall to be of reasonable relevance in relation to the actual needs of SMEs in Europe[140].

The extent to which the portfolio of SME Pillar actions is relevant in relation to (i) the overarching objectives of the Single Market Programme, the SME Pillar objectives and overarching economic strategies as well as to (ii) the needs of SMEs depends on the way the work programmes are developed and defined, on the degree of flexibility in shaping and adjusting actions and also on the implementation time.

Several extensive consultation mechanisms contribute to ensuring the relevance of the work programmes. Alongside regular data collection on the current needs and challenges of SMEs, consultations with various stakeholders serve as a key instrument in this regard. In meetings with the SME Envoys or in the framework of the SME Assembly the key issues of SMEs are regularly discussed. These inputs feed into the annual work programmes. The policy units also have to provide evidence that the proposed action is likely to attract sufficient demand, preferably based on a regular dialogue with the relevant community and stakeholders. The work programmes are also subject to a positive opinion from the SME Pillar Committee composed of Member States and participating countries.

A screening of the work programmes shows that the actions are well explained and sufficiently justified and often explicitly refer and link up to overarching strategies, notably the SME Strategy and the Industrial Strategy, but also to e.g. the Green Deal, the Transition Pathway for Tourism, the Social Economy Action Plan, or the Renovation Wave[141]. While the process includes checks that each action addresses one or several of the specific programme objectives, this link is sometimes not clearly explained in the work programme text. Similarly, the work programme would also benefit from a clearer explanation of the links between actions and the SDGs and horizontal policies such as the Gender Equality Strategy.

In general, the Pillar's actions are more relevant to SMEs with a certain inclination to or potential for cross-border or international business activities. This is due to the

[140] More specifically, out of 19 survey respondents, 11 (58%) indicate reasonable relevance, 4 (21%) indicate high relevance, and 1 (5%) mentions low relevance (3 persons answered 'don't know').
[141] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103;
https://single-market-economy.ec.europa.eu/industry/strategy_en;
https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en;
https://single-market-economy.ec.europa.eu/industry/transition-pathways_en;
https://ec.europa.eu/social/main.jsp?catId=1537&langId=en;
https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en.

transnational nature of almost all projects, consortia and partnerships, involving cross-border cooperation.

Some of the consulted EU-level business organisations and SMP SME Committee Members stated that they would prefer fewer but larger actions.

Looking ahead, many of the Pillar's objectives and priorities will remain highly relevant for European SMEs.

President Ursula von der Leyen's political guidelines for 2019 to 2024[142], focused strongly on the European Green Deal, emphasising amongst others a future-ready economy, on an 'economy that works for people', where support to small businesses with a view to innovation plays a crucial role, and on making Europe fit for the digital age. The Pillar objectives appear to be fully aligned to these guidelines. Her political guidelines for 2024 to 2029[143], prioritise 'Making business easier'. This includes creating new momentum to complete and deepen the single market and helping SMEs scale up and making the most out of it. The guidelines also aim at reducing administrative burden and improving the business environment. Decarbonisation and digitalisation also remain key areas in the President's political guidelines. With its current objectives, the SME Pillar will therefore remain highly relevant in the context of the new guidelines.

Similarly, the SME Relief Package of 2023 also calls for supporting SMEs to help them consolidate their recovery[144]. The SME Relief package underlines, amongst others, ensuring a business-friendly regulatory environment for SMEs, advancing digitalisation of SMEs, easing SMEs' access to public procurement markets, fostering/facilitating the start of new businesses and the growth of existing enterprises.

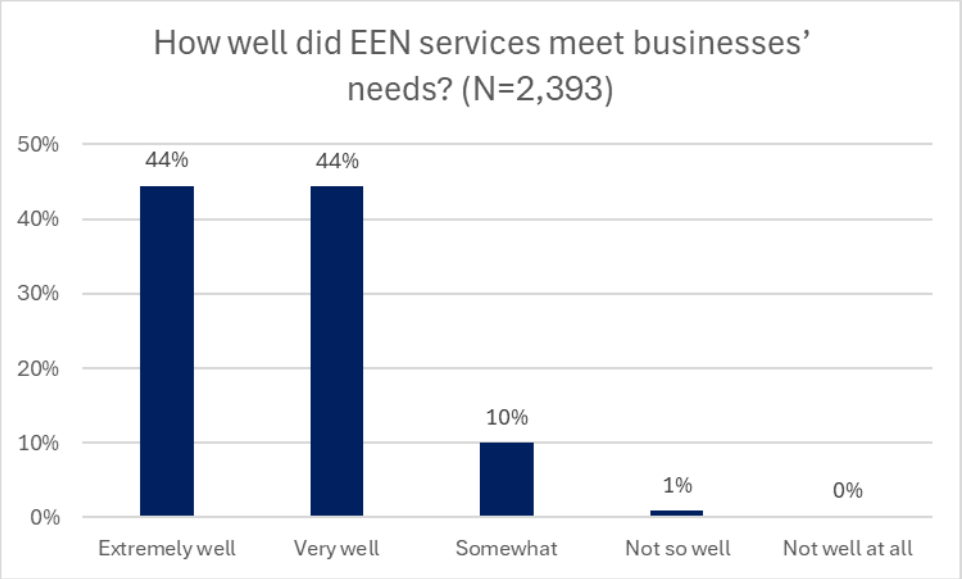
### 4.3.2. Relevance of activities

#### *4.3.2.1. EEN*

The EU-level business organisations and SMP SME Committee Members surveyed for this evaluation assess the EEN as very relevant in relation to the actual needs of European SMEs: Out of 19 survey respondents, 14 (73%) indicate high relevance, and 3 (16%) indicate reasonable relevance. The EEN impact survey 2023 confirms that clients using EEN services regard those services as highly relevant to their needs (see Figure below).

**Figure 20: EEN impact on businesses' needs**

[142] European Commission, President Ursula von der Leyen's political guidelines for 2019 to 2024.
[143] European Commission, President Ursula von der Leyen's political guidelines for 2024 to 2029.
[144] SME Relief Package of 2023.




*Source: EEN Impact Survey 2023*[145].

The member organisations attest the network high relevance with a view to the needs of SMEs mainly in the areas of internationalisation and innovation. Even in countries with a developed supporting ecosystem the services of EEN with a view to internationalisation are highly appreciated. The fact that partners all over Europe are available to inform about market characteristics, legal requirements etc. in a specific country and can offer the relevant services or match the clients to other experts makes the EEN highly valuable in supporting SMEs.

With a view to innovation the EEN acts as first contact point and opens the doors to the EU funding landscape. Especially SMEs which do not have dedicated persons or departments for identifying funding opportunities, IPR issues etc. need external support to gain the relevant information and competences to be competitive in application processes. Moreover, highly innovative companies and start-ups often need international partners along the supply chain to further develop their innovative products and gain market maturity.

In both areas, internationalisation and innovation, the member organisations underline the additionality of EEN even in countries with a comprehensive supporting landscape given that the services are free of charge. In countries where support services for SMEs are not well developed, EEN services address a market failure and close a gap.

Services must evolve with the evolution of SME needs but additional services need to be provided within the available budget. For this reason, the Commission prepares Annual Guidance Notes to the EEN members to set priorities and show where to shift resources. The types of SMEs mostly addressed by the EEN are primarily export and innovation-oriented SMEs.

This is underlined by the interviewed SMEs. They attest highest relevance of EEN services for SMEs with a business model based on innovative products or services and/or a strong

[145] The impact survey was launched in 2023 and is permanently open. The data presented in this report are based on the analysis of the answers of almost 2 400 SMEs in all EEN partner countries. The objective of the survey was to capture the satisfaction and impact rates of individual consortia. The replies are not geographically balanced and not statistically representative but can nevertheless represent relevant indicators to different evaluation questions.

international orientation. In general, services are tailored to the needs of each specific client and adapted accordingly.

The 2021 EEN call took account of consultations with the network and other economic and stakeholder data on challenges faced by SMEs. Next to traditional issues like access to markets, access to finance, regulatory burden etc., the twin transition moved higher on the agenda and services of the EEN. Thus, sustainability advisers and digitalisation services were established within the EEN. In addition to providing advice and support to SMEs, EEN also provides an SME feedback service to the Commission to support the work for assessing options for future policy measures.

The Table below shows how the relevance of different EEN services has developed over the last few years from the viewpoint of EEN member organisations. Services related to digitalisation, sustainability and access to finance have grown in relevance for most EEN members. Even for more traditional, long-established services, there are more members reporting increased relevance than members reporting decreasing relevance.

**Table 31: How has the relevance of EEN services for SMEs been developing over the last few years? Assessment by EEN member organisations, shares in %**

| | increasing relevance | constant relevance | decreasing relevance | don't know |
|---|---|---|---|---|
| Internationalisation advice | 44% | 46% | 5% | 4% |
| Innovation advice | 37% | 46% | 11% | 6% |
| EU Single Market (legislation, obstacles) | 26% | 48% | 19% | 8% |
| Business partnerships (matching) | 31% | 49% | 20% | 1% |
| Access to finance (finding sources, helping to prepare) | 56% | 39% | 3% | 1% |
| Access to EU funding opportunities | 45% | 46% | 7% | 2% |
| Digitalisation | 63% | 29% | 1% | 7% |
| Sustainability / sustainable business models | 75% | 21% | 2% | 3% |
| Resilience (analysis, solutions) | 45% | 36% | 7% | 12% |

*Note: Percentages may not add up to 100 due to rounding.*

*Source: Survey among EEN member organisations; sample size: 117 organisations.*

The EEN member organisations participating in the survey have also noticed an increasing demand for their services since 2021. More specifically, 57% say that demand for their services has increased, while only 3% report about shrinking demand from SMEs (the rest indicating stable demand). Limited resources (budget, staff) are the most frequently cited factors constraining the number of SMEs that can be supported.

Furthermore, 83% of the survey respondents confirm that the EEN is flexible enough to adapt to new challenges/circumstances and changing needs of SMEs or to regional circumstances which confirms EEN's relevance.

Many additional comments made by respondents in the survey also point to keeping focus in terms of EEN services offered rather than broadening the portfolio of themes. These

comments also advocate for keeping and strengthening the topics of digitalisation, including AI and cybersecurity, and sustainability.

While there is a need to constantly consider new policy priorities, interviewees underline the importance of offering continuity in the core business of EEN. Thus, the balance between continuity and adaptions is a crucial success factor for the network.

#### *4.3.2.2. EYE*

The EYE action is about exchanging business knowledge and experiences between prospective entrepreneurs (New Entrepreneurs) and experienced entrepreneurs (Host Entrepreneurs). Because of its design to address the need for international exchange of entrepreneurs and their acquisition of skills and the fact that there is almost no other action like EYE in Europe, this action has continued to be relevant since its inception in 2009[146]. In the survey for this evaluation, a large majority of Intermediary Organisations confirmed the continued relevance of cross-border exchanges of entrepreneurs developed over the last years[147].

EYE raises awareness of the opportunities provided by the EU and supports start-ups in their ambitions to expand internationally by opening offices abroad and seeking foreign partners, investors, and subcontractors. In an increasingly global business environment, the EYE nurtures a culture of mentoring, peer learning, and joint international product development, leading to new business ventures, connections, and export opportunities across Europe. EYE also contributes to the practical implementation of the European Entrepreneurship Competence Framework (EntreComp) establishing a common understanding of the knowledge, skills, and attitudes essential for entrepreneurship. EntreComp also highlights that every citizen should have the chance to cultivate entrepreneurial competence[148]. Experienced Intermediary Organisations report that EYE is now better understood. The seriousness and quality of business collaborations increases year by year, resulting in long-term relationships and positive impacts on markets. Entrepreneurs have also become more agile and adapting, with higher awareness of the benefits of the single market[149].

EYE calls for proposals were tailored to match EU policy priorities around the European Green Deal, advancing digital and sustainable business models in exchanges between New Entrepreneurs and Host Entrepreneurs, such as recycling or electric vehicle development.

While EYE started as an initiative of the European Parliament, its feasibility and implementing mode has been validated with stakeholders. The Commission is aware of the Intermediary Organisations' needs and requirements due to the constant exchange of

[146] During the study, stakeholders pointed to the following initiatives that come close to the scope of EYE: (1) MobiliseSME, a programme initiated by the EU (EURopean Employment Services (EURES), EU Programme for Employment and Social Innovation (EaSI)) aiming to help develop skills and capacities of staff of companies (employees, manager and owners or co-owners) by supporting short-term cross-border secondments; (2) Saxon Mentoring Network of futureSAX (Germany), organising an exchange experience as a young or well established entrepreneur; (3) GALEUROPA, a mobility programme run by the regional government of Galicia (Spain) for young people focusing on entrepreneurship; or (4) France's International Volunteering in company (VIE).

[147] In response to the question 'In your opinion, how has the relevance of cross-border exchanges of entrepreneurs developed over the last few years?' of a survey among 133 Intermediary Organisations run between May 14-30, 2024, in which 46 Intermediary Organisations responded to the question, 19 of them answered 'They have become significantly more important.' and 26 answered 'They are of continuous importance.' Nobody answered, 'Their importance has somewhat decreased.', while only a total of four respondents answered, 'I don't know.' or gave no answer.

[148] European Commission (n. y.). Entrepreneurship education. Retrieved from https://single-market-economy.ec.europa.eu/smes/learn-and-plan-entrepreneurship/entrepreneurship.education_en#:~:text=The%20European%20entrepreneurship%20competence%20framework%20(EntreComp)%20creates%20a%20shared%20understanding,have%20the%20opportunity%20to%20develop (last accessed on 9 July 2024).

[149] Responses to the open question 'Briefly indicate why the relevance of cross-border exchanges of entrepreneurs has developed over the last few years in this way.' of a survey among 133 Intermediary Organisations run between May 14-30, 2024 to which 49 responded.

information, and improvements are being introduced when needed (longer grant agreements, improvements of EYE IT tool, etc.).

#### *4.3.2.3. Euroclusters*

In relation to the Euroclusters partners, interviewees highlighted primarily the high relevance of the cascade funding scheme to address the current challenges faced by SMEs. Based on the results of the survey among clusters beneficiaries[150], 83% of respondents considered that the Euroclusters programme covers at least to some extent the needs of the SMEs in the industrial ecosystem targeted by their projects. In addition, 80% of the stakeholders surveyed also said that the Eurocluster action is relevant to the needs of European SMEs[151]. Overall, the SME beneficiaries are very supportive of the FSTP type of support.

#### *4.3.2.4. Other actions*

The relevance of SME policy studies, events and forums is overall very good as they help getting insights into key EU themes (14 industrial ecosystems[152], see priorities topics of SME Envoy[153]), to feed the policymaking and decisions. In particular, SME outreach actions (such as the SME Envoys and the SME Assembly), but also the actions on the SME performance review and late payment, the monitoring of the performance of EU industry and ecosystems bring valuable contributions to the understanding of the EU SME landscape, challenges and remaining bottlenecks. The EU-level business organisations and SMP SME Committee Members survey confirmed this relevance with 80% of positive replies from the respondents[154].

EU-level business organisations suggested in this context that SMEs should play a bigger role in the SME Assembly, e.g. in an alumni event of different actions, a distinct SME session or with networking possibilities. This would be a further instrument to identify the needs of SMEs and could enhance the relevance of actions.

The relevance of the social economy actions is attributed to the growing trend towards green and digital transition ecosystems within the social economy sphere. Key documents such as the Social Economy Action Plan 2021 (SEAP)[155] underscore the need for social economy stakeholders to consider new societal developments. This is aimed at facilitating the social economy's contribution and potential to building greener, more resilient communities, and fostering innovative solutions. Social economy business models play a crucial role in both the economy and society, bringing value to local economies and societies by contributing to their inclusiveness. Rooted in local communities, social economy initiatives aim to serve the community where they are based and so drive local growth and proximity economies, promoting shorter value chains and localised production

[150] Question: 'To what extent does the Euroclusters programme cover/address the needs of the SMEs in the industrial ecosystem targeted by your project?' 21 respondents selected 'to a great extent' out of 42, 14 'to some extent', 5 'to a small extent/not at all', 2 'don't know'.
[151] Question 'How do you rate the relevance of the actions of the SMP's SME Pillar in relation to the actual needs of European SMEs? To what extent are the actions addressing topics of relevance to SMEs? [Euroclusters and other cluster actions]'; 'Don't know' 3 replies, 'Less/not relevant' 1 reply, 'Reasonably relevant' 9 replies and 'Very relevant' 7 replies.
[152] https://monitor-industrial-ecosystems.ec.europa.eu/.
[153] Access to finance, better regulation & reduction of administration burdens, Business Transfers, Defence industry, Digitalisation, Energy-related issues for SMEs, Impact of sanctions on SMES, single market issues specific to start- and scale-ups as well as 'traditional' SMEs, Single Market Enforcement Task Force, Sustainability, Training & Skills, Representative of the SME Envoy Network to the European Data Innovation Board, Entrepreneurship & entrepreneurship education, Public Procurement, SME Test, see https://single-market-economy.ec.europa.eu/smes/sme-strategy/sme-envoys-network_en.
[154] Question ' How do you rate the relevance of the actions of the SMP's SME Pillar in relation to the actual needs of European SMEs? To what extent are the actions addressing topics of relevance to SMEs? [Studies/projects on SME policy, better regulation]' 'Don't know' 3 replies, 'Less/not relevant' 1 reply, 'Reasonably relevant' 9 replies, 'Very relevant' 7 replies.
[155] https://social-economy-gateway.ec.europa.eu/eu-initiatives/seap_en.

and consumption. This inclusivity extends to marginalised groups, like people with disabilities, seniors, unemployed, and migrants, by integrating them into the workforce and addressing community needs through social services.

In 2023, the SMP financed an action entitled 'Social Economy Mission and rural development' to facilitate economic and environmental changes in rural areas, creating learning opportunities. It aimed at building a sustainable European economic model with focus on rural communities' resilience through the development of social entrepreneurship. As social entrepreneurship tends to focus on urban areas, the SMP attaches in this way importance to building capacity and employment of the social economy in rural areas.

Also in 2023, the call for proposals 'Proximity and social economy industrial ecosystem: boosting the digital transition of social economy enterprises and SMEs' was launched under the SMP to enhance the digital transition and capabilities of SMEs within the social economy through activities focused on capacity building, knowledge sharing, and transnational cooperation and to strengthen the digital capabilities of 'enabling organisations' (intermediaries) in the social economy. This call received a high number of proposals (27 in total) of which six translated into projects to start in September 2024[156].

More recently, bearing in mind the increasing role for a strategic public procurement to meet societal challenges, the Commission has supported efforts to highlight the concrete benefits and ways to use socially responsible public procurement to face such challenges. The SMP financed an action aiming at training public procurement officials and social economy entities on how to best use public procurement to achieve social objectives. A wide communication campaign in the EU promoting socially responsible public procurement has been implemented too.

Entities that are benefiting from these SME Pillar measures are the social economy organisations and enterprises, particularly those rooted at local level. Emphasis is placed on utilising social media platforms and networks, such as the European Social Economy Region (ESER) community or experts such as the Expert group on social economy and social enterprises (GECES) to keep social economy stakeholders informed about forthcoming calls and programme updates. The Commission also runs the Social Economy Gateway[157].

The social economy actions are seen to have a positive effect on gender balance as many women are involved in the funded projects.

The calls for proposals are in line with the needs of social businesses and respond to their challenges such as labelling of green operations, development of local markets, eco-justification, the incorporation of digital technologies, promotion of innovation, competitiveness of social economies, skill development, sustainable practices and the fostering of transnational cooperation.

The tourism actions of the SME Pillar are closely aligned with the Commission's 'Transition Pathway for Tourism'[158] and focus on accelerating the green and digital transitions and improving the resilience of the tourism ecosystem. This is also in line with

[156] EISMEA (2 August 2024). Single Market Programme (SMP). SME Pillar Implementation Report 13 December 2023 – 25 July 2024. Retrieved from https://eismea.ec.europa.eu/document/download/035a5614-6f4d-48f0-bed0-527e5f811eb8_en?filename=24_07_25_SME%20SMP%20Implementation%20report_v1.0.pdf (last accessed on 6 September 2024).
[157] https://social-economy-gateway.ec.europa.eu/index_en.
[158] https://single-market-economy.ec.europa.eu/sectors/tourism/eu-tourism-transition/tourism-transition-pathway_en.

the recommendations of the report of the ECA (Special Report 27/2021)[159] on the Commission's support for the EU's tourism industry. That report recommended putting a focus on promoting a more sustainable tourism.

The EU-level business organisations and SMP SME Committee Members surveyed for this evaluation assess the tourism actions as reasonably relevant in relation to the actual needs of SMEs[160].

According to the surveyed beneficiaries of the tourism-related actions (TOURSME 2021 and TOURSME 2022), the calls addressed the actual needs of the targeted segment of businesses either to a great extent (23 responses/70%) or at least to some extent (10 responses/30%). The interviewed beneficiaries attest the calls high relevance as the green transition is a major challenge for SMEs and a lot of SMEs do not know where to start. Moreover, it is in line with the development of national tourism policies in many countries.

With a view to maintaining relevance of the tourism actions in the future, the surveyed beneficiaries of the tourism-related actions (TOURSME 2021 and TOURSME 2022) suggest focusing on the topics of environmental sustainability in tourism, digitalisation and on projects developing or strengthening the links between tourism and culture/heritage.

## 5. WHAT are the conclusions and lessons learned?

### 5.1. Conclusions

In the framework of this evaluation a refined intervention logic was developed to make objectives, expected outputs, results and impacts clearer and more comprehensible.

**Effectiveness**

Overall, there is significant progress in achieving the general and specific objectives of the Pillar.

Based on preliminary data, some major actions have been making good progress in terms of achieving the expected outputs/results (e.g. Euroclusters, EEN). EEN clients (SMEs) report very high satisfaction rates and effects on business performance. The success rates of EYE exchanges are very high and strong learning effects are confirmed. Euroclusters use cascade funding effectively and are likely to impact on resilience, digitalisation and greening of SMEs.

Also other actions supporting internationalisation (IP Helpdesks, EU-Japan Centre, SME Centre in China) achieve high satisfaction rates and significant numbers of SMEs supported. For many ecosystem actions first results have recently materialised.

**Efficiency**

The instrument of financial support for third parties (FSTP) is in many cases an **efficient** way to financially support small businesses. At the same time, the instrument can constitute a certain administrative burden for project consortia, especially for smaller and unexperienced organisations.

[159] https://www.eca.europa.eu/en/publications?did=60287.
[160] More specifically, out of 19 survey respondents, 12 (63%) indicate reasonable relevance, 1 (5%) indicates high relevance, and 3 (16%) mention low relevance (3 persons answered 'don't know').

The efficiency and usefulness of the FSTP instrument depends very much on the type of activities to be carried out. The text in the work programmes should allow enough space to choose the most suitable instrument at the moment of drafting the technical specifications for a call.

Beneficiaries perceive the administrative burden associated with participating in the calls and projects as reasonable.

EEN client SMEs rate service provision as efficient and in line with business needs.

The FSTP instrument could be simplified and improved, amongst others, by further developing standard templates, a central web-platform for its management, and by adapting payment conditions to avoid pre-financing by the consortium.

Smaller actions tend to show a lower level of efficiency and should be used in well-founded cases (e.g. experimentation with new approaches, significant leverage effects).

**Coherence**

Synergies and cooperation between the various actions of the SME Pillar, notably the flagship actions or the IP Helpdesks, have gradually improved over the last few years. However, some stakeholders still see room for improvement and call e.g. for more practical guidance for beneficiaries. Smaller actions or less continuous actions have weaker links to other Pillar actions.

There is a mixed assessment by stakeholders about advantages and disadvantages of the SME Pillar being part of the SMP. Disadvantages are associated with the cross-thematic nature of the SMP which can make coordination more complex. However, the higher overall weight of the SMP is also perceived as an advantage for the Pillar's actions. In as much as synergies between various SMP measures have been identified, synergies between the SME Pillar and other SMP Pillars could be further enhanced.

This evaluation provides examples of synergies and cooperation between the SME Pillar actions, notably the flagships, and other major EU programmes (e.g. Horizon Europe, ERDF, Digital Europe).

There are also many examples of synergies with national and regional support programmes (above all for the EEN). The cross-border component of the Pillar actions is an important feature for ensuring complementarities and avoiding overlaps with national/regional programmes.

**Relevance**

Overall, the objectives of the SME Pillar are of high **relevance**.

The work programmes, which translate the objectives into actions, are developed with strong references to EU strategies and use consultations with relevant stakeholders. This contributes to ensuring relevance. There are sufficient flexibility mechanisms to respond to changing circumstances and overall, there is a good balance between change and continuity.

However, the work programmes (up to 2023) do not always explicitly link actions to Pillar objectives. It is recommended to explicitly assign objectives to actions in the work

programmes. Furthermore, while it is acknowledged that small actions can support piloting and testing new approaches, over-fragmentation of actions should be avoided.

Relevance and the level of consultation with stakeholders are also high at the level of (flagship) actions. In some cases (e.g. Euroclusters, EEN), some projects/beneficiaries feel overloaded with too many (new) themes or objectives to be addressed/achieved at once.

**EU added value**

Almost all actions of the SME Pillar entail significant **EU added value**. This was confirmed in all types of stakeholder consultations. This is attributed by stakeholders to the fact that almost all actions are strongly based on cross-border cooperation, which could not be triggered by national support programmes. Projects and initiatives on SME policy at EU level provide comparable data, benchmarking possibilities, mutual learning and guidance on how to develop regulation and frameworks of the single market both at EU and Member State level.

A somewhat uneven participation of countries in Pillar calls and projects has been identified as a certain risk in maintaining the EU added value and is now mitigated by more intensive promotion activities in under-represented countries and requirements for consortia to include partners from under-represented countries or regions.

### 5.2. Lessons learned

The main lessons learned from the evaluation are threefold:

- **Measuring progress through indicators** matters for the success of the SME Pillar.
- **Linking of actions to objectives** could be further developed at the moment of drafting the work programmes.
- **Simplification for beneficiaries** (in addition to lump sums, FSTP, budgetary flexibility), choosing an instrument at the moment of drafting the call is an area for development in the second part of the programming period.

It is recommended to explicitly assign Pillar objectives to the actions defined in the work programmes.

While it is acknowledged that small actions can support piloting and testing new approaches, over-fragmentation of actions should be avoided for efficiency reasons.

Calls should require projects to focus on a few objectives and avoid requiring too many objectives simultaneously.

The text in the work programmes should allow enough space to choose the most suitable support instrument at the moment of drafting the technical specifications for a call.

Actions to counter an uneven participation of countries in some of the Pillar calls and projects have been taken and should be continued in order to mitigate the risk of actions losing EU added value.

While there is a good level of synergies and cooperation between the various actions of the SME Pillar, many stakeholders still see room for improvement and call e.g. for more practical guidance for beneficiaries in this respect.

Potential Pillar-internal synergies could be enhanced or better exploited for smaller or less continuous actions.

## SUB-ANNEX I. STAKEHOLDERS CONSULTATION – ADDITIONAL INFORMATION TO THE SYNOPSIS REPORT

A public consultation was operated for the whole of the Single Market Programme. The consultation was hosted on the Commission's 'Have your say'[161] portal and was open from 8 March 2024 to 31 May 2024. A total of 63 responses were received, with 54 respondents (86%) representing an organisation and 9 individuals (14%) responding in a private capacity. The largest group of respondents were public authorities (23/54). (NB: the main programme-level report for this evaluation provides a full analysis of the replies to the consultation.)

In relation to the SME Pillar, the feedback from the public consultation showed that 32/63 respondents (51%) find EU support for SMEs to be of great interest, and additional 15/63 respondents (24%) find it to be of reasonable to slight interest. Out of the 47 respondents who reported interest, 38 (81%) believe that the objectives and activities of Pillar 2 are highly relevant to the needs of SMEs. Furthermore, out of the same 47 respondents, 34 (72%) indicated that they are familiar with the Enterprise Europe Network (EEN), 32 (68%) with the Erasmus for Young Entrepreneurs (EYE) programme, and 25 (53%) with Euroclusters (Joint Cluster Initiatives).

Of the 34 respondents that were familiar with the EEN, most viewed its effectiveness positively: 22/34 (35%) viewed it as reasonably effective and 10/34 (29%) as very effective. Of the 32 respondents familiar with the EYE programme, 16/32 (50%) agreed or strongly agreed that EYE programme has helped support new or aspiring entrepreneurs. As regards the Euroclusters initiatives, 17/25 (68%) respondents familiar with the initiatives agreed or strongly agreed that the initiatives have helped supporting SMEs to be more innovative, resilient, digital and sustainable. Respondents provided some general comments in which they appreciated the targeted support provided by the EEN and the financial backing of the SMP for social economy enterprises. However, some expressed concerns about the complexity and administrative burden of accessing these supports. Recommendations included enhancing tailored support mechanisms, improving the timeliness of visa applications for SMP-related travels, and maintaining focus on the competitiveness, innovation, and internationalisation of SMEs.

**Several consultations were carried out specifically for Pillar 2:**

The online survey among European-level business organisations and SMP SME Committee Members (19 responses) confirmed that the SME Pillar as a whole makes a difference with a view to strengthening the competitiveness of European SMEs. They also confirm a good effectiveness of the EEN, Euroclusters and of EYE. The Pillar's SME studies and forums are assessed to be relevant and useful for evidence-based policymaking and improving the business environment. The effectiveness of the tourism and social economy actions is assessed to be somewhat lower but still positive. The stakeholders' view of the coherence of the Pillar is mixed: many regard coordination to be good while as many see a need for improvement in this regard. The EU added value of the Pillar actions is rated to be high (especially as far as the flagship actions are concerned). The relevance of the SME Pillar as a whole is assessed to be reasonable by this stakeholder group and there is seen to be sufficient continuity in the SME Pillar's actions and work programmes. The relevance of the EEN, however, is rated to be particularly high.

[161] Have your say - Public Consultations and Feedback (europa.eu).

The online survey among the member organisations of the EEN (117 responses) confirmed a significant impact of EEN services in terms of access to markets and product innovation and also a noticeable impact on turnover growth of SMEs. Services in relation to business partnerships, access to finance and EU funding are regarded as most impactful. There are also positive effects for the member organisations themselves. The majority assess the administrative burden of participation as reasonable but growing over time. EEN members report an intense collaboration with the ERDF (in particular Interreg), Horizon Europe, and Digital Europe (including EDIHs). Within the Pillar, collaboration is most frequent with the IP Helpdesks and EYE. Respondents also report strong collaboration with national and regional support programmes, but also report on some overlap with those programmes. EEN members confirm a high EU added value of the action (especially in terms of partnering services and solving single market issues). Member organisations assess the relevance of their services to be high and even growing over time. They have also reported an increasing demand for their services since 2021. Furthermore, a vast majority of respondents confirm that the EEN is flexible enough to adapt to new challenges/circumstances and changing needs of SMEs or to regional circumstances.

The online survey among the beneficiaries of Euroclusters (42 responses) confirmed the Clusters' effectiveness and highlights the usefulness of the FSTP instrument. Respondents identify budget limitations as the main constraint to achieving more impact (especially at the wider value chain level). Around 40% of the Eurocluster beneficiaries state that they are connected with the EEN. Furthermore, the respondents confirm the EU added value of the action as a clear majority states that activities and results could not be achieved without an EU-level programme. A great majority of beneficiaries consider the Euroclusters action covers the needs of the SMEs in the industrial ecosystems.

The online survey among EYE intermediary organisations (49 responses) confirms that EYE has a very good impact on the acquisition of new skills by young entrepreneurs in particular, but less impact on growth of turnover or job creation. Respondents also confirm positive impacts for host entrepreneurs. The administrative burden of participating in EYE is assessed to be reasonable. Almost half of the responding IOs have established links with the EEN. The EU added value of EYE is regarded as high by the IOs. A large majority of IOs confirmed the continued and future relevance of cross-border exchanges of entrepreneurs.

The online survey among beneficiaries of other actions (75 responses, mainly from tourism and social economy actions) also confirmed the effectiveness and usefulness of the FSTP instrument. The administrative burden is assessed to be reasonable. Beneficiaries rarely report on cooperation with the three flagship actions of the Pillar. Systematic cooperation with other EU programmes appears not to be frequent too. The beneficiaries confirm that there is EU added value of the actions, i.e. they could not achieve the same results without an EU-level programme. A great majority of beneficiaries assess the calls (and their priorities) to be very relevant to the tourism industry.

In addition to the online surveys, more than 50 interviews have been conducted with basically the same stakeholder groups. These interviews have confirmed the results of the surveys and provided additional, more in-depth insights, e.g. factors creating administrative burdens, constraints and drivers of effectiveness, needs of SMEs, etc.

Furthermore, 13 interviews with the Commission officials have focused on the understanding of objectives, on the process of developing work programmes, on actions taken (e.g. in relation to improve the FSTP instrument, reducing administrative burden or enhancing the services of actions) or on coordination with other SMP Pillars and other EU programmes or actions (e.g. EDIH).

### Interviews

| Stakeholder category | Number of interviews (persons) | Target |
|---|---|---|
| Officials of EU institutions and agencies | 13 (23) | 5 |
| EU-level stakeholders | 9 (13) | 11 |
| Beneficiaries EEN | 8 (9) | 6 |
| Beneficiaries Eurocluster | 6 (7) | 3 |
| Beneficiaries EYE | 5 (5) | 3 |
| Beneficiaries tourism actions | 3 (4) | 2 |
| Beneficiaries social economy actions | 3 (4) | 2 |
| SME supported by EEN | 4 (4) | 5 |
| EYE Host/New Entrepreneurs | 1 (1) | 5 |
| SMEs supported by Eurocluster | 1 (1) | 5 |
| Total | 53 (71) | 47 |

### Case studies for the supporting study

| Stakeholder category | Number |
|---|---|
| Eurocluster | 4 |
| EEN | 2 |
| EYE | 3 |
| Other actions | 2 |
| Total | 11 |

### Targeted surveys

| | Sample | Respondents | Response rate |
|---|---|---|---|
| EU-level stakeholders* | - | 19 | - |
| Beneficiaries EEN | 417 | 117 | 28% |
| Beneficiaries Euroclusters | 170 | 42 | 25% |
| Beneficiaries EYE | 133 | 49 | 37% |
| Beneficiaries other actions | 317 | 75 | 24% |

**EU-level stakeholders have been addressed by DG Grow and the contractor*

## SUB-ANNEX II. ADDITIONAL DATA/CASE STUDIES

Case study: EYE fostering business relationships in the eyewear industry[162]

Muhamed Gazibegović, a 22-year-old entrepreneur from Bosnia and Herzegovina and founder of Impression Eyewear, exemplifies a success story of EYE. Through EYE, Muhamed engaged in a transformative mentorship with Oliver Rauch, owner of C.O.W. Handels und Marketing KG in Austria. This collaboration not only facilitated the inception of Muhamed's business but also enabled him to navigate and avoid common entrepreneurial pitfalls.

[162] European Commission (n.y.). Single Market Programme. Success Stories 2023 – 2024, p. 15.

The partnership between Muhamed and Oliver involved the development of marketing strategies, refinement of brand identity, execution of market research, and formulation of expansion plans. This synergy of Oliver's expertise and Muhamed's innovative ideas resulted in the establishment of Impression Eyewear as a robust and compelling brand. Post-EYE, their relationship evolved into a strategic collaboration, wherein Muhamed's focus on digital marketing expanded Oliver's business reach, and Oliver's logistical support facilitated Impression Eyewear's entry into the European market.

Furthermore, their joint creation of a product underscores their effective collaboration. Looking ahead, Muhamed plans to promote Oliver's brand in the Western Balkans, while Oliver aims to secure B2B opportunities for Impression Eyewear, demonstrating their shared vision for growth and mutual success.

This success story exemplifies the impact of EYE, showcasing how entrepreneurial exchange can lead to sustained, mutually beneficial partnerships and significant business development.

*Source: European Commission, Single Market Programme. Success Stories 2023 – 2024*

Case study: Benefits and impacts of EEN

ANT Machines is a start-up created in 2021 and now has 6 people in the permanent team. The start-up develops robots for in-house logistics (moving heavy loads, containers etc. on company premises). 'ANT Yard Robots', which is fully electric, was developed for the challenges of yard environments and the demands of a modern supply chain. Whether running regular routes or dynamic movements and varying loads, the system can be configured to the requirements of each site and can be integrated swiftly and easily into any logistics setting. The company has already gone through the proof of concept phase, and is working with a large Austrian assembly partner on the pre-series version of the robots. ANT Machines is located in Dortmund, in the German region of North Rhine-Westphalia, which hosts the largest European logistics cluster.

When they started the company the founding team profited from a highly developed supporting environment in the region, one of them being the coordinator of EEN NRW Europa (Zenit), which introduced the start-up to the services of EEN. The services provided to the company included consultancy services with a view to identifying relevant support programmes (on European and regional levels) and supporting the application process (hands-on support, e.g. checks of the applications). The company also attended an EEN-organised start-up-event in Rotterdam in 2023 to get in contact with potential business partners, which the interviewee called really tailored ('I was at many events for start-ups, but they made a really good preselection.').

The cooperation with EEN resulted in successful applications for additional funding for further automation of the machines, which helps to get the company to the next milestone in their innovation process.

Moreover, the company reaches out to EEN when they need partners in their supply chain or when they face commercial issues (e.g. cooperation with a port) etc. This resulted in a partnership with a Belgian organisation with whom they are working on one of the key aspects of the development of the product (an element that can easily be integrated and is already applied in other industries). In this context, the advantage of having a supporting structure operating at EU level is stressed by the company. This is seen as particularly crucial for a company working in logistics.

The company is very satisfied with the EEN's services, in terms of quality of services and response time ('If you have a question, you get a quick answer. We, for example, wanted to know-how to participate in an Expo abroad, and within a couple of days they told us how to do it'). EEN is the contact point of choice for the company, but also offers

proactively tailor-made information ('they know us'). The EEN-newsletter is very informative and often triggers new ideas. EEN is assessed as being a very useful instrument and the company recommends it to other start-ups to make use of the different services. A suggestion by the company is to offer more in-person-events to facilitate interaction and networking.

*Source: Interview with a co-founder for the supporting study.*

## SUB-ANNEX III. METHODOLOGY

The research for this evaluation is based on a diverse range of data sources and methods.

First, a review of documents and an analysis of data produced in the context of the programme, a review of relevant policy documents and evaluation reports was conducted (see Table below).

**Documentary sources consulted**

| Type of documents |
|---|
| Work programmes 2021, 2022, 2023 |
| Monitoring fiches of the actions/projects under the Pillar (mostly those of the 2021 Work Programme) |
| Implementation reports for the Pillar |
| Beneficiary reports |
| Webpages of projects |
| Reports of feedback surveys among beneficiaries/SMEs conducted up to 2023 (conducted by EISMEA or the Commission independently from this evaluation) |
| Data/statistics on applicants, proposals, contracts and beneficiaries, including financial support to third parties |
| Background literature on relevant policy fields |
| Evaluation reports (COSME evaluation) |
| EISMEA Annual Work Programmes |

Second, five targeted online surveys were carried out. An overview of the surveys is given in the following table. Questionnaires can be found in the supporting study.

**Targeted surveys**

| | Sample | Respondents | Response rate |
|---|---|---|---|
| EU-level stakeholders* | - | 19 | - |
| Beneficiaries EEN | 417 | 117 | 28% |

| | | | |
|---|---|---|---|
| Beneficiaries Euroclusters | 170 | 42 | 25% |
| Beneficiaries EYE | 133 | 49 | 37% |
| Beneficiaries other actions | 317 | 75 | 24% |

** EU-level stakeholders have been addressed by DG Grow and the contractor. This group includes SMP SME Committee Members, i.e. representatives of all member states, Iceland, Liechtenstein, Norway and associated countries.*

Interviews have been conducted with a total of 71 persons covering different types of stakeholders. An overview is given in the Table below. Interview guidelines can be found in the supporting study.

**Interviews**

| Stakeholder category | Number of interviews (persons) | Target |
|---|---|---|
| Officials of EU institutions and agencies | 13 (23) | 5 |
| EU-level stakeholders | 9 (13) | 11 |
| Beneficiaries EEN | 8 (9) | 6 |
| Beneficiaries Eurocluster | 6 (7) | 3 |
| Beneficiaries EYE | 5 (5) | 3 |
| Beneficiaries tourism actions | 3 (4) | 2 |
| Beneficiaries social economy actions | 3 (4) | 2 |
| SME supported by EEN | 4 (4) | 5 |
| EYE Host/New Entrepreneurs | 1 (1) | 5 |
| SMEs supported by Eurocluster | 1 (1) | 5 |
| **Total** | **53 (71)** | **47** |

Furthermore, 11 case studies of projects have been carried out for the supporting study (see Table below for an overview).

**Case studies**

| Actions | Number |
|---|---|
| Eurocluster | 4 |
| EEN | 2 |
| EYE | 3 |
| Other actions (social economy, IPR Helpdesk) | 2 |
| **Total** | **11** |

In addition, EISMEA and the Commission carried out various feedback and impact surveys for some of the actions. These data have been used for this evaluation, too. In particular, this refers to the following survey data:

Data from the latest EYE feedback survey of Host and New Entrepreneurs for matches starting between 1.2.2023 and 31.12.2023 as shared by DG GROW in June 2024. 503 out of 550 contacted Host Entrepreneurs responded to that survey, meaning a response rate of 91%. 532 out of 577 contacted New Entrepreneurs responded, meaning a response rate of 92%. In addition, some limited data from the long-term feedback survey conducted in September 2024 has been used.

Data from the EEN client survey which was launched in 2023 and is permanently open. Data presented in this report are based on the analysis of the answers of almost 2 400 SMEs in all EEN partner countries. Replies are not geographically balanced and not statistically representative, but nevertheless provide indications for different evaluation questions.

Finally, a public consultation and call for evidence have been carried out in the framework of this evaluation. Details on the public consultation can be found in main programme-level report. The public consultation comprised 63 responses.

## SUB-ANNEX IV. OVERVIEW OF SME PILLAR ACTIONS, BUDGET AND IMPLEMENTATION STATUS (WORK PROGRAMMES 2021-2023)

| Action | Budget in EUR (as of WP) | Status of implementation (as of July 2024) |
|---|---|---|
| **Enterprise Europe Network (EEN)** | | |
| Enterprise Europe Network | 164 500 000 (2021) | Under implementation: 85 projects funded for 2022 to mid-2025; actual commitment EUR 181 000 000 |
| EEN - Energy Efficiency Action (incl. FSTP) | 8 000 000 (2023) | 1 project under implementation for 2023-2025; actual commitment EUR 10 000 000 |
| Enterprise Europe Network – animation and IT tasks | 8 400 000 (2021-2023) | Under implementation |
| EEN annual conferences in CZ and ES | 300 000 (2022, 2023) | Completed (actual commitment EUR 278 600) |
| EEN Energy efficiency action - impact evaluation | 300 000 (2023) | Under implementation via DG REGIO |
| **Clusters** | | |
| Joint Cluster Initiatives (Euroclusters) (incl. FSTP) | 42 000 000 (2021) | Under implementation: 30 projects funded from 2022 to 2025 (actual commitment EUR 41 637 000) |
| | | |

| | | |
|---|---|---|
| European Cluster Collaboration Platform ECCP (continuation) | 5 850 000 (2023) | Under implementation |
| European Cluster Conference | (2023) | Implemented, actual commitment EUR 782 000 |
| **Erasmus for Young Entrepreneurs (EYE)** | | |
| Erasmus for Young Entrepreneurs | 40 000 000 (2021) | Under implementation: 12 projects funded for 2023-2026 (actual commitment EUR 38 054 000) |
| Erasmus for Young Entrepreneurs - Support to Ukrainian entrepreneurs (incl. FSTP) | 3 000 000 (2023) | 5 funded projects under implementation from end-2023 to beginning of 2026; actual commitment EUR 3 069 000 |
| Erasmus for Young Entrepreneurs - Support to Ukrainian entrepreneurs (promotion) | 500 000 (2023) | Under implementation; actual commitment EUR 499 000 |
| Erasmus for Young Entrepreneurs – Support Office | 800 000 (2022) | Under implementation; actual commitment EUR 750 000 |
| Erasmus for Young Entrepreneurs - IT tool development and maintenance | 384 000 (2021), 52 500 (2022) | Under implementation |
| **Cross-flagship** | | |
| Support to Ukrainian companies to integrate in the Single Market – Business Bridge (incl. FSTP) | 4 500 000 (2023) | 1 funded project under implementation from end-2023 to end-2025 |
| **Proximity and Social economy** | | |
| Social Economy and Local Green Deals supporting SMEs | 4 000 000 (2021) | Under implementation: 19 projects funded for May 2022 to April 2024; actual commitment EUR 3 639 000 |
| Greening SMEs in the proximity and social economy ecosystem through transnational cooperation (incl. FSTP) | 6 000 000 (2022) | 6 funded projects under implementation (2023-2025); actual commitment EUR 5 868 000 |
| Improving the socio-economic knowledge of the proximity and social economy ecosystem | 500 000 (2022) | Under implementation from mid-2023 to mid-2024 (actual commitment EUR 495 400) |
| Renewal of the 100 Intelligent Cities Challenge Initiative | 7 435 915 (2022) | Under implementation (until 2025) |

| | | |
|---|---|---|
| Socially responsible public procurement | 2 200 000 (2022) | Projects under implementation (August 2023 – February 2025); actual commitment EUR 2 103 166 |
| Boosting awareness raising for mainstream enterprises to work with social enterprises (towards a 'buy social' B2B market) | 1 300 000 (2022) | 5 funded projects under implementation in 2023-2024; actual commitment EUR 1 563 000 |
| Proximity and social economy industrial ecosystem: boosting digital transition of social economy enterprises and SMEs (incl. FSTP) | 8 000 000 (2023) | Contractual procedures ongoing |
| European Social Economy Missions for community resilience (incl. FSTP) | 1 000 000 (2023) | Contractual procedures ongoing |
| Affordable Housing Initiative (AHI) | 1 200 000 (2021) | Completed (1 project) from March 2022 to March 2024 |
| Boosting SMEs' and stakeholders' capacities to participate in construction and renovation projects through the AHI (incl. FSTP) | 1 000 000 (2023) | Contractual procedures ongoing |
| **Agri-food** | | |
| European Agrifood Sustainability Cluster Partnerships (incl. FSTP) | 3 000 000 (2023) | Under implementation: 2 projects funded from 2024 to 2027 (actual commitment 1 609 037) |
| **Tourism** | | |
| Sustainable growth in tourism – support to SMEs (incl. FSTP) | 10 350 000 (2021) | Under implementation: 10 projects funded for 2023 – 2025; actual commitment EUR 11 756 000 |
| Improving socio-economic knowledge of the EU tourism ecosystem (by OECD) | 450 000 (2021) | Completed; actual expenditure EUR 350 000 |
| Crisis management and governance in tourism | 900 000 (2021) | Project under implementation (Dec 2022 – June 2024); actual commitment EUR 878 738 |
| Promoting trans-European tourism products in third countries (through the ETC) | 6 600 000 (2021-2023) | Under implementation; actual commitment 2021: EUR 1 499 000; 2022: EUR 3 499 529; 2023: EUR 1 600 000 |

| | | |
|---|---|---|
| Sustainable growth and building resilience in tourism - empowering SMEs to carry out the twin transition (incl. FSTP) | 20 500 000 (2022) | 6 funded projects under implementation in 2023-2026; actual commitment EUR 20 452 000 |
| European portal to provide integrated support for tourism SMEs and stakeholders | 3 250 000 (2022) | Project under implementation (June 2023 – June 2026); actual commitment EUR 3 099 820 |
| European Capital of Smart Tourism and European Destinations of Excellence (EDEN) award | 2 000 000 (2022) | Under implementation until 2025; actual commitment EUR 1 929 544 |
| Transitioning to a more sustainable and resilient ecosystem - empowering tourism SMEs (incl. FSTP) | 8 500 000 (2023) | Grant agreement preparation |
| Improving the socio-economic knowledge of the EU tourism ecosystem (by OECD) | 400 000 (2023) | Under implementation |
| **Construction** | | |
| Support to the digitalisation of the built environment, public procurement and SMEs in construction | 750 000 (2021) | Project under implementation from Dec 2022 to June 2024; actual commitment EUR 715 000 |
| Circular Economy Action Plan 2.0 in Construction (CEAP) | 450 000 (2021) | Study completed in May 2023; contractual amount EUR 229 795 |
| European Construction Sector Observatory | 1 100 000 (2023) | Call open |
| **Public procurement** | | |
| Setting up of a Big Public Buyers collaboration network for strategic public procurement | 4 400 000 (2022) | Under implementation from 2023 to 2027; actual commitment EUR 4 189 237 |
| SME-friendly training for central purchasing bodies | 2 500 000 (2023) | Under implementation; actual commitment EUR 1 189 237 |
| Sustainable procurement hubs | 4 500 000 (2023) | 2 procedures: Open call for tenders launched SC under FWC for support activities EUR 600 000 (March 2024 to December 2025) |
| **Intellectual property** | | |

| | | |
|---|---|---|
| IP Licensing Intermediaries | 800 000 (2021) | Completed May 2024 |
| International IP SME Helpdesks | 6 000 000 (2022) | Under implementation from February 2023 to February 2025 (actual commitment EUR 5 729 911) |
| SME Fund - IP voucher for green/digital transition | 3 100 000 (2021-2023) | Under implementation (EUIPO) |
| **Internationalisation / cross-border activities** | | |
| EU SME Centre in China (Phase IV 1) | 2 400 000 (2021) | Under implementation; 1 project funded from mid-2022 to mid-2025 |
| Single Digital Gateway | 1 500 000 (2021) | Under implementation |
| Your Europe Business | 1 100 000 (2021, 2022) | Under implementation |
| EU-Japan Centre for Industrial Cooperation | 7 000 000 (2022) | Under implementation; 1 project funded; March 2022–March 2024 |
| **Skills development** | | |
| Support to organisations for actions in the context of the EU Pact for Skills for the Textiles Ecosystem | 1 200 000 (2023) | Under implementation; actual commitment EUR 1 199 321 |
| European Solar Academy | 2 500 000 (2023) | Action initiated by EIT in 2024 |
| **SME policy & Better Regulation** | | |
| SME Policy: Outreach | 6 535 000 (2021-2023) | Under implementation |
| Fit for Future: Engaging SMEs and stakeholders on policy design and implementation of the Better Regulation Agenda | 2 366 000 (2021-2023) | Under implementation |
| SME Performance Review & Late Payment: Assessing the impacts | 1 970 000 (2021-2023) | Under implementation |

| | | |
|---|---|---|
| Monitoring the performance of EU industry and industrial ecosystems | 3 239 430 (2021, 2023) | WP 2021 project: duration June 2022 to December 2023 (actual expenditure EUR 1 456 180) |
| SME Policy - Late Payment-pilot action on alternative dispute resolution (ADR) | 200 000 (2022) | Under implementation |
| SME policy - Analysis related to scale-up enterprises (by OECD) | 1 200 000 (2022) | Under implementation |
| **Other actions (sustainability, textiles, retail, women, communication, technical support)** | | |
| Sustainability Partnerships Platform for SMEs | 400 000 (2021) | Under implementation from 2022 to 2024; 5 projects funded; actual commitment EUR 311 575 |
| Circular plastics products in a resilient economy (technical and analytical support) | 300 000 (2023) | |
| Stakeholder online community for the textiles ecosystem | 1 500 000 (2023) | Call closed May 2024 |
| The twin transition and the future of retail SMEs in urban and rural areas | 1 000 000 (2023) | Under implementation |
| Support to women entrepreneurs | 400 000 (2023) | Evaluations in progress |
| EUCLEF (European Union Chemicals Legislation Finder) | 3 652 400 (2021-2023) | Implemented by ECHA |
| EUON (European Union Observatory for Nanomaterials) | 1 823 000 (2021-2023) | Implemented by ECHA |
| Business Planet | 600 000 (2022) | Under implementation, actual commitment EUR 563 791 |
| European Industry Days (Spain 2023) | 1 000 000 (2023) | Completed |
| Supporting actions | 21 131 815 (2021-2023) | Multiple actions |
| Remuneration / reimbursement of experts | 1 200 000 (2021-2023) | |

*Source: Work programmes and SME Pillar Implementation Reports as per July 2024.*

# ANNEX XI. PILLAR 3

## 1. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

### 1.1 Description of the intervention and its objectives

#### 1.1.1. Logic of the intervention and relevance to the impact assessment

The intervention under Pillar 3 of the Single Market Programme (SMP) was developed to address key challenges identified in the Impact Assessment (IA) for the 2021-2027 programming period. The IA highlighted the need for more efficient and simplified standardisation processes to support the effective functioning of the single market. The IA remains relevant, as the objectives and measures implemented under Pillar 3 align closely with the priorities outlined in the IA, focusing on speeding up administrative procedures, enhancing stakeholder participation, and ensuring high-quality standards in financial and non-financial reporting. This alignment underscores the continuing relevance of the IA findings to the current implementation of Pillar 3.

**The intervention addresses several key problems and needs**. In the area of European standardisation, it aims to streamline administrative and financial procedures, simplify reporting requirements, and enhance stakeholder participation, particularly of SMEs, consumers, workers, and environmental groups. For financial and non-financial reporting and auditing standards, the intervention seeks to ensure EU funding continuity to maintain a unified EU voice in international standard-setting forums and to uphold high-quality standards that support the EU's legislative and policy priorities.

**The objectives of the intervention include:**

1. Enabling the financing of European standardisation activities and promoting the involvement of all relevant stakeholders in setting up European standards.
2. Supporting the development of high-quality international financial and non-financial reporting and auditing standards, facilitating their integration into EU law, and promoting best practices in corporate reporting.

These objectives aim to enhance the effectiveness of the single market and ensure the EU's competitiveness on a global scale.

**Expected achievements in terms of outputs, results, and impacts.** At the time of evaluation, the expected outputs included the development and implementation of standards aligned with EU priorities, increased stakeholder participation in standardisation processes, and the production of high-quality financial and non-financial reporting standards. The expected results involved the continuous development of a robust European Standardisation System and stronger alignment of EU standards with global benchmarks. In terms of impacts, the intervention aimed to reinforce the EU's position as a leader in standardisation, promote innovation, and support sustainable economic practices across the single market.

**The actions were expected to deliver on the objectives by** providing financial support through Action Grants and Operational Grants to relevant standardisation bodies. These

were designed to directly facilitate the achievement of the objectives. Success was expected to manifest in streamlined standardisation processes, greater inclusion of diverse stakeholders in setting standards, and the adoption of EU-developed standards internationally. This approach was anticipated to lead to a more efficient and responsive standardisation system, benefiting both the single market and the EU's global competitiveness.

In the short term, **in the area of financial and non-financial reporting**, the expected outputs are linked to the implementation of the specific activities by beneficiaries, which are the outputs produced by the IFRS Foundation, and in particular the IFRS Accounting Standards and IFRIC Interpretations developed by the IFRS Interpretations Committee, ensuring the promotion of EU views during the IFRS standard-setting process, the endorsement advices regarding IFRS and outputs related to the definition of and technical advices on European Sustainability Reporting Standards (ESRS) by EFRAG, and the outputs produced by the activities of the PIOB, related to the publication of public interest concerns and recommendations on the process of development of international auditing standards.

In the medium term, the expected results relate to the contribution of these outputs to:

- The development and application of high-quality standards in the field of financial and non-financial reporting.
- The successful implementation of EU legislation, in particular through the development of sustainability reporting standards.
- Ensure oversight of the process applied by international standard setting bodies for auditing standards, its transparency and accountability.

### 1.1.2. Wider policy framework (in the past)

Historically, Pillar 3 of the SMP fits within the broader EU policy framework aimed at enhancing market integration and supporting economic growth through standardisation. It builds on previous initiatives under Regulations 1025/2012[163], 258/2014[164], and 2017/827[165], which provided financial support for standard-setting activities. These past regulations laid the groundwork for the current intervention by establishing the importance of coordinated standardisation efforts, particularly in response to global financial crises and evolving market needs. Pillar 3 continues this legacy by promoting standardisation that supports the twin (digital and green) transitions, thereby reinforcing the EU's strategic objectives for a sustainable and competitive single market.

### 1.1.3. Reference to UN Sustainable Development Goals (SDGs)

The intervention under Pillar 3 contributes to several UN SDGs, particularly Goal 9 (Industry, Innovation, and Infrastructure) by promoting innovation through standardisation, and Goal 12 (Responsible Consumption and Production) by supporting the development of sustainability standards. The evaluation of Pillar 3 can provide insights

[163] Standardisation Regulation - 1025/2012 - EN - EUR-Lex.
[164] EUR-Lex - 02014R0258-20170101 - EN - EUR-Lex.
[165] Regulation - 2017/827 - EN - EUR-Lex.

into how standardisation initiatives under the SMP align with these SDGs, especially in fostering sustainable economic practices and encouraging responsible corporate reporting.

## 1.2 Point(s) of comparison

### 1.2.1 Situation before the intervention

Prior to the adoption of the SMP, the support provided through the SMP for standardisation activities were granted through two different pieces of legislation:

- Support for the objective on European Standardisation identified in Article 3(2), point (c)(i) of the Regulation establishing the SMP was covered by Articles 15 and 16 of Regulation 1025/2012, which enabled the financing of ESOs and Annex III organisations.
- The support for the development of international financial and non-financial reporting and auditing standards in pursuit of the objective identified in Article 3(2)(c)(ii) of the Regulation establishing the SMP was previously provided under Programme established by Regulation 258/2014 and later Regulation 2017/827, defining a Programme to support to the same beneficiaries as the SMP, i.e. IFRS Foundation, EFRAG and PIOB.

These frameworks had distinct objectives but aimed to improve the EU's standardisation landscape. The previous system highlighted challenges in coordination, efficiency, and stakeholder involvement, which the SMP seeks to address through a more integrated approach.

While much of the activities funded under this pillar are not new but a continuous of the above previous programmes, one noticeable change is that at the request from the Commission, in anticipation of the adoption of the CSRD, EFRAG has started to develop draft sustainability standards and adapted its structure accordingly (see below).

### 1.2.2 Expected development of the situation

The funding provided under this pillar, as previous programmes, continued to contribute to a significant improvement in the efficiency and inclusiveness of the EU standardisation process.

### 1.2.3 Points of comparison for assessing the intervention

The evaluation will compare the current state of standardisation activities and financial reporting against the baseline data provided in the IA and the targets set for 2027. Key indicators include the share of European standards adopted as national standards, the number of countries using International Financial Reporting Standards (IFRS), and the development of European Sustainability Reporting Standards (ESRS). These points of comparison will help assess the effectiveness, efficiency, and EU added value of the intervention.

## 2. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

## 1.1. Current state of play

### 1.1.1. Governance

In terms of the management of the Pillar, the two objectives have different setups:

- For European Standardisation, Action Grants to ESOs and Operating Grants to Annex III organisations are managed by EISMEA executive agency, while the remaining budget lines are managed directly by the Commission
- For international financial and non-financial reporting and auditing standards, the Commission implements directly all the funds

### 1.1.2. Activities

Activities under Pillar 3 fall into two sub-pillars: European standardisation (3a); and international financial and non-financial reporting and auditing standards (3b).

Under the **European standardisation** sub-pillar, the SMP supports activities related to European standardisation processes, aiming to contribute to reinforcement and development of the EU Single Market. In particular, the SMP provides:

- Operating Grants (OGs) to the European standardisation organisations (ESOs)[166], the only producers of European standards, to support their administrative operations.
- OGs to the organisations representing SMEs and societal and social stakeholders in the European standardisation system (ESS), identified in Annex III[167] of the Regulation 1025/2012 as representing stakeholders whose organisational bargaining power in European standardisation might be rather limited. The funding is intended to complement other sources (such as membership fees, grants, and contracts) in providing the necessary support for the development, maintenance of standards and participation in the standardisation processes to the ESOs and Annex III organisations.
- Action Grants (AGs) to the ESOs to support the development of standardisation deliverables linked to specific standardisation requests from the Commission.

Under the sub-pillar of **international financial and non-financial reporting standards**, the SMP provides support aimed to contribute to develop high-quality international financial and non-financial reporting and auditing standards, better integrated into the Union law, as well as innovation and development of best practices in corporate reporting. In particular, the SMP provides support through:

**Operating Grants to IFRS Foundation**

The IFRS Foundation is a non-profit organisation established to develop, promote and facilitate the use of a single set of high-quality, understandable, enforceable and globally recognised accounting and sustainability disclosures standards.

The IFRS Foundation hosts the International Accounting Standards Board (IASB), which is responsible for the development of IFRS Accounting Standards, and the International Sustainability Standards Board (ISSB), which was established in November 2021 for the development of IFRS Sustainability Disclosure Standards.

[166] European Committee for Standardisation (CEN), European Committee for Electrotechnical Standardisation (CENELEC), and European Telecommunications Standards Institute (ETSI).
[167] Small Business Standards (SBS), representing SMEs; European consumer voice in standardisation (ANEC), representing consumers, Environmental Coalition on Standards (ECOS), representing environmental interests, and European Trade Union Confederation (ETUC), representing workers' interests.

The Monitoring Board, of which the Commission is a member, reinforces the public interest oversight function of the IFRS Foundation and promotes the continued development of IFRS and ISSB Standards as high-quality sets of global accounting standards and global sustainability disclosure standards.

Under Regulation (EU) No 1606/2002[168] of the European Parliament and of the Council on the application of international accounting standards (IAS Regulation), the Commission may endorse new or amended IFRS Accounting Standards considering EFRAG's endorsement advice. Given the economic importance of IFRS Accounting Standards, the Commission provides financial support to the IFRS Foundation for the development of IFRS Accounting Standards.

The IFRS Foundation is governed by a Board of 22 Trustees that is collectively responsible for general oversight and appointments to the IASB and to the ISSB. The Trustees designation is subject to an apportionment by geographical origin and to approval by the Monitoring Board.

The IASB and ISSB each consist of 14 members from varied national and professional backgrounds, including academia, accountancy, sustainability, investment, preparers, market or financial regulation and standard-setting. IASB and ISSB members are nominated for a five-year term, renewable once.

The Trustees also appoint the 14 members of the IFRS Interpretation Committee, dedicated to interpreting the application of IFRS Accounting Standards and providing guidance on financial reporting issues, and the members of the IFRS Advisory Council.

**Operating Grants to EFRAG (action grants as from 2023)**

EFRAG is a publicly and privately funded organisation working in the European public interest and has the legal form of an AISBL (Belgian international non-profit organisation). Since 2022, EFRAG has a dual mission.

In the area of financial reporting, EFRAG's mission is to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring that these views are carefully considered in the IASB's standard-setting process and in related international debates. EFRAG provides advice to the Commission on whether new (or revised) IFRS Accounting Standards should be endorsed by the EU, based on the criteria of IAS Regulation. Alongside, EFRAG performs also proactive accounting research work.

In the area of sustainability reporting, pursuant to the Corporate Sustainability Reporting Directive (CSRD)[169], EFRAG provides technical advice to the Commission in the form of draft European Sustainability Reporting Standards (ESRS) elaborated under a robust due process and supports the effective implementation of ESRS. In developing draft ESRS, EFRAG promotes the interoperability of draft ESRS with other international standard setters, in particular the ISSB and GRI (the Global Reporting Initiative).

[168] OJ L 243, 11.9.2002, p. 1.
[169] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322 of 16.12.2022, p. 15).

The EFRAG Administrative Board is responsible for the due process oversight of all technical bodies. In doing so, it is supported by a Due Process Committee (DPC).

**Operating Grants to PIOB**

The PIOB is the global independent oversight body that oversees the standard-setting process for the international audit, assurance, and ethics standards formulated by the international standard-setting boards: the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA). Its key role is to ensure that IAASB and IESBA apply due process for the development of standards and strategies, in line with the public interest framework. Since 2022, the PIOB is also responsible for the selection and nomination of the members of the IAASB and IESBA.

The Monitoring Group[170], of which the Commission is a member, monitors how the PIOB is carrying out its public interest mandate with particular regard to the PIOB's oversight of the standard setting process. It appoints the 10 PIOB members (except for the Chair, who is appointed by IOSCO).

## 1.2. Budget implementation

### 1.2.1. Overview of budget allocation as per SMP Annual Work Programmes

Article 4 of the SMP Regulation allocates a **total of EUR 220 510 500** to Pillar 3 over the period 2021-2027. The objective (c) of the SMP (including both c(i) managed by DG GROW related to European Standardisation and c(ii) managed by and DG FISMA related to international financial and non-financial reporting standards) represents around 5% of the overall SMP 2021-2027 budget, making it the second smallest Pillar, after Pillar 4, in terms of overall budget.

Over the course of three years of implementation so far, the budget reported in the SMP Annual Work Programmes amounted to EUR 92 782 905 for Pillar 3 as a whole: 32% of this sum was allocated in 2021, 33% in 2022, and 35% in 2023. The funding was provided through (operating and action) grants, procurements, and administrative and other expenditure.

As seen in the table below, the **share of the funding allocation for different financing forms** over the course of three years in scope of this evaluation remained fairly stable. The majority of the budget is devoted to grants, comprising both Action Grants (AGs) and Operating Grants (OGs).

**Table 32: Initial voted budget by year, by form of financing**

| Form of funding | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Grants | 28 189 667 | 28 838 095 | 30 812 643 | **87 840 405 (95%)** |
| Procurement | 1 157 500 | 1 150 000 | 1 335 000 | **3 642 500 (4%)** |

[170] The Monitoring Group (iosco.org).

| | | | | |
|---|---|---|---|---|
| Administrative arrangements and other expenditure | 550 000 | 350 000 | 400 000 | **1 300 000 (1%)** |
| **TOTAL** | 29 897 167 | 30 338 095 | 32 547 643 | **92 782 905** |

*Source: Commission internal databases.*

When considering the activities funded under the Pillar, 72% of the total amount for the years 2021-2023 was allocated to the pursuit of the objective in Article 3.2.c.i (EUR 66 701 109), and the remaining 28% (EUR 26 081 796) to the objective in Article 3.2.c.ii.

However, the budget indicated in the SMP Work Programmes does not correspond with the budget eventually available to the implementation of the activities for the two specific objectives. This was due to adjustments in the budget – in line with the Financial Regulation – as explained further below.

### 1.2.2. Overview of budget allocation: European standardisation

Under this objective, the SMP supports activities related to European standardisation processes, aiming to contribute to reinforcement and development of the EU Single market.

In line with Article 10(1)(c) of Regulation (EU) 2021/690, the SMP provides grants to the European standardisation organisations (ESOs)[171], the only producers of European standards, as well as the organisations representing SMEs and societal and social stakeholders in the European standardisation system (ESS), identified in Annex III[172] of the Regulation 1025/2012 as representing stakeholders whose organisational bargaining power in European standardisation might be rather limited. The funding is intended to complement other sources (such as membership fees, grants, and contracts) in providing the necessary support for the development, maintenance of standards and participation in the standardisation processes to the ESOs and Annex III organisations.

**Table 33: Allocated budget for European standardisation (SMP Work Programmes) in EUR**

| Form of funding | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Grants | 19 750 609 | 20 176 000 | 21 832 000 | **61 758 609** |
| Procurement | 1 157 500 | 1 150 000 | 1 335 000 | **3 642 500** |
| Administrative support JRC on Eurocodes | 550 000 | 350 000 | 400 000 | **1 300 000** |
| **TOTAL** | 21 458 109 | 21 676 000 | 23 567 000 | **66 701 109** |

Nonetheless, as mentioned above, the actual repartition of the available budget for the years 2021 and 2023 differs. This was due to the implementation of transfers of budget to the Pillar dealing with Internal Market (Pillar 1). This transfers, reduced therefore the overall budget for the activities under Pillar 3, as presented in the table below.

[171] European Committee for Standardisation (CEN), European Committee for Electrotechnical Standardisation (CENELEC), and European Telecommunications Standards Institute (ETSI).
[172] Small Business Standards (SBS), representing SMEs; European consumer voice in standardisation (ANEC), representing consumers, Environmental Coalition on Standards (ECOS), representing environmental interests, and European Trade Union Confederation (ETUC), representing workers' interests.

**Table 34: Consumed budget for European standardisation in EUR**

| Form of funding | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Grants | 19 052 852 | 20 175 999.96 | 20 831 975 | **60 060 826.96** |
| Procurement | 607 500 | 1 149 910.30 | 1 117 165.09 | **2 874 575.39** |
| Administrative support JRC on Eurocodes | 350 000 | 350 000 | 400 000 | **1 100 000** |
| **TOTAL** | 20 010 352 | 21 675 910.26 | 22 349 140.09 | **64 035 492.09** |

The final, total budget used to fund activities contributing to the objective of European standardisation amounted to EUR 64 035 402.35 for 2021-2023. Almost **94% of the total budget**, i.e. EUR 60 060 826.96, **covered Operating Grants (OGs) and Action Grants (AGs)**. Action Grants are provided to the ESOs by EISMEA through dedicated yearly calls, while Operating Grants are managed by EISMEA for Annex III organisations, and by GROW for ESOs.

The second largest share of the budget (while very much residual compared to grants) was allocated to **procurement**. The bulk of this allocation was devoted to expenses related to IT support (e.g. Harmonised Standards database), as well as to IT standardisation consultants and studies. An additional EUR 1.1 million was allocated to providing administrative support to JRC.

Regarding **budgetary commitments**, the data allows for a more detailed analysis of the SMP allocation. As shown in the table below, the total amount of budget committed was EUR 64 035 402.35, representing 99.99% of the final budget available.

**Table 35: Budget commitments per type of activity in EUR**

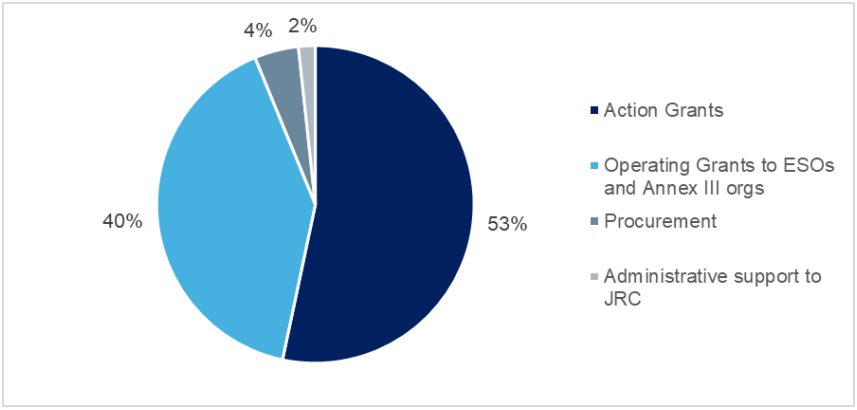
| Form of funding | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Operating Grants to ESOs | 4 052 243 | 3 423 629 | 3 119 975 | **10 595 847** |
| Action Grants to ESOs and Operating Grants to Annex III organisations | 15 000 609 | 16 752 370 | 17 712 000 | **49 464 979** |
| IT support | 607 500 | 700 000 | 952 853 | **2 260 353** |
| IT Standardisation consultants | | 223 116 | 149 311 | **372 428** |
| Studies | | 220 000 | | **220 000** |
| Communication promotion of the Europeans standardisation system | | 6 793 | 15 000 | **21 793** |

| Form of funding | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Administrative support JRC on Eurocodes | 350 000 | 350 000 | 400 000 | **1 100 000** |
| **TOTAL** | 20 010 352 | 21 675 910 | 22 349 140 | **64 035 402** |

*Source: Commission internal databases.*

As shown in the picture below, the majority of the budget committed is destined to AGs (EUR 34 149 906.75), and, to a lesser extent, OGs (EUR 25 920 920.21). The remaining share is divided between procurement and administrative arrangements.

**Figure 21: Budget commitments by type of activity (2021-2023)**




The table below provides a breakdown of the budget committed per type of activity funded.

**Table 36: Budget commitments per type of activity in EUR**

| Type of activity | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| Action grants to the ESOs (CEN, CENELEC, ETSI) | 10 327 225 | 11 845 220 | 11 977 461 | **34 149 906** |
| OGs to CEN | 1 779 514 | 1 921 936 | 2 200 000 | **5 901 450** |
| OGs to CENELEC | 534 156 | 601 693 | 720 000 | **1 855 849** |
| OGs to ETSI | 1 738 573 | 900 000 | 199 975 | **2 838 548** |
| OGs to ANEC | 1 373 623 | 1 495 527 | 1 688 300 | **4 557 450** |
| OGs to ECOS | 1 143 700 | 1 218 653 | 1 443 499 | **3 805 852** |
| OGs to ETUC | 423 619 | 486 863 | 670 522 | **1 581 004** |
| OGs to SBS | 1 732 440 | 1 706 107 | 1 932 217 | **5 370 765** |
| IT support | 607 500 | 700 000 | 952 853 | **2 260 353** |

| | | | | |
|---|---|---|---|---|
| IT Standardisation consultant | | 223 116.30 | 149 311 | **372 428** |
| Studies | | 220 000 | | **220 000** |
| Communication promotion of the European standardisation system | | 6 793 | 15 000 | **21 793** |
| Administrative support JRC on Eurocodes | 350 000 | 350 000 | 400 000 | **1 100 000** |
| **TOTAL** | **20 010 352** | **21 675 910** | **22 349 140** | **64 035 402** |

*Source: Commission internal databases.*

Regarding the **funding to Annex III organisations**[173], the SMP budget saw 4 557 450.75 in commitments to ANEC, 1 581 004.00 to ETUC, 5 370 765.93 to SBS, and 3 805 852.53 to ECOS over the period 2021-2023. Each of the above organisations had three separate grants committed to its respective activities between 2021 and 2023 (which gives 12 grants in total, an average of EUR 1 276 256.11 per one grant, or EUR 3 828 768.30 per an organisation across a three-year period)[174]. From the above data, it is clear how SBS was the largest beneficiary among Annex III organisations, having received 35% of the funding committed over the three years. Conversely, 30% of this sum was then committed to ANEC, 25% to ECOS, and 10% to ETUC.

The **commitments to the OGs targeting the European Standardisation Organisations** reached the value of EUR 10 595 847 between 2021 and 2023. The amount committed gradually decreased, from the EUR 4 052 243 in 2021 to EUR 3 119 975 in 2023. This was mostly due to the relatively large decrease (approx. 48%) in funding provided to ETSI between 2021 and 2022, and again (approx. 78%) between 2022 and 2023. The largest beneficiary of the funding remained CEN (which saw 55.7% of the 2021-2023 OGs allocation committed to ESOs, followed by ETSI (26.8%), and CENELEC (17.5%).

Finally, when considering **the commitments to AGs**, these represented 51.6% of the overall commitments in 2021, increasing to 54.6% in 2022 and 53.6% in 2023[175].

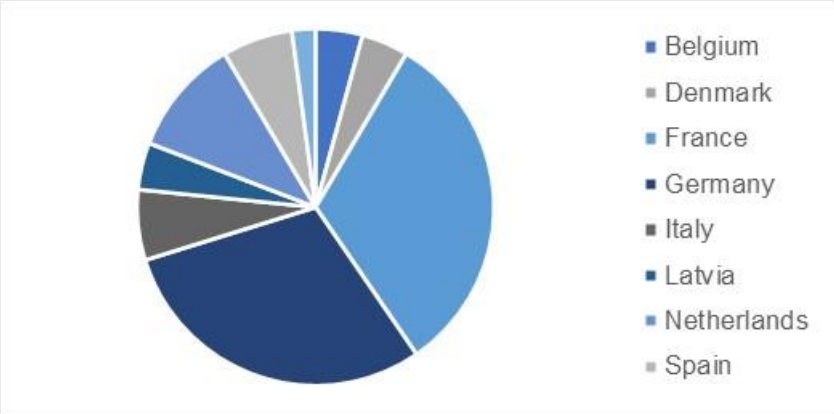
In terms of the **calls for AGs** launched by EISMEA, the screening shows that 39 projects were either signed, under preparation or complete, for a total of EUR 15 378 874.29 of EU contributions. Out of these, 24 were led by CEN, 11 by ETSI, 1 by CENELEC, 3 by CEN and CENELEC and 2 saw all three ESOs together.

Regarding the participation of national members, available data indicate that in 47 cases National Standardisation Bodies (NSBs) from nine countries were included as 'affiliated' in project proposals. The majority of cases is represented by NSBs from France (15) and

[173] Small Business Standards - http://sbs-sme.eu/, The European consumer voice in standardisation - http://www.anec.eu/anec.asp, Environmental Coalition on Standards - http://ecostandard.org/ and The European Trade Union Confederation - http://www.etuc.org/.
[174] ANEC received one grant in 2021, one grant in 2022 and two grants in 2023. ECOS received one grant in 2021, two grants in 2022 and one grant in 2023. ETUC received one grant in 2021, two grants in 2022 and one grant in 2023. SBS-SME received one grant in 2021, two grants in 2022 and one grant in 2023.
[175] Despite the increase in absolute values for AGs, the relative weights decreased given the overall increase of commitments between 2022 and 2023.

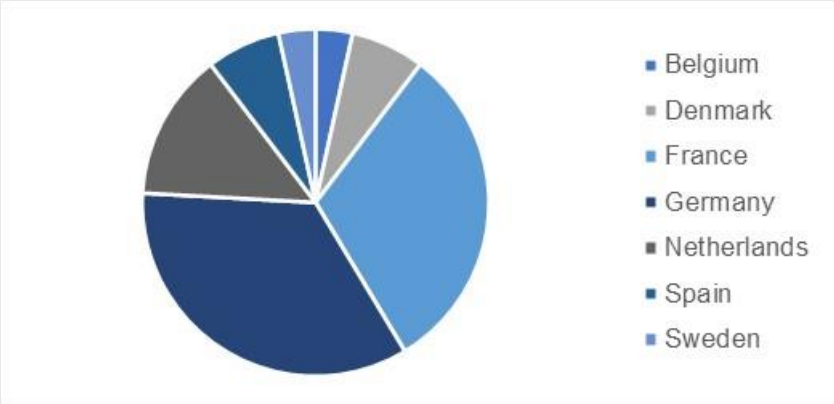
Germany (14), as depicted in the figure below.

**Figure 22: Participation of NSBs in AGs calls (2021-2023)**




When considering the projects actually accepted and either signed, under preparation or completed, in NSBs were involved 28 times, representing seven countries.

**Figure 23: Participation of NSBs in AGs projects (2021-2023)**




### 1.2.3. Overview of budget allocation: international financial and non-financial reporting and auditing standards

As per Article 3(2), point (c)(ii) of the SMP Regulation, the activities funded under this objective aim to contribute to develop high-quality international financial and non-financial reporting and auditing standards, better integrated into the Union law, as well as innovation and development of best practices in corporate reporting. This intervention underpins the EU legal framework on financial reporting (accounting and auditing), an essential element of the legislation regulating capital markets in the Union.

The SMP directly continues the funding provided by the Commission to three beneficiaries as established by Regulation (EU) No 258/2014 and later Regulation (EU) No 2017/827 to support specific activities in the field of financial reporting and auditing for the period of 2014-20. In particular, the SMP provides funding to:

- The **International Financial Reporting Standards (IFRS) Foundation**
- The **European Financial Reporting Advisory Group (EFRAG)**
- The **Public Interest Oversight Board (PIOB)**

The previous financial envelope amounted to EUR 57 007 000 for the period 2014-2020,

provided through OGs. IFRS Foundation was the main beneficiary (55.5%), followed by EFRAG (40.6%) and PIOB (3.9%).

The **overall budget for the actions linked to this specific objective amount to EUR 61 million**. Based on the data included in the SMP Work Programmes, the allocated budget amount to EUR 25 614 058 between 2021 and 2023**. This constitutes around 28% of the overall Pillar 3 allocation for this period**.

The entirety of the above sum was deployed through **grants**, with EFRAG receiving OGs for 2021 and 2022, and AGs since 2023. The IFRS Foundation and PIOB received OGs.

**Table 37: Voted budget 2021-2023**

| | 2021 | 2022 | 2023 | Total to date |
|---|---|---|---|---|
| Grants | 8 439 058 | 8 450 000 | 8 725 000 | **25 614 058** |

**Table 38: Budget committed per beneficiary 2021-2023**

| Beneficiary | 2021(EUR) | 2022 (EUR) | 2023 (EUR) | Total to date |
|---|---|---|---|---|
| EFRAG | 3 118 261 | 4 227 000 | 6 254 000 | 13 196 703 |
| IFRS Foundation | 4 533 058 | 3 850 095 | 3 050 000 | 11 433 153 |
| PIOB | 345 000 | 350 000 | 350 000 | 1 045 000 |
| **TOTAL** | **7 996 319** | **8 427 095** | **9 654 000** | **26 077 414** |

The largest share of budget commitments shifted from the IFRS Foundation to EFRAG during the implementation of the Programme: while the overall budget increased, an increasing part of it was shifted towards EFRAG OGs and (since 2023) AGs. The increased funding to EFRAG is mainly linked to its new mandate to develop the ESRS as required by the CSRD.

Compared to the programmes funded under the previous MFF the EU funding to PIOB remained overall stable while the EU funding for the IFRS foundation and EFRAG respectively decreased and increased for the reasons already mentioned above.

## 4.1. To what extent was the intervention successful and why?

### 4.1.1 Effectiveness

#### *4.1.1.1. European standards*

The SMP's objective for European standards is to ensure the effective functioning of the single market through standardisation processes that facilitate the financing of European standardisation and the participation of all relevant stakeholders in the development of European standards.

Standardisation supports the single market by providing European standards, which replace national norms and technical regulations. The intervention targeted the producers of standards, namely the European standardisation organisations (ESOs), as well as organisations representing SMEs, consumers, and environmental and social interests within European standardisation.

In selecting the elements to measure effectiveness in the context of European standardisation, the focus fell on those that best reflect both the outputs and the broader impact of the initiatives supported under the Single Market Programme (SMP). Given that there is only one Key Performance Indicator (KPI)[Error! Bookmark not defined.] for European standardisation – the rate of adoption of European standards by Member States – and no specific output indicators, we had to prioritise metrics that provide insights into the level of engagement, responsiveness, and alignment with EU policy objectives. To further measure efficiency and effectiveness, we shifted to data collected from our internal processes, such as the number of calls for action grants and participation rates by European Standardisation Organisations (ESOs). These data are collected from the internal Commission applications that manage calls and grants, as well as from the Article 24 reports[176].The evaluation sought to determine how effectively these activities support EU legislative needs, promote the inclusion of under-represented stakeholders, and contribute to flag policy goals like the green and digital transitions. By focusing on these aspects, the evaluation offers a comprehensive understanding of the programme's effectiveness in advancing the European standardisation system.

The intervention was partially successful in achieving its objectives. Notable progress was made in supporting key organisations in standardisation, particularly in producing high-quality standards and increasing participation from diverse interest groups such as SMEs, consumers, workers, and environmental advocates. However, challenges persist in fully meeting the expected performance, particularly in ICT sectors under ETSI[177], where the overall outcomes still fall short of the KPI[Error! Bookmark not defined.] target.

In terms of **outputs**, a total number of 117 calls for AGs were launched (see table below) between 2021 and 2023. Of these, 60 received a proposal from ESOs (i.e. 51.3%) and 39 received funding (i.e. 65% of the proposals submitted). However, it has to be noted that

[176] Annual reports of the grants' beneficiaries measuring the implementation of the Regulation 1025/2012.
[177] https://www.etsi.org/.

the calls refer to recurrent topics for which the Commission had not received a proposal. Only one project has been completed so far. As for the **ESOs**, the number of active European standards the number remain rather stable but it increased the implementation ration of these standards within the EU27.

**Table 39: Outputs for 2021-2023**

| Outputs | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| Number of actions in the annual Union work programme for European standardisation | 22[178] | 69[179] | 88[180] | 179 |
| Number of standardisation requests adopted by the Commission[181] | 8 | 12 | 15 | 35 |
| Number of topics in the calls for proposals for action grants launched by EISMEA | 6 | 57 | 54 | 117 |
| Number and of topics for action grants responded to by ESOs | 3 | 29[182] | 28 | 60 |
| Number of the topics funded through action grants | 0 | 23 | 16 | 39 |

*Sources: Commission data.*

In terms of **results,** the data in the table below demonstrate that significant progress was achieved in implementing European standards at the national level between 2021 and 2023, especially within CEN and CENELEC. The implementation rate of European standards as national standards increased from 71.23% in 2021 to 86.03% in 2023, reflecting steady year-on-year improvement. Despite these gains, the results remain below the 90% target, particularly within ETSI, where implementation has been limited, largely due to challenges in information exchange and varying levels of national adoption of standards.

**Table 40: Indicators for European standards**

[178] EUR-Lex - 52020XC1218(01) - EN - EUR-Lex (europa.eu).
[179] EUR-Lex - 52022XC0208(01) - EN - EUR-Lex (europa.eu).
[180] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023XC0313(01).
[181] https://ec.europa.eu/growth/tools-databases/enorm/.
[182] In one case, the same proposal covered two different calls and topics.

| SMP Indicator for European standards | Baseline | Target | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Share of implementation of European standards as national standards by Member States in total amount of active European standards. (**indicator for standardisation pillar in ANNEX IV INDICATORS of** Regulation (EU) 2021/690 establishing a programme for the internal market) | 90.00 % | 95.00 % | 71.23% [183] | 80.29% [184] | 86.03% [185] |

[183] MFF Performance Results Reports.(link).
[184] MFF Performance Results Reports (link).
[185] Latest date received from the ESOs.

| Data for the calculation of the KPI | 2021 | 2022 | 2023 |
|---|---|---|---|
| Number of active European standards (CEN-CENELEC) for the calculation of the KPI | 23 058 | 23 111 | 23 229 |
| Number of active European standards (CEN-CENELEC) implemented by all EU Member states for the calculation of the KPI | 19 033 | 21 629 | 22 385 |
| Number of active European standards (ETSI) for the calculation of the KPI | 5 099 | 5 137 | 4 898 |
| Number of active European standards (ETSI) implemented by all EU Member states for the calculation of the KPI | 1 024 | 1 052 | 1 812 |

*Sources: Commission data.*

In terms of **results**, the overarching indicator regarding European standardisation shows that the share of implementation of European standards as national standards (on the total number of active European standards) reached 86.03% in 2023. This represents a 10% continuous improvement from year to year: from the 71.23% registered in 2021 and to 80.29 registered in 2022. However, the results are still below the target of 90%.

By disaggregating the indicator across ESOs, it can be noticed that the result for CEN (97.97%) is above the target of 95%, with the one for CENELEC (92.77%) to reach closer to the 95% target. Low (or rather limited) implementation rate is mainly due to the fact the some European Standards are awaiting national translation for an imminent national implementation (e.g. in the case of CENELEC), and that there are issues in exchanging information between the ESOs and the national standardisation bodies, which do not allow for the data to be fully updated. ETSI has transposed only 36.99% of its active European standards into national ones, which is far below the set baseline of 90%. According to ETSI the reasons for the low implementation rate refer to the fact that the information reported is based on the voluntary declarations made by the national standardisation organisations, which might adopt the standards without informing ETSI. In addition, not all national standardisation organisations have joined ETSI at the same time, and this might translate into different levels of implementation of existing standards after joining. It should also be noted that, differently from ETSI, the CENELEC statute, for instance, clearly indicates that members need to be able to adopt all European standards at the national level, and withdraw national conflicting standards[186]. Albeit these circumstances, ETSI did significant efforts by increasing the adoption rate reported, from 20.48% to 36.99% within

[186] CENELEC Statute, Article 7.2.

a year.

Being this the only Key Performance Indicator (KPI) linked to European standardisation under the SMP, consultations aimed at collecting the opinion of relevant stakeholders on its relevance.

In general, stakeholders agreed on the significance of such a KPI: if the ultimate objective is creating an harmonised European system, where the same standards apply in all countries without conflicting national measures[187]. However, it was mentioned by one national representative how for CEN-CENELEC this is less relevant as there is an obligation for national members to adopt European standards, so the level and speed of transposition is rather influenced by the number of new standards published, considering the time needed at the national level to adopt them[188].

### Effectiveness of EU Funding on SMEs, social and societal stakeholders on access to standards

A key area of focus in assessing the effectiveness of the SMP has been its impact on the participation of SMEs, consumers, workers, and environmental interests in the European standardisation process, particularly in relation to the green and digital transitions and the resilience of the single market.

The Impact Assessment (IA) of the SMP Regulation highlighted good progress in several areas where the European Standardisation System was performing well, while also identifying areas requiring further attention. One of the critical areas for improvement concerned the inclusiveness of stakeholders representing a broad range of interests.

- **ANEC** represents consumer interests in developing and applying technical standards, particularly on issues such as accessibility, product safety, the interoperability and privacy of digital technologies, sustainability, and the quality of services.
- **The Environmental Coalition of Standards (ECOS)** advocates for environmentally friendly technical standards and policies.
- **The European Trade Union Confederation (ETUC)** represents over 100 national trade union confederations and European trade union federations, promoting workers' interests at the EU level, especially in securing high-quality working conditions.
- **Small Business Standards (SBS)** aims to represent and defend the interests of Small and Medium-sized Enterprises (SMEs) in the standardisation process while raising awareness of the benefits of standards.

The effectiveness of the SMP is underscored by the continuous funding provided to these organisations, and their growing presence in relevant Technical Committees and Working Groups. The SMP's support has not only led to increased participation of Annex III organisations in the system but has also enabled them to expand their activities, raising awareness and gathering feedback from their respective constituencies.

[187] Interview feedback from four national bodies and two beneficiaries.
[188] Interview feedback from one national body.

Stakeholders have confirmed how this remains a long-term process, and it is likely that improvements will be made but at a slower pace than perhaps expected[189].

In terms of funding, Annex III organisations are not simply beneficiaries under the Programme; they are designated recipients as per Regulation 1025/2012 and the SMP Regulation. Annex III organisations have confirmed that this formal designation is crucial in recognising their role and the funding they receive[190].

Since 2021, the size of grants committed to Annex III organisations has generally increased, both overall and for each individual organisation, with the exception of SBS-SME in 2022, as illustrated in the figure below.

**Figure 24: Evolution of grant commitments to Annex III organisations (EUR)**

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| Overall | 4,673,383.69 | 4,907,150.55 | 5,734,538.97 |
| ANEC | 1,373,623.70 | 1,495,527.05 | 1,688,300.00 |
| ECOS | 1,143,700.00 | 1,218,635.00 | 1,443,499.18 |
| ETUC | 423,619.00 | 486,863.00 | 670,522.00 |
| SBS-SME | 1,732,440.99 | 1,706,107.15 | 1,932,217.79 |

In terms of participation in the activities of European Standardisation Organisations (ESOs), the involvement of Annex III organisations has generally grown over the past few years, with some exceptions. All four Annex III organisations have access to CEN and CENELEC General Assemblies, high-level open meetings, Working Groups (WGs), advisory groups, task forces, platforms, and other groups dealing with politically or corporately relevant issues. This participation is either defined in the Terms of Reference (ToR) or granted through Chair invitations, such as those for the CEN and CENELEC Joint Policy groups. They also participate in the CEN-CENELEC Societal Stakeholders Group (ANEC, ECOS, and ETUC) and the Working Group for SMEs (SBS).

**Table 41: Number of TCs and WGs**

[189] Interview feedback from two beneficiaries and two representatives of national bodies.
[190] Interview feedback from three beneficiaries.

| Outputs | Number of Technical bodies[191] | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Number of TCs and WGs participated by Annex III organisations – SMEs[192] | 2 623 | 220 | 233 | NA |
| Number of TCs and WGs participated by Annex III organisations – consumers | | 180 | 237 | 225 |
| Number of TCs and WGs participated by Annex III organisations – environmental[193] | | 300+ | 323 | 358 |
| Number of TCs and WGs participated by Annex III organisations – social | | 12 | 12 | 12 |

All four organisations are full members of ETSI and benefit from a reduced financial contribution (EUR 2 000), enjoying the same rights as any other full ETSI member, including voting rights, participation in General Assembly meetings, observer status on the Board, and eligibility to stand for election to official positions[194].

One Annex III beneficiary, underlined how the SMP funding allowed the organisation to create solid foundations to professionalise the organisation and expand, having more capacity not necessarily to do more activities, but implement them better[195]. To this end, as mentioned, the **identification of the Annex III organisations as 'designated beneficiaries'** has contributed to give more stability and certainty over funding, thus allowing them to better plan and implement their activities[196].

### Effectiveness of the SMP in Enhancing Stakeholder Representation in ESOs

The analysis of overall representation within European Standardisation Organisations (ESOs) suggests that the stakeholder community has remained relatively stable across all ESOs. Notably, there has been an increase in CENELEC's European partners, while ETSI saw a slight decline in membership, with the total number of members decreasing by less than 1% (from 948 members in 2021 to 946 in 2023). However, the number of SMEs and micro-enterprise members in ETSI has fallen over recent years, from 144 in 2021 (the same as in 2019) to 137 in 2023. Similarly, the number of micro-enterprises decreased from 95 in 2019 to 84 in 2021, and further to 81 in 2023.

The SMP has provided targeted resources to address these issues. Of the calls for action grants (AGs) launched by EISMEA between 2021 and 2023, two specifically aimed to enhance the involvement of under-represented stakeholders in ETSI's standardisation activities. CEN and CENELEC have also implemented several measures to promote

[191] https://www.cencenelec.eu/about-cen/cen-in-figures/ and https://www.cencenelec.eu/about-cenelec/cenelec-in-figures/.
[192] Numbers include TCs in both EU and international standardisation organisations.
[193] Numbers include TCs in both EU and international standardisation organisations.
[194] 2022 reports to the European Commission on CEN, CENELEC and ETSI implementation of Regulation Regulation(EU) No 1025/2012 on European Standardisation.
[195] Interview feedback from one beneficiary.
[196] Interview feedback from three beneficiaries.

inclusivity. For example, in 2022, two stakeholder engagement workshops were organised on topics such as climate and microchips. Additionally, Annex III organisations are granted free online access to all European normative references developed by CEN and CENELEC, enhancing their ability to contribute effectively to the standardisation process. However, this access does not extend to standards originating from ISOs, which make up a significant share of the standards applicable within the EU single market.

All ESOs have undertaken actions to improve access to standards, particularly for SMEs, with a focus on the following areas:

- **Improving Access to Standards and Standardisation**: CEN and CENELEC, for instance, have introduced special licence fees for standards of interest to SMEs, published specific guides, and made national standards relevant to SMEs available. They also offer free ad hoc consultancy services to SMEs, providing expert opinions or clarifications on the application of particular standards, thus supporting SMEs in better understanding the standards they work with. In ETSI, SMEs and other organisations have free access to all standardisation activities without the need to subscribe to national bodies, and preferential membership contributions are offered, especially for micro-enterprises[197].
- **Disseminating Information**: CEN-CENELEC have developed training modules and free sessions for SMEs and other stakeholders to raise awareness of standards and encourage participation in the standardisation process. Seminars, events, and meetings have been organised in coordination with National Bodies and SBS, aimed at SMEs and disseminating relevant content from SBS.
- **Networking and Partnership Building**: CEN-CENELEC have signed various commercial and institutional agreements, including partnerships with SME associations, to foster stronger relationships within the standardisation community[198].

The **results of a public consultation**[199] **confirmed** the overall positive perception of the role played by Annex III organisations in increasing awareness and representation in the standardisation process. Respondents agreed or strongly agreed on the importance of these organisations in contributing to greater stakeholder participation in the development of standards relevant to the single market, with 100% agreement for SBS, 86% for ANEC, 93% for ECOS, and 90% for ETUC[200].

### Effectiveness of the SMP in raising awareness of SMEs, consumers, trade unions, and environmental Stakeholders

The funding provided by the SMP has significantly contributed to training, dissemination, and other activities carried out by Annex III organisations, aimed at enhancing stakeholder awareness and knowledge of European standardisation and its benefits, particularly in

[197] ETSI, 2022 report to the European Commission on ETSI implementation of Regulation(EU) No 1025/2012 on European Standardisation.
[198] CEN, 2022 report to the European Commission on the CEN implementation of Regulation(EU) No 1025/2012 on European Standardisation, and CENELEC, 2022 report to the European Commission on the CENELEC implementation of Regulation(EU) No 1025/2012 on European Standardisation.
[199] The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[200] 32/32 for SBS, 25/29 for ANEC, 26/28 for ECOS and 28/31 for ETUC.

relation to the green and digital transitions and the resilience of the single market.

For consumer interests, ANEC saw an increase in the number of people receiving training, rising from 253 in 2021 to 368 in 2022. In addition, the value of expert volunteer days contributing to the standardisation process grew[201]. In 2022, SMP grants also supported expert involvement in Technical Committees (TCs) through nine webinars[202]. In terms of outreach and media presence, ANEC's followers on Twitter (now X) grew by nearly 6% from 2021 to 2022, and by a further 2% between 2022 and 2023.

Regarding environmental interests, ECOS expanded its awareness raising activities, increasing the number of campaigns from 11 in 2020 to 13 in 2022. The organisation also saw a rise in publications (from 16 in 2020 to 23 in 2022), events (from 8 in 2020 to 11 in 2022), and social media followers, which grew by 40%. Furthermore, ECOS facilitated coordinated EU engagement by national environmental actors in standardisation, raising awareness among its national members. This included two national events co-hosted by ECOS members in Denmark and Greece, emphasising the importance of developing ambitious standards in collaboration with civil society[203].

For SMEs, SBS increased its media presence, with a 38% growth in followers in 2022[204]. The organisation also organised several online events, providing an effective platform to reach SMEs and SME associations. These events covered topics such as the EU Standardisation Strategy, Europe's role in global standardisation, reforming the European standardisation system, and its implementation. Additionally, a webinar on standardisation requests aimed to improve understanding of the process and introduce SBS's monitoring table for tracking developments in this area[205].

Annex III organisations consulted agreed that these activities have contributed to increasing the awareness of the stakeholders they represent, including SMEs, consumers, workers, trade unions, and environmental groups. However, they also highlighted the need for further efforts at the national level, particularly through national standardisation bodies. The situation across EU Member States is less uniform, especially in terms of financial support for stakeholders to participate in standardisation processes[206].

***Supporting SMEs interests in the standardisation process***

An important aspect for assessing increased participation and access to the European standardisation process by SMEs is the growing number of experts representing SME interests. Notably, the number of SBS experts rose from 63 in 2021 to 67 in 2022, with 10 new experts added compared to the previous year. Furthermore, the number of Technical Committees (TCs) and Working Groups (WGs) covered by the organisation also increased, from 220 in 2021 to 233 in 2022[207].

While the increase in experts and the number of TCs and WGs covered is a positive development, SME representation in the European Standardisation Organisations (ESOs) at both the policy and technical levels has yet to reach 100%. This indicates that while progress has been made, full representation has not yet been achieved. At the policy level,

[201] Volunteer expert days were valued at EUR 516 000 in 2021 and EUR 620 000 in 2022 (ANEC Annual Reports for the years 2021 and 2022).
[202] ANEC Article 24 report of EU Regulation 1025/2012, 2022.
[203] ECOS Article 24 report of EU Regulation 1025/2012, 2022.
[204] SBS Annual Report 2022.
[205] SBS, Article 24 report of EU Regulation 1025/2012, 2022.
[206] Interview feedback from two beneficiaries and two national bodies.
[207] SBS Annual Reports for the years 2021 and 2022.

SMEs were represented in 31 CEN and CENELEC National Bodies and Committees in 2022, accounting for 91% of the total–a figure that has remained consistent since 2019[208]. For ETSI, SMEs participated in 26 National Standardisation Organisations (NSOs) in 2022 (68% of the total)[209], the same as in 2021 but lower than the 2019 figure, when 30 out of 39 NSOs (77%) included SME representation[210].

At the technical level, SMEs were represented in 94% of CEN technical bodies and 83% of CENELEC technical bodies in 2022, both reflecting increases compared to 2020, when the figures were 88% and 76%, respectively[211]. In ETSI, SME representation at the technical level[212] reached 92% in 2022, up from 84% in 2021 and 90% in 2019.

***Supporting consumer interests in the standardisation process***

In terms of consumer interests, the support provided to ANEC through the SMP has enabled the organisation to maintain a strong presence in the European standardisation process. The number of volunteer experts increased from 158 in 2019 to 163 in 2021 and 185 in 2022. These experts briefed 65 ANEC representatives, a figure that remained relatively stable between 2019 and 2023, while the number of Technical Bodies in which ANEC participated – both at the EU and global level – has grown. Specifically, the number of Technical Bodies in the ESOs increased from 175 in 2019 to 180 in 2021, reaching 225 in 2023, while participation in ISO/IEC rose from 25 in 2019 to 30 in 2023[213].

Consumer participation in ESO technical bodies also increased over this period. At the technical level, consumer representation in CEN rose from 54.8% in 2019 to 60.5% in 2022, and from 48.9% in 2019 to 57.9% in 2022 for CENELEC[214]. ETSI saw consumer representation at the technical level[215] grow from 69.2% in 2019 to 76.3% in 2022.

The increase in SMP funding has also enabled ANEC to attend a growing number of meetings at both the European and international levels. ANEC representatives participated in 238 meetings in 2018, 375 in 2019, 568 in 2021, 683 in 2022, and 866 in 2023[216]. ANEC has also made significant contributions to the standardisation process, submitting 551 comments on draft standards and 63 opinions to CEN-CENELEC in 2021, and 456 comments and 52 opinions in 2022. Notably, there was an increase in comments related to areas such as the digital society and sustainability, which rose by 9 and 8 percentage points, respectively, between 2021 and 2022[217].

***Supporting environmental interests in the standardisation process***

[208] CEN, 2022 report to the European Commission on the CEN implementation of Regulation(EU) No 1025/2012 on European Standardisation, and CENELEC, 2022 report to the European Commission on the CENELEC implementation of Regulation(EU) No 1025/2012 on European Standardisation.
[209] ETSI, 2022 report to the European Commission on ETSI's implementation of Regulation(EU) No 1025/2012 on European Standardisation.
[210] It should be noted that the NSOs considered cover beyond the EU/EFTA countries, and the requirement of SMEs representation might be in a transitory phase. This may occasionally translate in figures that do not exhibit the expected progress. Source: Reports to the European Commission on ETSI implementation of Regulation Regulation(EU) No 1025/2012 on European Standardisation, 2019, 2021, 2022.
[211] CEN, 2022 report to the European Commission on the CEN implementation of Regulation(EU) No 1025/2012 on European Standardisation, and CENELEC, 2022 report to the European Commission on the CENELEC implementation of Regulation(EU) No 1025/2012 on European Standardisation.
[212] As percentage of NSOs where SME were represented in national Technical Bodies.
[213] ANEC Annual Reports for the years 2020, 2021 and 2023.
[214] Computed as number of national technical bodies with consumers' interests represented over the total number of national technical bodies considered relevant for consumers by NSBs.
[215] As percentage of NSOs where consumers were represented in national Technical Bodies.
[216] ANEC Annual Reports for the years 2018, 2019, 2021, 2022 and 2023.
[217] ANEC 2022Activities in accordance with Article 24(2) and as specified under Article 16 of Regulation (EU) No 1025/2012.

In relation to environmental interests, the SMP's contribution to the Environmental Coalition of Standards (ECOS) grew between 2021 and 2023. Since the establishment of the SMP, ECOS has expanded both in terms of membership, which increased from 49 in 2019 to 57 in 2023, and staff, which grew from 17 to 41 over the same period.

The number of experts participating in standardisation also increased from 40 in 2019 to 55 in 2020, reaching 64 in 2022[218]. However, this figure dropped back to 55 in 2023[219]. Despite the recent decrease in the number of experts, ECOS experts were able to participate in an increasing number of standardisation groups, rising from 228 groups in 2019[220] to 323 in 2022, and further to 358 in 2023[221]. ECOS also expanded its volume of contributions to standardisation deliverables, increasing its comments from over 100 in 2019 to over 170 in 2022[222].

When examining participation in ESOs' technical bodies, the representation of environmental interests has shown mixed results, reflecting the partial representation of Annex III organisations. In CEN, environmental participation rose from 49.3% in 2019 to 51.8% in 2022. However, in CENELEC, this figure dropped from 46.2% in 2019 to 45.6% in 2022[223]. Similarly, in ETSI, consumer representation at the technical level[224] decreased from 71.7% in 2019 to 65.8% in 2022.

***Supporting social interests in the standardisation process***

In terms of social interests, the European Trade Union Confederation (ETUC) has progressively expanded its involvement in specific standard-setting activities at both European and international levels. ETUC has been actively engaged on topics such as artificial intelligence, human resource management, services, ladders, cabin air quality in civil aircraft, and psychosocial health and safety risks[225]. In 2022, ETUC experts participated in 20 CEN and ISO Technical Committees (TCs) and their respective working groups, submitting 86 comments, most of which contributed to the content of standardisation working documents. This has led to an increased ETUC presence in standard-setting activities.

Regarding participation in ESOs' technical bodies, the involvement of social interests in CEN increased from 80% in 2019 to 80.6% in 2022. However, in CENELEC, participation declined from 73.9% in 2019 to 67.3% in 2022[226]. Conversely, in ETSI, consumer representation at the technical level[227] grew from 51.2% in 2019 to 65.8% in 2022.

In summary, the participation and contribution of Annex III organisations to the standardisation process have generally increased, with a few exceptions over the past couple of years, particularly concerning environmental and social interests. Although stakeholders have not identified specific reasons for this trend, they emphasised that the

[218] ECOS 2022 Activities in accordance with Article 24(2) and as specified under Article 16 of Regulation (EU) No 1025/2012.
[219] ECOS Annual Report, 2023.
[220] Considering only TCs and WGs in ESOs. ECOS was also a member of 25 horizontal, strategic and/ or political bodies of ESOs. Source: ECOS Activities 2019 in accordance with Article 24(2) and as specified under Article 16 of Regulation (EU) No 1025/2012.
[221] ECOS Annual Reports for the years 2022 and 2023. The Annual Reports do not offer the same granularity on the type of bodies as the Art. 24 reports provided by the Annex III organisations to the Commission.
[222] ECOS 2022Activities in accordance with Article 24(2) and as specified under Article 16 of Regulation (EU) No 1025/2012.
[223] Computed as number of national technical bodies with environmental interests represented over the total number of national technical bodies considered relevant for environmental interests by NSBs.
[224] As percentage of NSOs where environmental interests were represented in national Technical Bodies.
[225] ETUC Activity Report 2019-2023.
[226] Computed as number of national technical bodies with social interests represented over the total number of national technical bodies considered relevant for social interests by NSBs.
[227] As percentage of NSOs where social interests were represented in national Technical Bodies.

funding provided by the SMP has been instrumental in either maintaining or enhancing their capacity to participate in standardisation activities. Additionally, organisations may have reached a certain level of capacity, beyond which further growth becomes increasingly difficult. This could explain why the participation of SME interests in

The evidence collected indicates that the beneficiaries have been effective in their actions to develop high-quality standards for financial and non-financial reporting and auditing. Stakeholders consulted agreed that the ongoing work of the beneficiary organisations not only remains relevant, but also contributes to ensure the smooth functioning of the single market and provides investors, consumers, authorities and other stakeholders with relevant information and data[228].

#### *4.1.1.2. International financial and non-financial reporting and auditing standards*

The table below shows an overview of the main outputs and results associated to the activities funded by the SMP under the international financial and non-financial reporting and auditing standardisation.

**Table 42: Overview of main outputs and results Pillar 3b**

| Indicator | Definition | Baseline | Target | Target met | | |
|---|---|---|---|---|---|---|
| | | | | 2021 | 2022 | 2023 |
| Percentage of international financial reporting and auditing standards endorsed by the Union | The indicator measures the percentage of International Financial Reporting Standards (IFRS) endorsed by the EU and is used to assess the progress towards a single set of high-quality global accounting standards[229] | 2020 figure | Aim for full coverage | 99% | 98.4 % | 98.4 % |
| Number of countries using International Financial Reporting Standards (IFRS) | This indicator measures the number of jurisdictions using IFRS in the world | 156 (2020) | 159 (by 2027) | 140+ | NA | 168 |
| Number of draft European Sustainability Reporting Standards (ESRS) prepared by EFRAG and their coverage in line with the mandate of the Corporate Sustainability Reporting Directive (CSRD) | This indicator measures the total number of draft ESRS submitted by EFRAG to the Commission and their coverage of the CSRD mandate | 0 (2020) | 54 (by 2027) | - | 12 | - |

[228] Interview feedback from eight representatives from the financial sector and Civil Society at the EU level.
[229] It should be noted that the percentage could not reach 100% given the lag between the updates and developments of standards and the time necessary for their endorsement by the EU, which takes at least six months.

| | | | | | | |
|---|---|---|---|---|---|---|
| Publication of public interest issues by the Public Interest Oversight Board (PIOB) | This indicator measures the total number of public interest issues released by the Public Interest Oversight Board in a year | 0 (2020) | 3 yearly | 6[230] | 6[231] | 7[232] |

Regarding the **IFRS Foundation**, as of 2024, all International Accounting Standards (IAS) and 16 out of 17 IFRS Accounting Standards are applied in the EU. A previous evaluation of the IAS Regulation (which regulates the incorporation of IFRS Accounting Standards into EU law) concluded that IFRS Accounting Standards had made EU capital markets more efficient by making companies' financial statements more transparent and easier to compare. Although the IAS Regulation provides limited flexibility to amend standards issued by the IASB, when a standard would not meet the technical endorsement criteria or would not be conducive to the EU public good, the 2021 Fitness Check[233] concluded that this was not an issue. This is due to the fact that both the EU had been able to deal with such situations using the limited flexibility available within the confines of the IAS Regulation (the 'carve-out' power and the 'top-up'), and has only had to do so sparingly on only two occasions since 2003 to cover very limited elements of two IFRS Accounting Standards.

Stakeholders consulted confirmed the effectiveness of the work of the IFRS Foundation: 78.2% (18/23)[234] respondents to the public consultation agreed or strongly agreed that the work of the IFRS Foundation has been instrumental to the development of high-quality standards aligned with stakeholders' interests and needs. Also, respondents to the survey to stakeholders in the financial sector overall agreed upon the importance of the work of IFRS Foundation, both in producing high-quality international standards[235], promoting innovation and development of best practices in financial reporting[236], and improving the functioning of the single market[237].

The transparency and accountability of the IASB is linked to its structure and functioning. It represents an independent group of experts, who are responsible for the development and publication of IFRS Accounting Standards. The criteria for the composition of the Board are set in the IFRS Foundation Constitution, and the members are appointed through an open process by the Trustees of the IFRS Foundation. The Trustees, in turn, are overseen by the IFRS Foundation Monitoring Board. The Monitoring Board serves as a mechanism for formal interaction between capital markets authorities and the IFRS Foundation, with the objective of enhancing its public accountability while not impairing the independence of the standard-setting process. The Monitoring Board is composed of representatives of

[230] Three PI issues on IAASB projects and three on IESBA projects.
[231] Three PI issues on IAASB projects and four on IESBA projects.
[232] Three PI issues on IAASB projects and four on IESBA projects. One PI Issues on IESBA projects was actually published in 2023 but referred to 2022 projects.
[233] European Commission, SWD(2021) 81 final
[234] The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[235] 66% (19/29) replied either 'effective' or 'very effective'. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[236] 71% (20/28) replied either 'effective' or 'very effective'. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[237] 68% (17/25) replied either 'effective' or 'very effective'. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.

relevant authorities, including the European Commission. To underline its accountability, the IFRS Foundation also participates once a year in a hearing before the European Parliament (Committee on Economic and Monetary Affairs) attended by the Chair of the IFRS Foundation Trustees as well as the Chairs of the IASB and the ISSB. Moreover, all IASB meetings are open to the public and can be watched online, with meeting agendas published in advance. In addition, the IASB publishes quarterly meetings with stakeholders on its website.

The endorsement of IFRS Accounting Standards by the EU is based on endorsement advice from **EFRAG.** The original mandate of EFRAG is to advise the Commission on whether new standards or amendments to existing standards should be adopted by the EU, based on the provision of the IAS Regulation. In recent years, EFRAG has continued this work, providing five endorsement advise in 2021, one in 2022 (on IFRS 17) and four in 2023[238]. This activity has been carried out in parallel with the new mandate of the organisation and the establishment of the sustainability reporting pillar, i.e. providing technical advice for the development of ESRS. According to stakeholders consulted, despite the importance and timeframe of the new task, EFRAG was able to effectively continuing the implementation of its original mandate, providing valuable input to the IASB standard-setting process as well as to submit the final endorsement advice to the Commission[239]. The work of EFRAG remain fundamental as, before issuing its final endorsement advice on a standard issued by the IASB, EFRAG produces comment letters for the IASB and draft endorsement advice, based on consultations conducted with its stakeholders, making sure that their views are channelled through EFRAG's positions. In addition, IASB attends EFRAG Financial Reporting Technical Expert Group meetings (as observers, as the European Commission), and EFRAG has combined its consultation on its tentative response to the IASB's request for information on its workplan with EFRAG's own proactive agenda consultation in 2021, in order to foster synergies as well as alleviate the burden for respondents[240].

Moreover, the production of relevant documents and other material increased substantially: EFRAG publications went from 47 in 2019 to 87 to 2021 and reached 130 in 2022[241].

EFRAG activities also focused on improving the organisation's outreach and involvement of relevant stakeholders. In 2022, EFRAG launched a consultation that received around 700 responses from 19 EU and EEA countries, as well as Japan and the US[242]. Moreover, outreach activities increased from 3 in 2019 to 7 in 2022, and the number of videos and webinars published did the same, going from 7 in 2019 to 29 in 2022[243].

Stakeholders from the finance sector consulted through the online survey confirmed the importance and effectiveness of EFRAG's work, in particular regarding the successful

[238] Considering only final endorsement advice (Source: EFRAG Endorsement Status Report).
[239] Interview feedback from five representatives of the financial sector and civil society at the EU level.
[240] EFRAG website and EFRAG 2021 Annual Report.
[241] Data for 2022 include both financial reporting and sustainability reporting (Source: EFRAG Annual Reports).
[242] European Commission, COM(2023) 712 final.
[243] Data for 2022 include both financial reporting and sustainability reporting (Source: EFRAG Annual Reports).

integration of financial reporting and accounting standards into Union law[244], increasing trust of consumers and investors[245].

In 2020, the Commission mandated **EFRAG** to undertake preparatory work to elaborate a set of possible EU non-financial reporting standards. The Commission also issued a mandate to consider possible changes in the governance and financing of EFRAG, in case the organisation would become a standard setter for these standards. On the first mandate, EFRAG established a multi-stakeholder Project Task Force 'on preparatory work for the elaboration of possible EU non-financial reporting standards' (PTF-NFRS), which produced a roadmap and 54 recommendations to develop a comprehensive set of standards[246], collecting the views of relevant stakeholders through a series of seven online events in January 2021. On its second mandate, EFRAG implemented a significant reform of its governance structure, establishing a new sustainability reporting pillar, as well as expanding its membership with 14 new organisations having an interest in sustainability reporting (including 12 Civil Society Organisations (CSOs)). A new Sustainability Reporting Board and Technical Expert Groups were established in 2022.

The final draft of the first set of 12 ESRS was submitted by EFRAG to the Commission in November 2022 and adopted by the Commission in July 2023. The process benefited from a strong consultation of relevant stakeholders, with around 700 responses provided from 19 EU Member States and EEA countries[247].

While these represent only the first step, stakeholders consulted at this stage confirmed the importance of this milestone, as ESRS constitute the most advanced framework for sustainability reporting available at global level[248]. Stakeholders regarded the introduction of the double materiality[249] assessment[250] to be of particular importance that differs from the Global Reporting Initiative (GRI) standards, which focus on impact materiality only or ISSB Sustainability Disclosure Standards that focus on financial materiality only. To support the implementation of ESRS, EFRAG has already published a Draft Implementation Guidance on ESRS Materiality Assessment[251].

Moreover, in 2022, EFRAG launched new workstreams, in particular regarding standards for SMEs. One workstream stems directly from the CSRD, with the need to develop simplified standards for listed smaller companies, banks and insurers compared to larger organisations. The second was triggered by market needs for a voluntary sustainability reporting standard for non-listed SMEs and micro-companies to support them with ESG requests from banks or value chain partners.

[244] 78% (18/23) replied either 'effective' or 'very effective'. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[245] 75% (18/24) replied either 'effective' or 'very effective'. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[246] European Commission, COM(2022) 504 final.
[247] European Commission, COM(2023) 712 final.
[248] Interview feedback from nine representatives of the financial sector and civil society at the EU level.
[249] Double materiality is a concept introduced by the CSRD that must be applied in the materiality assessment according to ESRS. The concept means that companies have to report not only on how sustainability issues might create financial risks for the company (financial materiality), but also on the company's own impacts on people and the environment (impact materiality).
[250] Interview feedback from four representatives of the financial sector and civil society at the EU level.
[251] EFRAG website (link).

The responses to the public consultation confirmed the importance of the work of EFRAG for stakeholders, as 93% of respondents agreed that its work is instrumental to develop high-quality standards aligned with the interests of EU stakeholders[252].

During 2023, EFRAG's priority has been on the implementation work on the ESRS, with the aim of contributing to the goal of reducing burden on companies. EFRAG established an online question and answer platform through which companies and other stakeholders can receive answers to technical questions about ESRS. In December 2023, EFRAG released three draft implementation guidance documents for companies preparing their sustainability statement according to the ESRS, covering materiality assessment, value chain reporting, and a listing of datapoints.

The **PIOB** continued in its work to oversee the auditing standard setting process. Regarding its role with the IAASB and the IESBA, the PIOB started implementing its mission to reduce the weight of audit practitioners in boards (going from 9 out of 18 members, to 5 out of 16)[253], to ensure more multi-stakeholder representation bringing diverse perspectives and experience. The PIOB launched its first cycle of independent nominations for membership to the IESBA and IAASB in 2022. Moreover, the PIOB oversight over IAASB and IESBA activities was successfully implemented, as all projects listed in the 2021 Oversight Plan with approvals scheduled in 2021[254] and early 2022 received PIOB approval as expected[255].

The PIOB also continued in its stakeholder engagement activities to have a deeper understanding of Public Interest expectations and needs. Compared to 2021, the PIOB website visitors increased by 13.5% (and new users by 15%).

The work of the PIOB is not very much known. Despite this, 85% (12/14) of respondents to the public consultation indicated the importance of the work of the PIOB.

The analysis conducted **did not show specific evidence of unintended effects** of the actions of these organisations.

However, it should be noted that the new mandate of EFRAG in setting European Sustainability Reporting Standards, which is largely funded through the SMP, has been seen as the most important and complete effort in this field at the global level, making the EU a frontrunner. Stakeholders consulted agreed that the work of EFRAG was standing out since no other global initiatives seemed to exist that present the same level of ambition and comprehensiveness. This, according to some stakeholders[256], has put the EU and its efforts at the centre of the debate, possibly providing the benchmark for the sustainability reporting standards at global level. This has brought increased attention on these standards and, according to stakeholders, the potential of putting the EU efforts at the centre of the global initiatives in the field.

[252] 93.1% of respondents to the question (27/29). The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[253] PIOB, 17th Public Report 2021.
[254] PIOB, IAASB and IESBA 2021 Oversight Plan (link).
[255] PIOB, 17th and 18th Public Reports.
[256] Interview feedback from six representatives of the financial sector and civil society at the EU level.

### 4.1.2. Efficiency

#### *4.1.2.1. European standards*

The efficiency was measured on specific areas where it plays a crucial role:

- the establishment and management of Technical Committees[257];
- the participation of industry experts;
- the responsiveness to grant calls;
- the duration of grant-funded projects;
- the effectiveness of monitoring and reporting systems, and;
- whether the grant agreements deliver what was agreed on regarding budget, time, and quality.

By examining these elements, the objective is to determine whether the processes in place are streamlined, timely, and conducive to meeting the evolving needs of the single market, especially in critical areas like resilience and the green and digital transitions. Efficient allocation and use of resources are essential to ensure that EU funding delivers maximum impact while minimising administrative burdens and delays.

***Contribution to the establishment and management of Technical Committees***

The preparation of the standards belongs to the remit of the Technical Committees (TCs) that each have their own field of operation (scope) within which a work programme of identified standards is developed and executed. Therefore, it is essential to examine the establishment and management of Technical Committees (TCs), especially in areas critical to the single market, such as resilience and the green and digital transitions.

Over the past three years, the number of Technical Committees within European Standardisation Organisations (ESOs) has remained relatively stable, as demonstrated below:

**Table 43: Number of Technical Committees within ESOs**

| ESO | 2021 | 2022 | 2023 |
|---|---|---|---|
| CEN[258] | 377 | 374 | 377 |
| CENELEC | 69 | 69 | 70 |
| ETSI[259] | 100+ | 100+ | 100+ |

*Source: CEN, CENELEC and ETSI Annual Reports.*

In 2022, more than 25 Technical Committees within CEN and CENELEC contributed to the development of nearly 200 new European standards, particularly in key areas such as Ecodesign and energy labelling regulations. Although Standardisation Requests (AGs) present the potential for the formation of new committees, it is important to note that the SMP funding, which is provided to ESOs through Operating Grants (OGs), is primarily

[257] The preparation of the standards belongs to the remit of the Technical Committees (TCs) that each have their own field of operation (scope) within which a work programme of identified standards is developed and executed.
[258] Considering Active CEN Technical Committees and Subcommittees, excluding Working Groups.
[259] ETSI Annual Reports do not provide a more specific number of technical groups active.

directed towards the organisations' day-to-day operations and administrative functions. Consequently, the funding is not explicitly linked to the creation of additional TCs or subcommittees.

It is thus evident that while new capacity in terms of Technical Committees is not directly driven by SMP funding, the programme's support plays an important role in sustaining the existing operational framework of ESOs.

***Contribution to the participation of industry experts***

An important measure of the efficiency of European standardisation processes is the participation of industry experts, particularly in Technical Committees (TCs) and Working Groups (WGs). The key question is whether EU funding, particularly through the SMP, has contributed to an increase in expert involvement compared to standards developed without such grants.

The analysis and consultations with European Standardisation Organisations (ESOs) and Annex III organisations indicate that it is challenging to draw a direct correlation between EU funding and the participation of individual experts. This is due to the difficulty in determining the funding source for each expert, making it impossible to distinguish between those involved due to EU grants and those participating in non-EU-funded standards development.

However, there is evidence that SMP funding has significantly enhanced the involvement of experts, particularly those representing small and medium-sized enterprises (SMEs), as well as consumer, worker, and environmental interests. Annex III organisations have seen an increase in expert participation in ESOs and International Standardisation Organisations (ISOs) as a direct result of EU support.

Moreover, as confirmed by beneficiaries, the presence and participation of experts from Annex III organisations would not be possible (and be extremely lower) without EU funding – provided by the SMP. Therefore, the presence of EU funding allowed experts representing different interests to be part of the process[260].

Therefore, it is clear that EU funding, particularly through the SMP, plays a crucial role in ensuring that experts from diverse sectors are able to contribute to the standardisation process, which enhances the overall inclusiveness and relevance of European standards.

***Responsiveness to calls for grant proposals***

The responsiveness to grant calls is a critical factor in assessing the efficiency of European standardisation, particularly in the context of Action Grants (AGs) supported by the SMP. The key question is how effectively European Standardisation Organisations (ESOs) have responded to these calls for proposals between 2021 and 2023.

An analysis of AG calls during this period indicates a mixed level of responsiveness from ESOs. While the average time to inform, sign, and allocate grants remained within the limits set by the Financial Regulation, the time required to finalise the process has been described as relatively lengthy. The average time to inform was 84.6 days, to sign was 84.8 days, and to allocate grants was 154.9 days.

[260] Interview feedback from four beneficiaries.

Although no comparative data exists for the previous system, stakeholders from ESOs and Annex III organisations have confirmed that these timelines have neither significantly improved nor deteriorated, though they are still considered lengthy[261].

In terms of response to AG calls, the data reveals a varied rate of proposal submission. Between 2021 and 2023, ESOs responded with the following number of proposals:

**Table: AGs calls launched and proposals received and accepted**

| Year | Calls launched (AGs) | Proposals received | Proposals accepted |
|---|---|---|---|
| 2021 | 6 | 3 | 3 |
| 2022 | 57 | 29[262] | 23 |
| 2023 | 54 | 28 | 16[263] |

*Source: Commission data.*

A particular observation is that no proposals were received for certain critical topics, including COVID-19 and medicines production, hydrogen, space, and cybersecurity. These areas were highlighted in the Annual Union Work Programme (AUWP) for European standardisation, but the response from ESOs was limited.

Consultations with grant beneficiaries highlighted several reasons for the limited responsiveness. In the initial years of the SMP, organisations faced a 'learning curve' in adapting to new processes, tools, and the involvement of EISMEA executive agency, which may have slowed their ability to respond effectively[264]. Additionally, some calls were perceived as misaligned with existing standardisation priorities, leading to difficulties in reallocating resources. In some instances, the calls themselves were not sufficiently clear, resulting in delays or incomplete proposals[265]. Budget and timing issues were also raised, particularly the perceived misalignment between the available funding and the work required[266].

National Standardisation Bodies (NSBs) have indicated that the administrative burden of responding to multiple topics simultaneously is significant, and only larger bodies have the capacity to handle this process efficiently[267]. Suggestions for improvement included revising the frequency and number of calls – moving from the current model of three calls per year, each with an average of 18 topics, to more frequent calls with fewer topics[268]. However, feedback on this suggestion has been mixed, with some stakeholders in favour of the change, while others do not see the need for it.

In conclusion, while the responsiveness to grant calls has been satisfactory in many areas, there is room for improvement, particularly in addressing the concerns around the clarity, timing, and administrative burden of the calls. A more flexible and tailored approach to grant calls could potentially improve participation and the overall efficiency of the system.

[261] Interview feedback from two national bodies.
[262] In one case, the same proposal covered two different topics and calls.
[263] At the time of the completion of the report, five proposals were submitted but not yet evaluated.
[264] Interview feedback with five beneficiaries and two national bodies.
[265] Interview feedback with one beneficiary.
[266] Interview feedback from two beneficiaries.
[267] Interview feedback with two national bodies.
[268] Interview feedback with three national bodies.

### *Duration of grant-funded projects*

One of the key aspects of measuring efficiency within the Standardisation Pillar of the Single Market Programme (SMP) is the duration of grant-funded projects. Specifically, the question arises as to why Action Grants (AGs) often have longer durations than the average three-year time frame typically required to produce a standard.

Between 2021 and 2023, the average duration of projects funded via AGs was 24.4 months, with only a third of the signed AGs having a duration of 36 months or longer. The duration of each AG largely depends on the complexity and nature of the specific standardisation request it addresses. For instance, whether the project involves drafting a full standard or producing other deliverables significantly impacts the time required for completion.

Consultations with beneficiaries have highlighted that the average duration of AGs can sometimes pose challenges. Since the duration is set at the beginning of the grant call and does not account for **potential complexities**[269] that may arise during the implementation phase, there is a **risk that the allocated time may prove insufficient.** Complex requests or difficulties in reaching consensus among stakeholders can lead to delays, which are not always predictable at the call stage.

While setting **shorter project durations, such as 24 months**, may encourage a faster standardisation process, it can also create risks for European Standardisation Organisations (ESOs) and National Standardisation Bodies (NSBs). These risks **include the need for amendments and postponements of deadlines**[270], which complicate project management. Moreover, in sectors where there is a higher demand for new deliverables, Technical Committees (TCs) are often already involved in multiple standardisation requests, further extending the time needed to complete new tasks. As a result, the duration of the grant should reflect these realities to ensure timely and efficient project completion.

In conclusion, while shorter grant durations may incentivise a quicker process, careful consideration should be given to the complexities of the standardisation work involved, with the flexibility to adjust timelines where necessary, to avoid challenges in meeting deadlines.

### *Effective monitoring and reporting systems*

Regular reporting and monitoring of grant-funded activities are vital to ensure that the objectives of the programme are being met.

Beneficiaries of Action Grants (AGs), including those receiving Operating Grants (OGs), are required to submit both progress and final reports detailing the implementation of the funded activities. No significant issues have been identified with respect to this reporting process, and consultations with beneficiaries have indicated that no concerns have been raised regarding the regular submission of these reports.

Additionally, beneficiaries are obliged to provide annual reports detailing the activities they have implemented. These reports, known as 'Article 24 reports,' cover critical aspects such as the participation of SMEs, the involvement of other relevant stakeholders, the use of ICT, and cooperation with national bodies. It is important to note that while the Article 24 reports provide valuable insights, they do not constitute a contractual deliverable, and the requirement for their submission is independent of any grant funding.

[269] Interview feedback from two national bodies.
[270] Interview feedback from one national body.

The obligation to submit these reports stems from Regulation 1025/2012 and applies to both European Standardisation Organisations (ESOs) and Annex III organisations.

In summary, the monitoring and reporting systems under the SMP's Standardisation Pillar are functioning effectively, with no significant concerns raised by beneficiaries. The existing requirements ensure that the implementation and progress of funded activities are regularly documented and evaluated, contributing to the overall transparency and accountability of the programme.

***Delivering what was agreed on regarding budget, time, and quality***

Assessing whether grant agreements deliver as agreed upon in terms of budget, time, and quality is a crucial measure of efficiency under the Standardisation Pillar of the Single Market Programme (SMP). However, given the current stage of implementation, it remains too early to provide a definitive answer to this question, as only one Action Grant (AG) funded under the SMP has been completed so far.

Based on the available data and consultations with beneficiaries and EISMEA, no issues have been raised in relation to the budget and time aspects of the grants to date. However, discussions with European Standardisation Organisations (ESOs) and Annex III organisations have provided insights into how beneficiaries have adapted to the new system and procedures, and how this has affected their internal capacity.

*Flexibility versus Regularity*

Stakeholders generally agreed that the current system, while less flexible than the previous one, provides a more structured, transparent, and consistent framework. **'What might have been lost in flexibility has been gained in regularity**[271]**.'** Prior to the SMP, there was no specific programme to channel funding to ESOs and Annex III organisations, leading to more flexible, direct negotiations with the Commission. This flexibility allowed for quick adaptations, amendments, and an alignment of national priorities with capacity. In contrast, the SMP has introduced a more regular process, with calls for proposals published on a clear timeline, allowing beneficiaries to plan accordingly.

*Short deadlines to submit proposals for grants*

However, some beneficiaries noted that the timeline for responding to calls remains challenging, particularly for complex topics that require extensive coordination among stakeholders. **'The timeline to respond to the call and provide a proposal might still be challenging, considering the steps required to raise the necessary capacity and gather all interested parties, particularly for complex topics.'** Suggestions were made to extend the response period by a few weeks, though this would need to be balanced against the overall project timeline to avoid delays in implementation.

*Fast processing of operating grant proposals*

Operating Grant (OG) beneficiaries reported several positive aspects of the new system, including the shortened period between proposal submission and evaluation, which is now approximately two months. **'A positive aspect of the new system under the SMP refers to the short time between submission and the result of evaluation**[272]**.'** Additionally, contracts for OGs are typically signed before the start of the grant year, ensuring continuity

[271] Interview feedback from four beneficiaries and five national bodies.
[272] Interview feedback from three beneficiaries.

of activities. Although there were some delays in the first year of the programme's implementation, these issues were not repeated in subsequent years, indicating that most challenges were linked to the familiarisation process with the new system. **'In the first year, the whole process was delayed, but this has not been repeated, as we have now adapted to the new procedures.**'

*Number of topics and frequency of calls for grants*

Opinions on the frequency of calls for AGs varied. Some national bodies found the current number and frequency of calls to be appropriate[273], while others suggested more frequent calls with fewer topics to allow for better distribution throughout the year. **'Having more frequent calls with fewer topics might facilitate a better response from beneficiaries**[274]**.'** However, this approach could increase the administrative burden on smaller national bodies and require additional capacity from the Commission and EISMEA executive agency to manage the increased workload.

*Small versus big NSBs*

An important observation is that national bodies from only a few Member States, primarily France and Germany, are leading the majority of AG calls. **Smaller national bodies may lack the administrative capacity to respond effectively to calls or lead complex projects**, raising concerns about equitable participation.

*Speed versus Quality*

Additionally, as the complexity and interconnectivity of topics grow, the risk of failing to deliver high-quality outcomes within the given timeframe increases, potentially leading to the decommitment of grants. **'The current system raises the risk for national bodies of not delivering a product of the necessary quality within the given time, especially as topics are becoming increasingly interconnected and projects more complex**[275]**.'** This risk appears to be more related to the organisational dynamics between ESOs and national bodies rather than the design of the SMP itself.

*Electronic versus paper version processing*

Furthermore, stakeholders raised **concerns about the administrative and financial procedures**, particularly **in relation** to the shift from the previous Multi-Annual Financial Framework (MFF) **to the corporate eGrant system** used across all EU funding programmes. While intended to streamline processes, beneficiaries reported that certain aspects, such as duplicating information in both written proposals and the online portal, have increased the administrative burden. **'The shift to the eGrant system has created the impression that we are duplicating processes, as we need to provide the same information in both the application form and the online portal**[276]**.'** The introduction of **unit costs**[277] for accommodation and travel also **posed challenges** for smaller Annex III organisations[278], as national accounting standards often do not align with these costs, necessitating dual financial reporting systems[279]. **'While unit costs are meant to reduce**

[273] Interview feedback from three national bodies.
[274] Interview feedback from three national bodies.
[275] Interview feedback from one national body.
[276] Interview feedback from five beneficiaries.
[277] Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35.
[278] Interview feedback from three representatives of EU organisations and answers to the Call for Evidence.
[279] In addition, unit rates set up at the EU level might be lower than the actual travel costs, thus producing a loss for the organisations.

**the administrative burden, for smaller organisations they have created additional reporting challenges.'**

*Shift to multi-annual grants*

While the new system has led to increased administrative workload – resulting, on average, in the **need for one additional full-time equivalent (FTE) per organisation** – some efficiencies have been realised through a common understanding of grant management and electronic reporting. Nevertheless, stakeholders suggested further improvements, such as exploring the potential for multi-annual OGs to reduce the annual administrative burden and introducing lump-sum budgets to simplify financial processes and reduce error rates. **'The shift to multi-annual OGs could reduce our administrative burden and give us more time to adjust to EU priorities**[280]**.'**

In conclusion, while the new system under the SMP provides greater structure and transparency, there remain areas where adjustments could enhance efficiency. Addressing the administrative burden, extending response timelines for complex calls, and considering lump-sum budgets could provide further benefits for beneficiaries, particularly smaller national bodies.

#### *4.1.2.2. International financial and non-financial reporting and auditing standards*

The amount committed to EFRAG increased substantially throughout the years because of the wider range of activities stemming from the new mandate for developing ESRS. The EU contribution received by PIOB remained stable over the years, while the EU contribution received by the IFRS Foundation has decreased compared to 2021. Based on the analysis, this does not seem to have negatively affected the activities of the beneficiary. As an example, the IFRS Foundation managed to increase its budget and continued to work on the relevant dossiers, suggesting its ability to both manage the available resources efficiently and effectively, as well as its capacity to raise additional funding over time.

Regarding EFRAG, despite the increase of EU funding, consultations with its representatives suggested that the organisation still might not have the full capacity and resources required to effectively carry out the two mandates[281]. EFRAG actively worked to increase its staff, which grew from 26 people in 2020 to 47 in 2023[282]. Also, the operating expenses for human resources grew by 16% in 2022 compared to 2021, and by 42% in 2023 compared to 2022. However, the need for additional resources at all levels in the organisation (as indicated in the need for recruitment in the 2022 Annual Report), and the fact that organisation still retained several interns[283] and staff in kind (32 in 2022 for a total value of their contributions of EUR 3.8 million, higher than the value reported in 2020 and 2021)[284], suggest that EFRAG still face capacity issues and potentially difficulties in attracting new people with the required knowledge[285]. Moreover, the creation of a

[280] Call for Evidence and interview feedback from two beneficiaries.
[281] Interview feedback from one beneficiary and seven representatives of the financial sector and civil society at the EU level. Details of the analysis are available in the study supporting this evaluation.
[282] The data from the Annual Report 2022 refer to June 2023.
[283] Seven, according to the 2022 report. The 2023 report does not report the exact number of internal, but indicates the total number of staff (including the 62 permanent staff) 'close to 80'.
[284] In 2022, the contributions in kind amounted to EUR 3.9 million (including both secondments in kind and participation in EFRAG governance bodies, working parties and panels), nearly the same as the European Commission's contribution and accounting for around a third of total contributions to the EFRAG budget (Source: EFRAG Annual Report 2022).
[285] Interview feedback from four representatives of the financial sector and civil society at the EU level.

permanent sustainability reporting secretariat was proceeding at a slower pace than desired[286].

The opinion of several EFRAG members is that the capacity is still not fully aligned with the requirements the organisation should comply with in terms of quality and timing to carry out their activities, and that resources might need to be shifted from one priority to another.

The 2021 Gauzès' reports[287] indicated the need for a gradual increase in the resources of the non-financial reporting pillar, with an estimated initial additional budget of EUR 3 million for the first year(s). It is true that the 2023 budget was over EUR 4 million larger than in 2020, however the increase between 2020 and 2022 (when the first set of ESRS was drafted and published) was still lower than the expected amount. In addition, consultations conducted with EFRAG as well as its members indicated that reality suggests that the additional budget estimated in 2021 was probably lower than the actual needs of the organisation, also considering the effects that high inflation has on costs, and the challenges faced in recruiting people with the right experience and expertise.

While it is difficult to provide a definite estimate of the optimal level of resources needed, an indication can be given considering a few elements:

First, the amount of resources (financial and human) available to EFRAG compared to other standard-setting bodies, such as ISSB and GRI: according to its 2023 Annual report, EFRAG had a total budget[288] of EUR 12.3 million and a staff of around 80 (plus 30 secondments in kind). In 2023, GRI had a total income of EUR 14.2 million, and a total staff of 126[289]. For ISSB, the total contributions in 2023 reached over EUR 29 million[290].

Second, the weight of secondments in kind: as mentioned, the share of contributions in kind for EFRAG still accounts for around 26% of the total budget, and, within these, secondments for sustainability reporting represents 8% of the total contributions and 28% of the total staff for the organisation in 2023. This means that a significant share of the workforce and capacity of EFRAG when it comes to sustainability reporting depends on experts working in EFRAG while managing their daily jobs.

The combination of these factors indicates that the resources available to EFRAG are not proportionate to those of other standard-setting bodies, which, moreover, would not have the dual mandate that EFRAG has been given since 2021. To this end, a possible estimate would suggest that EFRAG should move towards an 80/90-person organisation (considering full-time employees only) with a budget of around EUR 14-15 million, i.e. similar to GRI's current capacity. This would allow to possibly reduce dependency on in-kind secondments and contributions (the difference between the current budget and the target of EUR 15 million would be close to the 2023 value of contributions in kind).

Finally, it should be noted also that the EFRAG budget is based on contributions, largely from the EU[291], which entails precise rules about costs eligibility. GRI and the IFRS

[286] EFRAG Annual Report 2022.
[287] Gauzès, J-P., Final Report on the *ad personam* mandate Potential needs for changes to the governance and funding of EFRAG, March 2021.
[288] As contributions, EFRAG Annual Report 2023.
[289] Including people with regular employment contracts with the GRI head office, contracts with an Employer of Record (EOR – a business that employs an individual on behalf of another company), and long-term consultancy contracts (Source: GRI, Mainstreaming Impact Report, Annual Report 2023).
[290] The amount reported in the IFRS Foundation Annual Report for the year 2023 was GBP 25.9 million, which was converted in EUR using the European Central Bank average conversion rate for 2023.
[291] EU contributions accounted for 36% of the budget in 2022 and 45% in 2023 (Source: EFRAG Annual Reports).

Foundation, in contrast, can count on a significant inflow of resources from earned revenues, which include publications and subscriptions services, licensing of intellectual property, education programmes and conferences. This allows them not only to increase their overall budget, but also not to be so dependent on membership fees and contributions. Moreover, with regards to specific contributions, it should be underlined how contributions from national organisations chapters in EFRAG have slightly increased in 2023 compared to 2022[292], contributions from some EU Member States[293] to the IFRS Foundation remained higher. In 2023, on sustainability reporting, European stakeholder organisations funded EUR 0.5 million, some national sustainability organisations EUR 0.9 million and civil society organisations EUR 0.2 million.

At the time of this evaluation, EFRAG is carrying out internal assessments to forecast the (estimated) capacity for the upcoming years, possibly until the end of this programming period. This exercise will provide a more detailed estimate of the optimal level of resources for the organisation.

To mitigate the above budgetary issues, the EU contributions to EFRAG were changed from OGs to AGs in 2023. This change allowed the Commission to provide 90% co-financing for the work on sustainability reporting compared to 60% co-financing for EFRAG's work on financial reporting[294]. However, according to the beneficiary, this has created challenges as the categories of eligible costs are more limited in AGs. Nevertheless, benefits from the change of the grant structure are evidenced by the fact that for the first time for many years EFRAG has used all grant funding made available to it from the Union.

Regarding the overall process, the close cooperation with DG FISMA helped to navigate through any issues, if encountered[295],·The point was raised during consultations with beneficiaries that the template for grant applications might be better customised and simplified as the content of the proposal is roughly the[296].

In addition, one beneficiary raised the point that the system has become more structured and also less flexible and there are some requirements that before were not anticipated. In particular, the financial reporting with the need to calculate and report costs per person requires some considerable time and efforts to reconcile with the internal system and bookkeeping of the beneficiary. Similarly, the reconciliation between actual costs and unit costs for travel expenses requires additional work, also to provide the detailed evidence required. These requirements are however not specific to the SMP but due to grant agreement obligations and Commission's rules on the eligibility of costs that cannot be waived.

In terms of reporting, annual activity reports are drafted by beneficiaries and submitted to the Commission. In turn, the Commission drafts annual summaries of the activities carried out by the three beneficiaries that are communicated to the European Parliament and the Council[297].

[292] Contributions reached EUR 2.57 million in 2023, +3.4% compared to 2022, when they reached EUR 2.48 million (Source: EFRAG Annual Report 2023).
[293] Considering both public and private sources. EU Member States include France, Germany, Italy and the Netherlands (Source: IFRS Foundation Annual Report 2023).
[294] Interview feedback from one representative of EU institutions.
[295] Interview feedback from one beneficiary.
[296] Interview feedback from one beneficiary.
[297] Reports from the Commission to the European Parliament and the Council on the activities of the IFRS Foundation, EFRAG and PIOB. Regulation 258/2014 and Regulation 2017/827.

The main benefits, as reported by stakeholders, are the following:

- To create a context that allows companies, investors, consumers, and financial markets in general to operate in a harmonised and clearly defined setting, with clear norms and standards that regulate financial and non-financial reporting.
- Particularly related to EFRAG's activities, the influence of EU views and needs brought to the international financial reporting standard-setting process, aimed at providing the best possible norms that take into account needs and priorities of EU stakeholders.
- Particular related to PIOB's activities, to ensure that (auditing) standards are set taking into account the public interest and the views of all relevant stakeholders, making the process more transparent and trustworthy.
- To build consensus and provide representation to the key stakeholders in the standard setting process and the EU and international level. On this topic, however, stakeholders underlined how there is still room for improvement in terms of representation and participation: for instance, regarding EFRAG's membership, the further inclusion of representatives of investors, innovative companies and ethical banks might increase the representation of relevant interests in the sustainability reporting pillar[298].

The development of the first set of 12 draft ESRS costed approximately EUR 3 million. It appears that EFRAG has thus provided good value for the Commission, especially in comparison with the ISSB, who prepared two Sustainability Disclosure Standards for approximately £20 million. This difference is partly explained by the fact that in contrast to EFRAG, all ISSB Board members receive a remuneration. (Please note that the EU grant can only be used for the development of IFRS Accounting Standards, and not for costs related to the ISSB.)

The IFRS Foundation saw the weight of contributions from stakeholders increase from 2020 and 2021 (60% of total income) to 2022 (66%). The number of funding providers increased from 152 in 2021 to over 200 in 2022.

EFRAG also made efforts to differentiate their sources of funding. The contributions from European Stakeholder Organisations, National Organisations and CSOs all increased in 2022 compared to the previous year[299]. This was linked also to the introduction of the work on sustainability reporting in 2023. The EU contribution was also increased in 2023 (commitments being in 2023 almost twice the one for 2021).

In the case of the PIOB, the PIOB and the Monitoring Group achieved a diversified funding base during the previous decade. In 2020, they received funding from eight sources[300],

[298] Interview feedback from five representatives of the financial sector and civil society at the EU level.
[299] EFRAG Annual Report 2022.
[300] They included: the International Federation of Accountants (IFAC), the European Commission, the International Organisation of Securities Commissions (IOSCO), the International Forum of Independent Regulators, and Bank for International Settlements, the Financial Reporting Council, and in-kind contributions from the Spanish Government.

which became nine in 2021[301] and have remained stable in 2022, but further efforts remain necessary.

### 4.1.3. Coherence

The assessment of coherence considered both internal and external aspects. This method was chosen to thoroughly examine how EU funding supports key policy objectives such as the green, digital, and resilient single market, and to explore whether it aligns with the broader objectives set out in Regulation (EU) No 1025/2012 on European standardisation.

#### *4.1.3.1. European standards*

##### Internal coherence

Within the SMP pillar, the objectives are broad and comprehensive, ensuring no major issues with coherence. The financing of European standardisation is particularly aligned with the support of key actors, fully identified as beneficiaries under Regulation (EU) No 1025/2012 on European standardisation. These beneficiaries, including European Standardisation Organisations (ESOs) and Annex III organisations, are instrumental in ensuring greater stakeholder participation in standardisation processes, which supports the EU's overarching goals.

In terms of coherence between SMP Pillars, this is generally well maintained, though certain areas present more complexity. For instance, Pillar 1 includes budget allocations to support HAS Consultants, a role distinct from that of beneficiaries under Pillar 3. The nature of HAS Consultants' services is well separated from the activities funded under Pillar 3, which are primarily designed to support ESOs and Annex III organisations. The support to these beneficiaries, outlined in Articles 15 and 16 of Regulation 1025/2012, spans the entire duration of the SMP, whereas the financing of HAS Consultants is not explicitly mentioned in the Regulation and may only be a temporary measure.

While the activities of ESOs and Annex III organisations serve to support European standardisation as a system, the work of HAS Consultants primarily benefits the Commission services themselves. This distinction helps ensure that coherence is preserved between Pillars, with funding targeted specifically to the roles that each entity plays.

***Coherence between Pillars 3 (European standards) and 4 (consumers)***

Another area requiring closer examination is the relationship between Pillars 3a and 4a (consumers), particularly regarding the funding of ANEC (Pillar 3) and BEUC (Pillar 4), both of which promote consumer interests. While these organisations are funded under different Pillars, they often collaborate closely, such as in their joint initiatives on the 'Standardisation Governance Act[302]' and the General Product Safety Regulation[303]. This creates potential synergies, as the different funding streams contribute towards a shared objective of improving the quality and availability of standards across the Union.

##### External coherence

***Coherence with other EU policies***

[301] The new contributor was the Swiss Federal Audit Oversight Authority. An additional voice of budget was included as 'carried-over surplus' from the previous year.
[302] ANEC and BEUC, For a 'Standardisation Governance Act', ANEC and BEUC recommendations to adapt Regulation (EU) 1025/2012, January 2024.
[303] ANEC and BEUC, 'Keeping consumers safe from dangerous products. How to make the General Product Safety Regulation a useful tool to ensure product safety', November 2021.

The analysis of external coherence shows that **the SMP Regulation** is directly linked to Regulation (EU) No 1025/2012 on European standardisation, which not only provides the legal basis for funding but also **maintains the previous system for financing European standardisation.** This ensures that the transition between funding frameworks remains seamless, with references to Regulation 1025/2012 in key areas such as the identification of eligible actions (Article 8.5), eligible entities (Article 9.4), and designated beneficiaries (Article 10(c)).

**The SMP Regulation's preambles underscore how European standardisation activities are governed by Regulation 1025/2012** and how the longstanding public-private partnership in standardisation is essential to achieving EU objectives. Moreover, the use of Annual Union Work Programmes (AUWPs), stemming from the EU Standardisation strategy, guarantees that calls for grants are aligned with key EU-level priorities, such as the green deal and digital transition. The calls for grants published between 2021 and 2023 have been directly linked to these legislative priorities, ensuring consistency between funding and policy goals.

***Complementarity with other funding sources***

In addition to the SMP, other EU funding sources, such as Horizon Europe and the LIFE Programme[304]., offer financial support to beneficiaries, particularly Annex III organisations. For instance, ANEC and ECOS launched a project in 2023[305] aimed at ensuring the effective participation of environmental and consumer stakeholders in standardisation, particularly in the context of the clean energy transition. Similarly, SBS has participated in Horizon focused on the need for skills and experts in standardisations[306], and on mapping key stakeholders and actors involved in standardisation activities at national, regional (EU) and international level[307].

While these projects have a more specific scope compared to the general support provided under the SMP, the funding streams are complementary rather than competitive. SMP grants provide a stable source of funding to maintain daily operations and governance, whereas resources from other EU programmes are project-specific with a defined duration. This complementarity ensures that organisations receive both continuous operational support and targeted funding for specific initiatives.

The analysis shows that the European standards pillar of **SMP** not only supports the EU's broader policy objectives but **also ensures complementarity with other funding mechanisms.** Through its support to key actors and alignment with EU priorities, the Standardisation Pillar plays a pivotal role in fostering a green, digital, and resilient single market.

### *4.1.3.2. International financial and non-financial reporting and auditing standards*

Similarly to the objective of European standardisation, the analysis conducted has not raised specific issues of coherence within the Programme or with other initiatives with similar objectives.

[304] The former represents the EU's key funding programme for research and innovation, the latter is the only EU funding programme entirely dedicated to fund the development, demonstration and promotion of innovative techniques, methods and approaches to reach EU environmental and climate goals.
[305] LIFE22-PLP-reaLIFEstandards.
[306] Edu4Standards.EU.
[307] STAND4EU.

### Internal coherence

From an internal coherence perspective, no issues were identified when looking at the various components of the initiative. The objective set out in Article 3(2), point (c)(ii) remains broad enough to limit the risk of inconsistencies and give flexibility to avoid overlaps with other possible initiatives[308]. Moreover, it is a direct continuation with the predecessor programme set out by Regulation 258/2014, and, as underlined in the SMP IA, no significant progress was made to establish funding mechanisms and initiatives with similar objectives[309]. The activities and objectives of the three organisations supported by the SMP remain, not only relevant, but also do not conflict with one another. Despite the new mandate of EFRAG for the developing draft ESRS and the later set-up of the ISSB, the analysis found no evidence that this has been implemented in contrast or in overlap with the actions undertaken by other organisations.

### External coherence

In terms of external coherence, as mentioned above, the implementation of the new mandate for EFRAG represented the effort to fill a gap as other standard-setting organisations did not concretely pursue the double materiality sustainability reporting objective of the CSRD. In drafting ESRS, EFRAG paid close attention to the actual and potential interoperability with existing and future initiatives at the global level, in particular with GRI[310] and ISSB[311] Sustainability Disclosure Standards. For example, EFRAG and GRI acknowledged a high level of interoperability between the ESRS and GRI Standards on impact reporting, and started working on a interoperability index to help entities understand commonalities between the two sets of standards[312]. Similarly, the specific mandates of the IFRS Foundation and the PIOB, ensure that the degree of overlap and inconsistency with the actions of other organisations is limited[313]. The work of these organisations are also aligned with key EU policies and legislation.

## 4.2. How did the EU intervention make a difference and to whom?

### 4.2.1. European standards

The European standards pillar of the SMP delivers significant EU added value by **providing a coordinated and inclusive framework for the development and implementation of standards.** This value goes beyond what could be achieved by individual Member States acting independently and reflects the principles of subsidiarity and proportionality.

**Without EU intervention, many of the key objectives – such as:**

- ensuring the participation of all relevant stakeholders;
- promoting the EU's global role as a standard setter, and;
- addressing single market needs,

[308] Interview feedback from representatives of the financial sector and civil society at the EU level.
[309] European Commission, SWD(2018) 320 final..
[310] EFRAG-GRI Joint statement of interoperability (link).
[311] EFRAG SRB Meeting 23 August 2023, Paper 04-20 (link).
[312] GRI and EFRAG, (Draft) GRI-ESRS Interoperability Index, 2023 (link).
[313] Interview feedback from two representatives of the financial sector and civil society at the EU level.

**would be challenging to realise at the national level.**

The SMP's role in financing European Standardisation Organisations (ESOs) and Annex III organisations is fundamental to ensuring the comprehensive representation of interests in the standardisation process. These **funds directly contribute to increasing the presence of key organisations and experts in the process**, thereby fostering inclusivity and reflecting EU priorities, such as the green and digital transitions.

***Supporting the EU's global role as a standard setter***

The SMP budget contributes to the EU's global role as a standard setter by supporting the activities of ESOs (CEN, CENELEC, and ETSI), which play a pivotal role in developing and harmonising standards across the single market.

**Table 44 – Share of EU funding over total budget for ESOs[314]**

| Year | Type | CEN | CENELEC | ETSI |
|---|---|---|---|---|
| 2021 | OG | EUR 1 779 514 (10.9%) | EUR 534 156 (11.6%) | EUR 1 738 573 (7.9%) |
| | AGs | EUR - | EUR - | EUR - |
| | Total ESO budget | EUR 16 287 000 | EUR 4 594 000 | EUR 22 088 000 |
| 2022 | OG | EUR 1 921 936 (10.2%) | EUR 601 693 (13.9%) | EUR 900 000 (3.6%) |
| | AGs | EUR 11 265 473 | EUR - | EUR 3 442 000[315] |
| | Total ESO budget | EUR 18 817 000 | EUR 4 338 000 | EUR 25 113 000 |
| 2023 | OG | EUR 2 200 000 (9.4%) | EUR 720 000 (13.4%) | EUR 199 975 (0.7%) |
| | AGs[316] | NA | NA | NA |
| | Total ESO budget | EUR 23 390 000 | EUR 5 355 000 | EUR 26 743 000 |

*Source: based on CEN, CENELEC and ETSI Annual Reports, Article 24 Reports and Commission's data.*

EU funding, though varying in significance across these organisations, has been instrumental in enabling their operations.

**For CEN and CENELEC**, Operating Grants (OGs) increased[317] between 2021 and 2023, though their relative share of total income showed diverging trends–decreasing slightly for CEN but rising for CENELEC. When considering also the AGs, the weight of EU funding for CEN reached 70% in 2022[318]. Moreover, around 20% of the activities of the CEN-CENELEC Central Secretariat are financed by the SMP OGs[319].

**For ETSI**[320], the **EU contribution** has declined over the years, suggesting greater financial self-sufficiency, but it still **plays a key role in funding crucial standardisation projects**.

**For Annex III organisations such as ETUC, ECOS, and ANEC, EU funding through the SMP is often irreplaceable.**

[314] Considering the share of OGs and AGs (as reported in their Article 24 reports) on the total income at the end of the year. For ETSI, income in budget statements has been considered.
[315] Figures reported by ETSI were not final as contracts yet to be awarded.
[316] For 2023, final data provided by the ESOs are not yet available.
[317] Data provided by the European Commission.
[318] For AGs, data were retrieved from the Art. 24 reports published by the Commission.
[319] Interview feedback from one beneficiary.
[320] Figures on AGs were computed based on the raw data provided by EISMEA as the Art. 24 report from ETSI does not include the final data for the second and third call launched in 2022.

- **National sources of funding are limited,** especially in smaller Member States, making the SMP's financial support crucial to ensuring these organisations' ongoing participation in both European and international standardisation bodies.
- The presence of **EU financial support is essential**[321] for these organisations to contribute to the development of standards, promote stakeholder interests, and influence the global standardisation agenda.
    - For ETUC[322]**,** the SMP OGs represented around 3.5% of the total budget in 2021[323]. However, considering the wide range of objectives and areas of intervention of ETUC, this funding is instrumental to ensure the presence of ETUC in the standardisation process[324].
    - Regarding ECOS, the SMP OGs grew slightly in absolute value between 2021 and 2022 (see section 0), but, thanks to new funding sources, their weight represented 44% of ECOS budget in 2021 and around 28% in 2022[325].
- Without the SMP, **these organisations would struggle to maintain a presence in technical bodies**, a role which has grown in importance. For example, ANEC[326] increased its participation from 25 to 30 international technical bodies between 2021 and 2023, a reflection of the critical role SMP funding plays.

***Transposition of European standards at national level***

One of the clearest indicators of the EU added value is the **acceleration of the transposition of European standards at the national level**. In 2022, the adoption of European standards as national standards rose to 80.29%, a marked increase from the 71.23% achieved in 2021, demonstrating how EU intervention has accelerated this process.

**CEN and CENELEC** have both achieved transposition rates above 90%, highlighting their effectiveness in translating European standards into national frameworks.

While **ETSI** has lagged behind with a lower transposition rate, the overall increase reflects the role of SMP funding in ensuring alignment across Member States, which would have been difficult to achieve through national-level efforts alone.

***Supporting development in under-represented areas***

The SMP's contribution also extends to developing standards in **areas that might not be prioritised by national bodies, such as:**

- emerging technological domains, or;
- fields requiring significant expert input or inter-laboratory testing[327].

[321] Interview feedback from three beneficiaries.
[322] No data on the budget were retrieved for SBS-SME and ANEC. However, consultation with these organisations reported that over 80% of their annual budget is related to SMP funding.
[323] ETUC Activity Report 2019-2023. No data are available on ETUC budget for 2022 and 2023.
[324] Interview feedback from one beneficiary.
[325] ECOS Annual Report 2021 and ECOS Annual Report 2022.
[326] ANEC Annual Report 2023. Data for 2023 include United Nations Economic Commission for Europe (UNECE).
[327] Interview feedback from three beneficiaries and two national bodies.

Without EU support, such as that provided through Action Grants (AGs), the development of essential standards linked to key EU legislative priorities may have been delayed or even unaddressed by national standardisation bodies.

**Complementarity with other funding sources**

The SMP complements other EU funding sources, such as Horizon Europe[328] and LIFE, by providing consistent financial support for the daily functioning and governance of key standardisation organisations. Horizon Europe represented 6.1% of ECOS[329] budget in 2022[330] and LIFE2027[331]. Project-specific funding from these other programmes often lacks the financial stability provided by the SMP's Operating Grants[332]. These grants ensure that **organisations such as ECOS, which has diversified its income through Horizon Europe, can continue to fulfil their core functions while contributing to broader, project-based initiatives.** This complementarity ensures that the SMP and other EU programmes collaborate to enhance the impact of European standardisation efforts.

In conclusion, the SMP's European standards pillar delivers clear EU added value by fostering a more inclusive, coordinated, and strategic approach to standardisation than would be possible at the national level alone. Through its financial support to ESOs and Annex III organisations, the SMP ensures that European standards are developed, implemented, and harmonised across the single market, aligning with EU policy objectives and strengthening the EU's global role as a standard setter. The programme's role in accelerating the transposition of standards at the national level, supporting under-represented areas, and complementing other EU funding streams underscores the essential role of EU intervention in this domain.

### 4.2.2. International financial and non-financial reporting and auditing standards

Similarly to what emerged for the activities under the objective of European standardisation, the weight of EU funding through the SMP varies between the beneficiaries:

- For EFRAG, EU funding represented 56.3% of contributions in 2022, increasing from 56.1% in 2021[333]. The weight of EU contribution is steadily increasing since 2020, and it was instrumental to ensure the capacity of the organisation to take up its new mandate. However, if contributions in kind are considered, these percentages drop to 36.2% for 2022 and 32.8% for 2021.

[328] Horizon Europe represented 6.1% of ECOS budget in 2022 and LIFE2027.
[329] ECOS participated in two projects funded by Horizon Europe, as well as three by LIFE2027. The projects funded by Horizon Europe, however, did not regard specifically standardisation. One project (SUSTCERT4BIOBASED) aims at developing a monitoring system in order to foster the adoption of effective and robust sustainability certification schemes and business-to-business labels for industrial bio-based systems to support tracing the sustainability of bio-based products. The other project (3-CO) aims to develop and demonstrate viability of a supportive framework (through actionable guideline) for Label and Certification Schemes (LCS) on Business-to-Consumers (B2C) communication for industrial bio-based products (BBPs) that enables and supports consumers to make more sustainable buying choices.
[330] ECOS Annual Report 2022.
[331] ANEC participated in one project funded by Horizon Europe and two funded by LIFE2027; SBS took part in two projects funded by Horizon Europe.
[332] Interview feedback from three beneficiaries.
[333] EFRAG Annual Report 2021 and EFRAG Annual Report 2022.

- For the IFRS Foundation, SMP funding represented around 22.1% of total contributions[334] in 2021, and 19.4% in 2022 when considering IASB-related activities[335]. When considering not just the contributions to IFRS Foundation but the whole budget, EU funding through the SMP accounted for 13% in 2021 and 7% in 2022.
- As for the PIOB, the share of EU contribution over the total budget reached 21% in 2021 and 18% in 2022[336].

As indicated in the IA of the SMP Regulation, any funding mechanisms that might have been established would not compensate for the withdrawal of EU funding in this area, and the renationalisation of funding of bodies related to standards-setting in financial and non-financial reporting and auditing could undermine the EU's efforts to speak with a more unified voice in international economic and financial forums.

Stakeholders consulted agree that EU action remains instrumental to ensure the necessary level of oversight and coordination of EU-wide efforts, making sure that developments in the field are aligned with EU priorities, legislation as well as public interests. The market alone is not necessarily equipped and able to produce meaningful, high-quality standards, and the lack of an EU coordination might result in fragmentation and limited applicability of standards in the market[337]. Moreover, the activities developed by EFRAG in the field of sustainability reporting have a clear EU-wide scope being instrumental to the implementation of EU legislation (i.e. CSRD) and no initiatives similar or comparable to it exist across EU Member States.

EU funding remains critical to ensure the functioning of organisations that are key actors in the standardisation system for corporate reporting and auditing.

EU funding enabled the IASB to develop high-quality international financial reporting standards. EU resources were instrumental to EFRAG to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered by the IASB, as well as to develop the ESRS, which, considering that these represent the most comprehensive and ambitious example of standards for sustainability reporting, it is likely that no equivalent alternative would be available today[338]. Finally, EU funding was indispensable to support the PIOB in safeguarding the public interest in setting International Standards on Auditing[339].

[334] Report from the Commission to the European Parliament and the Council on the activities of the IFRS Foundation, EFRAG and PIOB in 2021. Link?.
[335] Report from the Commission to the European Parliament and the Council on the activities of the IFRS Foundation, EFRAG and PIOB in 2022. Link?.
[336] PIOB Annual Report 2021 and PIOB Annual Report 2022.
[337] Interview feedback from 10 representatives of the financial sector and civil society at the EU level.
[338] Interview feedback from five representatives of the financial sector and civil society at the EU level.
[339] European Commission, Report from the Commission to the European Parliament and the Council on the activities of the IFRS Foundation, EFRAG and PIOB in 2022, European Commission, COM(2023) 712 final.

## 4.3. Is the intervention still relevant?

### 4.3.1 European standardisation

**Relevance of the European standards pillar within the Single Market Programme (SMP)**

The analysis shows that the objectives of European standards pillar remain highly relevant to the current challenges faced by the European Union. European standardisation continues to be a critical element in the development and functioning of the single market and plays a key role in major EU policies. In particular, standardisation contributes to the EU's objectives for sustainable growth and digital advancement, aligning closely with priorities such as the European Green Deal[340] and the Digital Decade[341].

***Relevance of funded projects to EU priorities***

The relevance of the projects funded under the SMP is clearly demonstrated through their alignment with EU priorities and the Single Market Programme[342]. The importance of standardisation in the political agenda has been increasingly highlighted, notably through the Commission's new Standardisation Strategy[343] published in 2022. This strategy emphasises the role of standardisation in strengthening EU competitiveness, resilience, and inclusiveness, particularly in strategic areas such as green technologies, cybersecurity, and digital infrastructure.

Moreover, the Commission's Annual Work Programme for Standardisation (AUWP), as stipulated by Article 8 of Regulation 1025/2012, further identifies key standardisation needs, which are translated into actionable projects funded through the SMP. This combination of strategic and operational tools ensures that the funded activities remain aligned with the evolving needs of the EU's single market.

**Table 45: Coverage of standardisation urgencies in Action Grants calls**

| Year | Topic of the call for AGs | Standardisation urgencies[344] |
|---|---|---|
| 2022 | Topic 7 - SMP-STAND-2022-ESOS-03-IBA Review existing standards to identify needs for revisions or development of new standards to meet the objectives of the European Green Deal and Europe's Digital Decade and support the resilience of the EU single market | Review existing standards to identify needs for revisions or development of new standards to meet the objectives of the European Green Deal and Europe's Digital Decade and support the resilience of the EU single market |
| 2022 | Topic 6-2022-STA COVID-19 vaccines and medicines production | COVID-19 vaccines and medicines production |

[340] European Commission COM(2019) 640 final.
[341] Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030.
[342] Call for evidence for the Single Market Programme – December 2023.
[343] European Commission, An EU Strategy on Standardisation - Setting global standards in support of a resilient, green and digital EU single market, COM(2022) 31.
[344] The 2023 Annual Work Programme refers to 'strategic priorities' instead of urgencies.

| Year | Topic of the call for AGs | Standardisation urgencies[344] |
|---|---|---|
| 2022 | Topic 7-2022-STD material efficient recycling and preparation for reuse of critical raw materials from different waste streams | Critical raw materials for batteries and waste batteries |
| 2022 | Topic 8-2022-STA low-carbon cement | Climate resilience of infrastructure and low-carbon cement |
| 2022 | Topic 9 -2022-STA Hydrogen technologies and components | Hydrogen technologies and components |
| 2022 | Topic 10-2022-STA Transport and storage of hydrogen | Transport and storage of hydrogen |
| 2022 | Topic 11 -2022-STA Standards for the certification of chips in terms of security, authenticity, reliability | Standards for the certification of chips in terms of security, authenticity, reliability |
| 2022 | Topic 12 -2022-STA Smart contracts for data spaces | Smart contracts for data spaces |
| 2023 | Topic 2 SMP-STAND-2023-ESOS-01-IBA Hydrogen quality in dedicated gaseous hydrogen networks | Hydrogen infrastructure, support and storage |
| 2023 | Topic 3 SMP-STAND-2023-ESOS-01-IBA Standardisation of Low Voltage Direct Current Technologies | Integration of solar electricity into the energy system-- PV |
| 2023 | Topic 4 SMP-STAND-2023-ESOS-01-IBA Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability - COM(2020) 474 | Exploration, extraction, refining, recycling of critical raw materials |
| 2023 | Topic 5 SMP-STAND-2023-ESOS-01-IBA Pre-standardisation work related to the proposed REGULATION on horizontal cybersecurity requirements for products with digital elements and amending Regulation (EU) 2019/1020 (Cyber Resilience Act, proposal COM/2022/454 final) | Cybersecurity and accessibility requirements |
| 2023 | Topic 3 SMP-STAND-2023-ESOS-03-IBA Standards and specifications for the Digital Product Passport | Deployment of the digital product passport |
| 2023 | Topic 7 SMP-STAND-2023-ESOS-01-IBA Standards for Quantum Technologies (QT) | Technologies for European high performance computing and European quantum communication infrastructure |
| 2023 | Topic 12 SMP-STAND-2023-ESOS-01-IBA Age verification online | Applying the Digital Services Act through technological means |

| Year | Topic of the call for AGs | Standardisation urgencies[344] |
|---|---|---|
| 2023 | Topic 9 SMP-STAND-2023-ESOS-02-IBA Standards for Edge and swarm computing interoperability and access to data | Reliable exchange of data |
| 2023 | - | Safety of heat pumps |

***Impact of unforeseen crises***

The flexibility of the SMP is evident in its ability to respond to unforeseen challenges, such as the COVID-19 pandemic and the conflict in Ukraine. While the response to the 2022 COVID-related calls was limited, the Commission successfully launched calls in 2023 aimed at integrating Ukrainian standards into the single market, demonstrating the adaptability of the programme to emerging needs.

*Relevance of SMP objectives with the needs of the European standardisation system*

Consultations with key stakeholders, including European Standardisation Organisations (ESOs), Annex III organisations, and national bodies, confirmed that the objectives of the SMP, as defined in Regulation 1025/2012, remain relevant to the needs of the European Standardisation System[345]. This feedback underscores the alignment between SMP funding priorities and the promotion of inclusiveness in the standardisation process, including the representation of under-represented stakeholders such as SMEs, workers, and consumers[346].

*Relevance of the topics in the calls for grant proposals with the priorities of the European standardisation system*

In terms of the specific calls for AGs, stakeholders consulted[347] clarified how they **find the priorities and topics included in the calls adequately aligned with the priorities of the standardisation system** and the single market – as expressed in the Standardisation Strategy and related annual work programmes. It was mentioned that, at the beginning of the programming period, some topics of the calls were rather less expected by national bodies, but the system adjusted once started. Nonetheless, it was underlined how some degree of misalignment might be considered natural (given that the EU priorities linked to SMP funding are limited in number), and that some topics for European standardisation which are considered as a priority by national bodies might not be adequately met at the EU level – and therefore not enough linked to EU funding[348]. However, this is not directly linked to the design and objectives of the Programme, whose priorities are aligned with those included in the Commission's AUWP. Moreover, stakeholders recognised the **importance of EU funding especially for those areas and topics which might provide more difficult to find resources and drive from national members alone**.

*Improving communication tools and channels to enhance relevance*

Consultations with ESOs and national bodies raised the **question of whether further alignment might be achieved**, in particular by informing ESOs and national bodies of the topics of upcoming calls, in order to improve their degree of preparation and decision-

[345] Interview feedback from one representative from EU institutions, four beneficiaries and four national bodies.
[346] Interview feedback from four beneficiaries.
[347] Interview feedback from six representatives of national bodies.
[348] Interview feedback from three beneficiaries.

making process when responding to the calls[349]. Another suggestion raised concerned the target of the calls: one beneficiary and one national body underlined in some cases, calls are addressed to one ESO, while the topic(s) included might easily fall under the scope of activities of another ESO, especially considering the increasing interconnection of sectors and topics (e.g. in areas such as cybersecurity, smart grids, etc.). To this end, the suggestion would be to increase the number of calls addressing more than one ESO, for instance both CEN and CENELEC, to ensure that, in those cases where different national bodies are members of the two ESOs, they can participate in the calls, if relevant.

Stakeholders consulted agree that the **current system generally works**, and that, if the introduction of EISMEA executive agency in the process might have increased the 'distance' between the Commission policy units and the beneficiaries in sharing views on priorities and issues[350], **moments and opportunities have been created to communicate on the key topics and priorities.** Stakeholders referred in particular to the establishment of the High-level Forum for Standardisation, as an important occasion for the Commission to maintain close cooperation with all relevant actors in the field (including ESOs, industry, CSOs and academia from all EU and EEA countries), in order to identify standardisation priorities in support of EU policies and legislation, and to discuss horizontal issues to inform the AUWP – and, therefore, SMP calls[351]. However, as the forum was set up in January 2023, its effects are likely to be fully visible only starting with the SMP calls for 2025 and 2026. In addition, national bodies welcome the introduction of 'scoping papers', which are documents drafted by national bodies proposing topics they deem to be prioritised in following calls.

*Limited responsiveness to the calls for grant proposals*

The analysis showed that around half of the calls for AGs published went unanswered (see also Section 5.1). While this might constitute a limitation for the full effectiveness of the Programme, the analysis conducted does not suggest the need for an immediate review of the system in the current programming period.

As explained above, one of the reasons for the limited responsiveness of ESOs is linked to adjustments to the new system and the administrative process entailed by it. Consultations confirmed that this was an issue shared by most national bodies, but that the current system, while perhaps slightly more burdensome as it is more structured and formalised compared to the previous one, is a good one, which ensures stability and transparency. The situation should improve as they become more familiar with it.

As for other elements of the process that might be reviewed, feedback from beneficiaries was quite heterogeneous, suggesting that different organisations have varying views and experiences with it. One of these elements relates to the frequency of the calls – reducing the number of topics for which a request is made and better distributing them throughout the year. This could help, according to some beneficiaries, to better distribute capacity and respond to more calls. Additionally, the time needed to reply to the calls can be quite tight in the case of the most complex requests. Having a formalised system that entails the same procedure and timeline for all calls, regardless of their complexity, reduces the flexibility that would be beneficial in such cases. As ESOs and national bodies have internal

[349] Interview feedback from one beneficiary and one national body.
[350] Interview feedback from two beneficiaries and one national body.
[351] The objectives of the Forum are to (i) support a green, digital and more resilient single market by identified the related standardisation priorities and agreeing on avenues for common action; (ii) better align European policy priorities, industrial innovation and investment activities and standardisation actions; (iii) discuss possible work strands in support of the implementation of the EU Strategy on Standardisation in a multi-stakeholder set-up.

procedures to assess the feasibility of a call and time is needed to bring together all interested parties, a longer (or more flexible) period to respond to the call could be considered. Feedback was mixed also regarding the time granted to produce the final deliverable. For some it is an incentive to speed up the system[352], while, for others, too challenging to produce an output of adequate quality without the risk of delays[353], which can become a main factor to decide whether to apply to a call or not.

Moreover, while no definite evidence has been collected in this regard, the limited responsiveness to calls could be traced to a limited interest of national bodies in the areas covered by the standardisation request. Finally, the need for specific capacity to deal with the administrative process at all stages seems to remain a factor that prevents smaller bodies from participating more often and substantially.

The possibility of further simplifying the process was indicated as a positive development by beneficiaries, as it would reduce the administrative burden linked to the implementation of the Programme (as explained in Section 5.1). The use of alternative financial instruments, such as lump sums, was suggested as a possible way forward.

While the elements presented above relate in particular to AGs, OGs beneficiaries shared that, in some cases, it might be difficult to ensure that the content of their proposal is 100% relevant to the priorities for the upcoming year. This might be due to a combination of the fact that calls for grants are issued before the AUWP is published, and that sometimes specific priorities of the organisations are not fully aligned with those of the AUWP and/or calls. However, the beneficiaries underlined that the design of the OG calls provides them with enough flexibility to effectively respond and align their work with current and upcoming priorities while still pursuing their own priorities, despite sometimes needing to be less specific in their descriptions[354].

### 4.3.2 International financial and non-financial reporting and auditing standards

According to the SMP Regulation, the Programme aims to support the development of high-quality international financial and non-financial reporting and auditing standards, facilitate their integration into the Union law, and promote the innovation and development of best practices in corporate reporting. Overall, the analysis suggests that these objectives remain relevant: the objectives and activities of the beneficiary organisations remain aligned with them, and the work and funding of these organisations has the purpose to contribute to promoting growth, stability and resilience of the global financial system and strengthening the role of the EU, as identified in the FISMA annual work plan 2020-2024. It also contributes to reinforce the freedom of movement of capital in the single market and to help to enable EU companies to compete on an equal footing for financial resources available in the Union capital markets, as well as in world capital markets.

The objectives and priorities of these organisations align with many of the EU key policy priorities, and their actions instrumental to achieve the objective set out in the SMP Regulation.

[352] Interview feedback from two national bodies.
[353] Interview feedback from two national bodies.
[354] Interview feedback from two beneficiaries.

The main objective of the **IFRS Foundation** remains the development, in the public interest, of high-quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles, and taking into account of the needs of varied sizes and types of entities in diverse economic settings[355]. In line with the increasing importance of sustainability and need for specific standards, the IFRS Foundation established the ISSB in 2021, following strong market demand for developing sustainability disclosure standards, meeting the information needs of investors, enabling companies to provide comprehensive sustainability information, as well as to facilitate interoperability. In addition, the IASB identified among its priorities for 2022-2026 the need to focus on digitalisation, with increased efforts to develop digital financial reporting, improving the understandability and accessibility of IFRS Accounting Standards and add – among the others – climate-related risk in financial statements[356].

The goals of the **PIOB** remain relevant to achieve the development of high-quality auditing standards that are in the public interest. As reported in the 2022 Annual Report, the PIOB objectives include fostering multi-stakeholder standard-setting boards with sufficient technical skills and diverse perspectives and experience.

Finally, the new mandate of **EFRAG** and the related activities are instrumental to pursue EU objectives, supporting the transition to a more sustainable economy, in particular through corporate sustainability reporting. The importance of the development of EU corporate sustainability reporting and the need to coordinate with international initiatives were key in light of the EU leadership position in relation to sustainable development and sustainable finance policies. Moreover, the new mandate of EFRAG has supported the application of key pieces of the EU legislation, i.e. the CSRD, which entered into force in January 2023[357]. Furthermore, EFRAG retains the objective to review and comment on international accounting standards developed by the IASB, ensuring the voice of EU stakeholders in the standard-setting process and preventing that IFRS Accounting Standards would not be conducive to the EU public good.

Stakeholders consulted confirmed how crucial it remains for the EU to support the development of high-quality standards and to ensure that all relevant interest are increasingly represented in the process at the EU and international level[358]. To this end, the activities of the beneficiaries – and the need for supporting them – remain very much aligned with the priorities of the single market and relevant to effectively pursue key EU priorities. Regarding the new role of EFRAG, in particular, stakeholders consulted agreed that their actions and mandate to developed ESRS were not only relevant to current EU policy priorities, but also crucial to ensure meaningful and needed advancements in the field as international sustainability disclosure standards (e.g. from ISSB and GRI), which are not as developed and comprehensive as those developed by EFRAG. The work of

[355] IFRS Foundation Constitution and IFRS Annual Reports.
[356] IFRS website (link).
[357] The Directive provides new, stronger rules related to social and environmental information reported by companies, including the need for large companies and listed SMEs to report on sustainability. All companies subject to the CSRD will need to report following the ESRS, developed by the EFRAG – and published in December 2023.
[358] Interview feedback from seven representatives of the financial sector and civil society at the EU level.

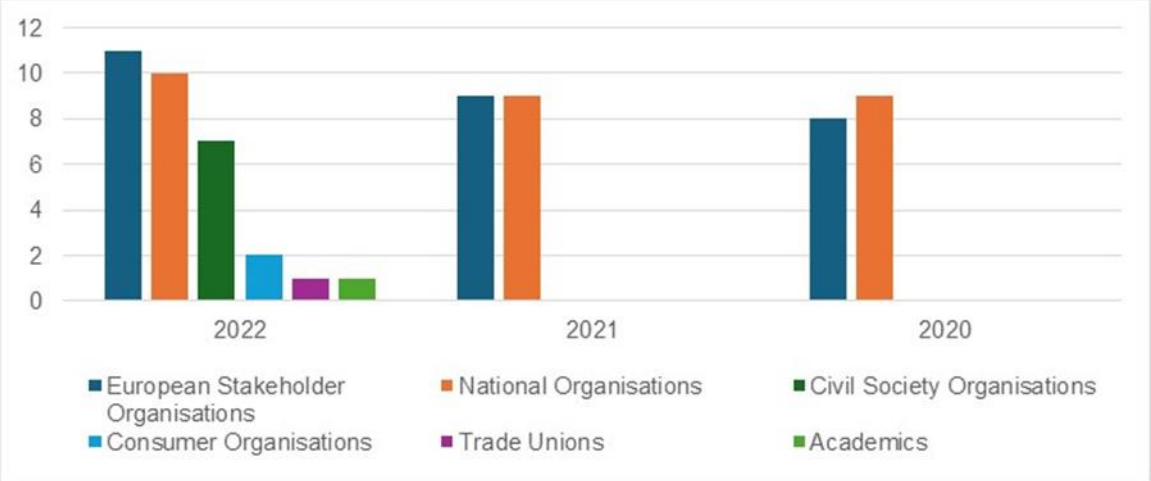
EFRAG was particularly relevant considering that no other global initiatives seemed aligned with the speed and scope of EU's ambition in the field[359].

To conclude, the current objective, as defined in the SMP Regulation, remains relevant, although not very detailed, the objective allows for the flexibility required to cope with the emerging priorities for the single market. Consultations with beneficiaries as well as EU organisations representing relevant interests suggested that, especially given the increasing importance of sustainability reporting on the EU and global agenda, this could be made more explicit in the SMP objective, especially, since the new mandate of EFRAG means a shift from the support and advice to more concrete standard-setting activities[360].

In terms of stakeholder representation, the analysis suggests that recent developments contributed to further improve the situation.

In particular, **EFRAG** implemented a governance reform by considerably expanding its membership in 2022, when 13 new members joined the organisation (mainly due to the creation of the Sustainability Reporting pillar). As a result, EFRAG membership looked more balanced in the representation of relevant interests, including not only European stakeholder and national organisations, but also CSOs and other interests' representatives such as consumers, trade unions and academics (as indicated in the figure below).

**Figure 25: Evolution of EFRAG membership (2021-2023)**




*Source: Own elaboration on data from EFRAG Annual Reports.*

The **PIOB** is composed of renown professionals with relevant expertise vis-à-vis the mission of the organisation, ensuring independence in their oversight. Moreover, the appointment of PIOB members, previous done following proposals by the Monitoring Group member bodies (including the European Commission), was made based on a public

[359] European Financial Reporting Advisory Group, Proposal for a relevant and dynamic EU sustainability reporting standard-setting, February 2021.
[360] Interview feedback from two representatives of the financial sector and civil society at the EU level.

call for nominations, to create a multi-stakeholder and multi-skilled Board[361], which remains a very much needed objective[362].

Stakeholders' consultations have confirmed how, in terms of representation, steps have been taken in the right direction[363]. For instance, the **IASB** improved their way of consulting relevant stakeholders, by creating several consultative groups, increasing their number of events (onsite and online) and regularly collecting feedback on their agenda for the upcoming years, in order to identify priorities together with the relevant interest groups. In its drafting of the ESRS, EFRAG kept a good engagement with stakeholders, being open to input and insights, and being able to use their general and sector-specific knowledge[364].

However, the representation of certain categories of stakeholders is still perceived limited, also as emerged from the survey targeting stakeholders in the financial sector[365].

Both, in EFRAG and IASB, the presence of CSOs in Board is still rather limited, with auditing bodies and national standard members having a larger influence. For instance, the EFRAG Sustainability Reporting Board includes up to eight members of the European Stakeholders Organisations Chapter[366], up to nine members of National Organisations Chapter (including the reserved seats for the National Standard Setters of France, Germany, Italy and Spain) and five members from the Civil Society Organisations Chapter.

While it is true that EFRAG underwent a major governance reform in the past two years, stakeholders consulted suggested that closer look at EFRAG governance structure should be considered[367], trying not simply to increase the number of members, but also to give them enough space and influence. In addition, while the fact that EFRAG members must pay a fee is reasonable, this might exclude some smaller organisations. For the future, in particular, it would become increasingly important to make sure to incorporate the view of green companies and investors, especially given their purpose and interests compared to traditional companies, as well as often more experience and expertise in sustainability-related matters[368].

Finally, still regarding EFRAG's membership, it should be noted that still only nine EU Member States are members represented in the General Assembly, which indicates a potential issue for representation at the EU level.

[361] PIOB 17th Annual Report, 2021.
[362] Interview feedback from one representative of the financial sector and civil society at the EU level.
[363] Interview feedback from three representatives of the financial sector and civil society at the EU level.
[364] Interview feedback from two representatives of the financial sector and civil society at the EU level.
[365] The work of the organisations in ensuring participation of all relevant stakeholders in the process has been deemed effective or very effective only according to 57% (16/27) respondents for IFRS Foundation and 67% (16/24) for EFRAG. The figures reported do not include respondents who replied 'Do not know' or left no reply to the question.
[366] They include industry representatives in the financial sector, comprising businesses, banking firms, financial analysists societies, fund and asset management associations, investors and insurers.
[367] Interview feedback from four representatives of the financial sector and civil society at the EU level.
[368] Interview feedback from three representatives of the financial sector and civil society at the EU level.

## 5.1. Conclusions

### 5.1.1. Pillar level

#### *Positive findings*

**Overall, the SMP actions under Pillar 3 have proven to be effective**, with the Programme making progress towards achieving its objectives by providing support to the key organisations in the field of standardisation for the production of high-quality standards.

**The analysis did not identify issues of internal coherence.** The two specific objectives under the Pillar are not conflicting but rather complementary with each other. They deal with different aspects and topics in the field of standardisation, based on different pieces of legislation and with the continuation of two separate funding instruments prior to the establishment of the SMP.

**The Pillar ensures added value by providing funding to key actors in the single market** that ensure participation of all relevant interests in the process, coordinating actions at the EU level, and ensuring that EU views and needs are incorporated in the standard-setting process, addressing standardisation needs, all actions which would be difficult to implement and objectives difficult to achieve without EU support.

**The nature and purpose of standardisation keeps requiring an EU approach and coordination**, to ensure that common rules and requirements are applied to the single market as a whole.

**The analysis indicates that the objectives of Pillar 3 remain relevant** to the current needs and issues faced by the European Union. These objectives address critical issues for the functioning of the single market and ensure that EU views and priorities are considered when setting high-quality standards.

#### *Mixed issues*

**While strong and overarching evidence is lacking**, the analysis shows signs of cost-effectiveness of Pillar 3, with no particular burden for beneficiaries that would limit the effectiveness of the actions funded.

**Beneficiaries have reported different effects in terms of increased administrative burden** related to the establishment of the SMP. However, issues seem rather linked to the rules and procedures applied to all EU funding programmes, and not specifically to the SMP.

**Consultations confirmed that the decision to merge the two objectives into one single Pillar** dealing with standardisation but keeping the two strands of activities separate did not raise issues nor did it result in any benefits, given the very different nature and scope, as they are the beneficiaries and topics covered.

*Issues to act on or revise*

**In terms of evaluation and monitoring**, the analysis suggests that it would be important to integrate output indicators regarding the participation of Annex III organisations in the European standardisation process. Similarly, some of the indicators[369] currently identified as 'result indicators' for international financial and non-financial and auditing standards may be categorised as 'output indicators'.

### 5.1.2 European standardisation

*Positive findings*

**The SMP has supported the development of new standardisation deliverables** responding to standardisation requests, leading to an increased number of European standards available. The share of European standards adopted at the national level has improved between 2021 and 2022, but it remains lower than the 90% target. This is mainly due to delays in the adoption from ETSI, while CEN and CENELEC show results close to or above the set target. Stakeholders confirmed the positive trajectory of achieving the objective of the Pillar and the importance of the SMP in enabling financing of the European Standardisation and the participation of all relevant stakeholders in the standardisation process at the EU and international level.

**No specific issues of internal coherence were identified.** In terms of external coherence, this is ensured by the fact that the SMP Regulation is directly linked to Regulation 1025/2012 on standardisation, which not only constitutes the legal basis for the funding, but also represents the previous system in place to provide support to European standardisation.

**While other potential sources of funding for beneficiaries (in particular Annex III organisations) exist,** these are considered and proved to be complementary to the SMP rather than in competition, considering that the support provided by the SMP is very difficult to be replicated by other sources (with the same scope and size).

**European Standardisation remains a key component of the development and functioning of the single market,** as well as plays an important role in the main EU policies, including on the twin green and digital transitions. Topics in the calls for Action grants are linked to specific standardisation requests from the Commission related to EU legislation or stem from priorities outlined in the EU Standardisation Strategy and related Annual Work Programmes, thus contribute to prioritising the EU needs and objectives. Moreover, the wording of Pillar's objectives allows enough room and flexibility to further define the content of the specific actions (in particular for the OGs, if needed), and the possibility to define yearly the topics of the Action grants allows the consideration of emerging needs and priorities (e.g. conflict in Ukraine or COVID-19 pandemic).

[369] Two of the indicators mentioned in Section 4.1.1.2: '*Number of draft European Sustainability Reporting Standards (ESRS) prepared by EFRAG and their coverage in line with the mandate of the Corporate Sustainability Reporting Directive (CSRD)'* and '*Publication of public interest issues by the Public Interest Oversight Board (PIOB)*'.

*Mixed issues*

**The SMP has enabled the participation of organisations representing SMEs, consumers, workers, and environmental interests** in the standardisation process, through an increased number of experts participating in meetings and Technical Committees and Working Groups. However, despite the overall improvements, the representation of the relevant interests in Technical Committees is still not optimal: while participation at the technical level in ESOs has increased for SMEs and consumer interests, the numbers remain low, particularly for environmental and social interests. The SMP also supported awareness raising, dissemination, and training actions, reaching out to an increased number of stakeholders.

**In general, the SMP support has allowed increased participation of experts representing different interests** in the standardisation process, by providing the necessary funding to Annex III organisations. It is not possible, however, to make a distinction between whether the participation has increased compared to standards developed without EU grants.

**The average time to inform and to grant is below the deadlines provided by the Financial Regulation,** but, according to stakeholders, still quite long even if not worse than the time required before the introduction of the SMP.

**Stakeholders reported that the initial phase of introduction of the SMP required some time to adapt** to the new system, both in terms of procedures (with the new role of EISMEA) and processes and tools (e.g. eGrants). In addition, some beneficiaries reported an increased administrative burden associated with grant preparation and reporting, particularly for the first year, which led to the need to increase the capacity of their teams by one FTE. Beneficiaries generally agree that the new system is characterised by reduced flexibility, but it has brought a more structured, regular, coherent, and transparent approach and process to the allocation of funding, especially through Action grants.

**The programme's administration incorporated efforts towards simplification,** including adopting unit costs, which are applied horizontally to EU funding. The shift towards unit costs should streamline payment processes and promote efficient resource allocation. However, concerns were raised about the actual simplification of operations related to financial reporting for beneficiaries, considering both the need to have two separate, parallel systems (one based on unit costs and one on actual costs), and the risk that unit costs might not cover travel expenses, especially in a period of high inflation. Similarly, the use of the eGrants system (in the grant application process) has created the impression to beneficiaries of duplicating processes, where information required and the template used are very similar.

**The weight of SMP support on beneficiaries' resources varies,** but especially for Annex III organisations, it is instrumental for relevant interests to be represented in the standardisation process, ensuring the full and effective operations of these organisations. In the absence of co-financing for OGs, ESOs might still operate, but the reduction in co-financing especially for CEN and CENELEC might impact their capacity. This would be

even more detrimental in the case of Annex III organisations, which might be unable to continue their activities in standardisation.

*Issues to act on or revise*

**Also, in terms of Action grants, reduced or no support from the SMP would likely result in a lower uptake of standardisation requests,** and possibly an increased time to develop standards, especially in areas and for topics where the interest and priority of industry is less pronounced.

**The budget was allocated to topics aligned with the priorities and objectives of the single market,** as set out in the EU Standardisation Strategy. The work of European Standardisation Organisations in key sectors for the digital and green transition has intensified, with several new standards whose development started between 2021 and 2023. However, despite the fact that proposals received to calls for Action grants covered the large majority of topics, the number of proposals received covered around 50% of the calls (60 out of 117) and only 70% of them was eventually awarded.

**Beneficiaries confirmed the overall alignment of topics included in calls with the priorities of the standardisation system.** Despite the relatively more limited flexibility of the current system compared to the previous one, measures such as the establishment of the High-Level Forum for Standardisation and the drafting of scoping papers from national bodies allow for better exchange and discussion of priorities and emerging needs. This process should be able to further increase the alignment between the priorities of the Commission and the standardisation organisations, increasing the number of responses to the calls launched by EISMEA, which remains limited at the moment.

### 5.1.3 International Financial and non-financial reporting and auditing standards

The SMP has effectively supported the actions of beneficiaries in meeting their objectives, contributing to the development of high-quality standards for financial and non-financial reporting and auditing.

The SMP provided support to EFRAG in effectively meet the objective of developing the first set of ESRS, together with continuing its work of developing and promoting European views in the area of financial reporting, guaranteeing that they are adequately considered in the IASB's standard-setting process, and advising the Commission on the endorsement of IFRS Accounting Standards.

The SMP provided support to the PIOB in its work to oversee the auditing standard setting process. Public interest issues were published every year on both IAASB and IESBA projects, and changes in the standard setters' boards were started to ensure more multi-stakeholder representation.

No evidence was found that the beneficiaries did not manage their funds with efficiency, ensuring the best value for money.

All beneficiaries have actively engaged in initiatives to expand and diversify their funding sources, even if the extent to which this was achieved varies considerably between the IFRS Foundation, on the one hand, and EFRAG and the PIOB, on the other. As regards EFRAG, recital 39 of the CSRD underscores the need of sufficient public funding to ensure its independence, as a precondition 'to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported'. This remains valid in the years to come, as high-quality corporate reporting, and especially sustainability reporting, is of paramount importance in particular for investors and the good functioning of capital markets. As regards the PIOB, discussions between the PIOB and the Monitoring Group continue to arrive at a sustainable funding model for the medium- and long-term future, which ensures the independence of its oversight function from the audit profession.

No issues of internal coherence were identified, as the objective set out in Article 3(2), point (c)(ii) remains broad enough to limit the risk of inconsistencies and give flexibility to avoid overlaps with other possible initiatives. Moreover, the actions under the SMP are a direct continuation with the predecessor programme set out by Regulation 258/2014, and as underlined in the SMP IA, no significant progress was made to establish funding mechanisms and initiatives with similar objective.

Also, in terms of external coherence, no issues were identified. The new mandate of EFRAG to develop ESRS represented the effort to fill a gap as other standard-setting organisations did not concretely pursue it with the same scope and ambition (e.g. the double materiality sustainability reporting objective of the CSRD). In drafting ESRS, EFRAG paid close attention to the actual and potential interoperability with existing and future initiatives at the global level.

The analysis confirmed that any funding mechanisms that might have been established would not compensate for the withdrawal of EU funding in this area, and the renationalisation of funding of bodies related to standards-setting in financial and non-financial reporting and auditing could undermine the EU's efforts to speak with a more unified voice in international economic and financial forums.

EU action remains crucial to ensure the necessary level of oversight and coordination of EU-wide efforts, making sure that developments in the field are aligned with EU priorities, legislation as well as public interests, as the market alone is not necessarily equipped and able to produce meaningful, high-quality standards, and the lack of an EU coordination might result in fragmentation and limited applicability of standards in the market.

The work and activities of the beneficiaries in the field of financial and non-financial reporting and auditing standards remain very much focused on the needs of the market in order to strengthen the free movement of capital in the single market and to help to enable EU companies to compete on an equal footing for financial resources available in the Union capital markets as well as in world capital markets.

The SMP ensures that EU views and interests are considered, enhances transparency and accountability to the standard-setting process, and provides necessary standards in sustainability reporting.

## 5.2. Lessons learned

### 5.2.2 European standardisation

#### *What we do well and need to continue*

**The SMP has been instrumental in advancing the development of European standards that align with EU policy objectives, particularly in the green and digital transitions.** It is essential to maintain this support to ensure the continued alignment of standardisation activities with emerging EU priorities, while addressing the persistent gaps in national adoption rates, especially within ETSI**.**

**Continued support for Annex III organisations is essential to maintain their participation in standardisation.** Without this, their ability to represent key stakeholder interests would be compromised. Greater coordination with complementary funding sources should also be pursued to ensure financial sustainability.

**Without financial support, Annex III organisations would be severely impacted,** risking their ability to continue participating in standardisation. In contrast, while ESOs like CEN and CENELEC may still operate, a reduction in co-financing would significantly weaken their capacity to fulfil their roles effectively**.**

**The support for European standardisation must remain flexible and responsive to emerging challenges such as the green and digital transitions.** The flexibility built into AG topics and the adaptability to new priorities like the Ukraine conflict and the COVID-19 pandemic should be further enhanced. This will enable the SMP to remain agile in addressing evolving EU needs, and ensure that standardisation continues to support key legislation and strategic priorities.

**To enhance alignment between the Commission and standardisation organisations,** the High-Level Forum for Standardisation and the drafting of scoping papers for specific topics from national standardisation bodies should be used more proactively to address emerging priorities.

#### *What needs close monitoring*

**While participation from SMEs and consumer groups has improved,** more targeted efforts such as awareness raising, dissemination, and training actions are needed to increase the involvement of environmental and social interests.

**Improved monitoring mechanisms** are needed to distinguish the participation levels of experts funded by the programme from those participating without EU grants.

**The Monitor and streamline the administrative processes for time required for grant processing** and the reporting burdens placed on beneficiaries exploring ways to improve the efficiency of the grant cycle.

**Risk that unit costs might not cover travel expenses**, especially during high inflation.

**To ensure full use of the available budget and enhance participation in calls for Action Grants, more targeted awareness actions and engagement initiatives are needed,** especially in the green and digital sectors. Monitoring should focus on identifying barriers to participation and addressing these issues to improve response rates. Aligning the scope of calls more closely with the capacities and needs of potential applicants will help increase both submissions and the success of grant awards, strengthening the impact of EU standardisation efforts.

### *Where we need to provide guidance to comply with the rules and procedures*

**Simplifying the eGrants process:** Beneficiaries have raised concerns about duplication between the application form and the online portal. Although the corporate system cannot be changed, we will work on providing clearer guidance to minimise perceived redundancies.

**Balancing structure and flexibility**: While the current system is more structured, some flexibility has been lost. Although changes to the system are not feasible, we will explore ways to better align processes with stakeholder needs within the existing framework.

**Unit costs and inflation:** Concerns over travel reimbursements during high inflation periods have been noted. Although adjustments to the corporate framework are not possible, we will ensure beneficiaries are aware of the fixed nature of unit costs and provide guidance on how these are calculated.

**Grant processing period:** Despite efforts to streamline the grant cycle, stakeholders are concerned about the processing time set out in the Financial Regulation. We will continue to refine our processes within the system's constraints, aiming for greater efficiency in grant processing.

### *What needs to be explored for improving the system*

**Introduction of New KPIs:** The current KPI, which measures the transposition of European standards into national ones by all Member States, has been effective in monitoring the implementation of the Single Market. However, stakeholders suggest that additional KPIs are needed to capture the wider impact of standardisation on EU priorities, including the green and digital transitions. New KPIs could focus on inclusivity (e.g. participation of SMEs and environmental stakeholders), responsiveness to emerging technologies, and the system's agility (e.g. timely delivery and the ability to address cross-sector challenges). Expanding the KPI framework would help the SMP allocate funding more strategically and align better with evolving market demands.

**Impact of reduced SMP support for action grants:** The reduction or withdrawal of SMP support for action grants could lead to a lower uptake of standardisation requests, especially in areas with less industry interest. This may result in longer timelines for developing standards in these sectors.

**Underrepresentation of environmental and social interests:** Despite improvements in SME and consumer involvement, environmental and social interests remain under-represented in the standardisation process.

**Improving Alignment Between the Commission and Standardisation Organisations:** Aligning the Commission's priorities with those of standardisation organisations continues to be a challenge. Although the High-Level Forum for Standardisation and scoping papers from national bodies have been useful, additional mechanisms to boost response rates to action grant calls and improve coordination could further enhance this alignment.

**Understanding participation trends in standardisation:** It is important to determine whether increased participation in standardisation processes is driven by EU funding or broader trends. Improving tracking mechanisms and evaluation criteria to capture the direct impact of the SMP would provide better insights into the programme's effectiveness.

**Improving engagement of smaller national standardisation bodies:** Smaller national standardisation bodies often struggle with capacity, especially when handling multiple calls simultaneously. While they need to address capacity building within their own networks or central secretariats, increased collaboration and additional support mechanisms could encourage more equitable participation.

**Addressing insufficient grant coverage in critical areas:** Grant coverage for key areas like cybersecurity, hydrogen, and space has been insufficient, despite these topics being highlighted in the Annual Union Work Programme (AUWP). Low response rates from European Standardisation Organisations indicate potential barriers to engagement. Identifying these barriers and finding ways to incentivise greater participation will be essential for future improvements.

**Multi-annual grants to reduce administrative burdens:** Beneficiaries have indicated that shifting to multi-annual grants, particularly for operating grants, could help reduce administrative burdens. Exploring this option could lead to more efficient resource management and lessen the pressure on beneficiaries to reapply for funding annually.

**Anticipating global challenges in standardisation:** The SMP has shown flexibility in adapting to events like the COVID-19 pandemic and the conflict in Ukraine, but strengthening mechanisms for forecasting and responding to future crises would further enhance the system.

**Exploring new co-financing models for Annex III organisations**: Annex III organisations, which rely heavily on EU funding, could benefit from exploring new co-financing models to ensure their sustainability. Diversifying financial sources or offering matching funding opportunities from national or private sectors could provide more stability and support their continued participation in standardisation.

### 5.2.3 International financial and non-financial reporting and auditing standards

**The SMP has been instrumental in advancing the development of financial and non-financial standards that align with EU policy objectives such as sustainability goals**

**and EU public good.** It is essential to maintain this support to ensure that our companies remain competitive in a global market.

**Without financial support, the IFRS Foundation, but especially PIOB and EFRAG, would be severely impacted,** risking their ability to continue their activities that are instrumental to EU policy objectives.

**Further efforts are needed to broaden the funding base of EFRAG**, in particular as regards the sustainability reporting, as the Commission currently funds as a maximum 90% of EFRAG's eligible costs for sustainability reporting. This is especially important given the need to ensure that EFRAG can provide adequate support and guidance for companies in the implementation of ESRS, so helping to reduce the burden on companies.

**PIOB should continue its efforts to secure funding from other sources** than the EU contribution to. arrive at a sustainable funding model for the medium- and long-term future, which ensures the independence of its oversight function from the audit profession.

# ANNEX XII. PILLAR 4

## INTRODUCTION

The purpose of the mid-term evaluation, as set out in Article 18 of the Regulation (EU) 2021/690, is to assess the performance of the Single Market Programme (SMP) during the period 2021-2023, based on findings of each of its six Pillars (Internal Market, SMEs, Standardisation, Consumers, Food and Feed, Statistics).

The present report (Annex XII) focuses on **Pillar 4** (Consumers) of the SMP which **objective** is to **promote the interests of consumers and ensuring a high level of consumer protection and product safety**.

The evaluation applies the five criteria mandated by the Better Regulation Guidelines: effectiveness, efficiency, relevance, coherence, and EU added value. Each criterion is assessed to provide a comprehensive evaluation of the intervention's performance. The evaluation examines how effectively Pillar 4 has met its set objectives, the efficiency in the allocation and use of resources, the relevance of its activities to current needs, its coherence with other EU policies and initiatives, and the added value derived from conducting these activities at the EU level, rather than national or regional levels.

The methodology to this mid-term evaluation has consisted in both a literature review and consultation. The following sources of evidence have been used:

- Evaluation reports of predecessor programmes: the *ex post* evaluation of the Consumer Programme 2007-2013 and mid-term evaluation of the Consumer Programme 2014-2020 report; and the evaluation of the Union Programme to support specific activities enhancing the involvement of consumers and other financial services end users in Union policymaking in the area of financial services for the period of 2017-2020.
- Beneficiaries' reports and annual monitoring reports, and document provided in consultation.
- Other relevant documents, such as studies, SMP work programmes and performance reports, EU legislation, Commission policy documents and relevant webpages.
- Interviews with different types of stakeholders (46 for Pillar 4a and 24 for Pillar 4b), including: representatives of DG JUST, DG FISMA and EISMEA, national authorities (ministries, market surveillance, enforcement), consumer organisation, ECCs, ADR bodies, NGOs, international organisations, beneficiaries, trade associations and financial institutions.
- A survey to canvass opinion of both beneficiaries and non-beneficiaries on the actions under Pillar 4a on consumer protection (54 valid responses received from 52 organisations).
- A survey for members and non-members of Finance Watch and Better Finance to gather further insights into the activities of both organisations. Stakeholders were given a choice to answer on either and/or both organisations (71 valid responses received).

The research for this evaluation faced several challenges, including in particular:

- The evaluation research was mostly conducted in the third year of implementation, limiting the potential for collecting more impactful data. At the time of the evaluation, most of the financed actions were still in the early phase of implementation, providing limited data on real results and the overall impact of the Pillar 4a actions. Consequently, the analysis of evaluation mostly relied on outputs of actions financed under SMP between 2021 and 2023.
- The response rate to the online consultation (despite the extension of the response time) has been low for Pillar 4a, which has prevented its use in certain cases because of low representativeness. The findings were thus supplemented (whenever possible) by evidence gathered through the interviews and the literature.

## 1. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

### 2.1. Policy context

Article 169 of the Treaty on the Functioning of the European Union plays a fundamental role in shaping the EU's consumer protection framework. It requires the EU to contribute to protecting the health, safety, and economic interests of consumers, as well as to promoting their right to information, education, and to organise themselves to safeguard their interests.

Consumers play a critical role in shaping and driving the EU Single Market. With a population of approximately 440 million consumers whose household consumption accounts for around 53% of the EU's GDP, the Single Market represents one of the largest consumer bases in the world, and their choices, preferences, and behaviours directly influence market dynamics, competition, and innovation. The primary goal of consumer policy is therefore to empower EU consumers by providing them with the tools needed to actively engage them in the market, ensuring that products and services meet their needs while safeguarding their safety and enforcing their rights effectively.

The Commission set out its strategic vision for an EU consumer policy during the reference period of the evaluation in the New Consumer Agenda 2020-2025 which represents a comprehensive approach to enhancing consumer protection in the EU. With a focus on empowerment, safety, sustainability, and fairness, the agenda aims to create a more resilient and responsive market that meets the needs of consumers and ensures adequate consumer protection in a rapidly changing landscape.

The Single Market Programme and its Pillar 4 supports implementation of the EU consumer policy by promoting the development and enforcement of consumer rights, ensuring product safety, supporting measures to inform, empower consumers and ensure better representation of the interests of financial service end users in policymaking. The SMP/Pillar 4 also supports the integration of consumers' interest in other policy and monitors, supports, and complements consumer policies in Member States.

### 2.2. Description of the intervention, its objectives and relevance to the impact assessment (IA)

Pillar 4 of the Single Market Programme was put in place in particular to ensure adequate consumer protection and representation.

**The challenges for Pillar 4**, as identified in Annex 9 and Annex 11 of the Impact Assessment[370], are:

1) Consistently high level of non-compliance to key consumer rights, insufficient redress obtained by consumers, regular occurrence of safety issues harming consumers across the Internal Market.

2) Shortcomings of the existing regulatory framework and enforcement tools to address new safety and economic risks linked to the globalisation of the production chain, direct internet sales (including from outside the EU) and the continuous appearance of innovations in consumer products and services enabled by the rapid digitalisation of all sectors of the economy such as connected products, artificial intelligence, robotics, new online business models, etc.

3) Insufficient capacities and knowledge of consumers and other relevant active actors in representing or protecting consumers, such as consumer organisations and national competent authorities (national, regional and local level) to follow the rapid development and complexification of retail markets, to act to counterbalance market asymmetries and to advocate for consumers interests.

4) Limited capacities of consumers and SMEs to meet the challenges stemming from the transition to a green, circular and low-carbon economy and thus to efficiently contribute to this transition on retail markets.

5) Increasing share of the population at risk of being excluded from more complex and digitalised markets and falling in vulnerability patterns.

6) Complexity of financial services legislation: EU financial services are governed by an extensive regulatory framework, comprising over 50 pieces of primary legislation and more than 200 pieces of secondary legislation. This complexity makes it difficult for civil society representatives to assess and influence financial policies effectively.

7) Limited non-industry expertise: Expertise on financial sector legislation is highly concentrated within regulatory authorities and the financial industry. Non-industry stakeholders, such as consumer advocates and NGOs, often lack the capacity to evaluate financial regulations and advocate for consumers.

8) A need to ensure that policymaking is not dominated by industry interests: Strengthening independent, industry-neutral advocacy is essential to maintaining a balanced democratic debate on financial services.

9) Sustainability of non-industry advocacy and the need for broader participation: EU financial support has been essential in establishing organisations such as Finance Watch and Better Finance as advocates for consumers and other non-industry stakeholders in financial policy. Although these organisations have developed valuable expertise over time, they remain financially reliant on continued EU funding. Furthermore, it would be beneficial for more non-industry stakeholders to emerge.

[370] EC (2018): Commission Staff Working Document Impact Assessment Accompanying the document Proposal For A Regulation Of The European Parliament And Of The Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) No 2017/826, Brussels, 7.6.2018.

The IA recognised that the above challenges were only to become greater over time as consumer transactions intensify due to globalisation and digitalisation.

**Objectives of the intervention and expected results**

The Pillar 4 is divided into two sub-pillars (Consumer Protection Pillar 4a and Financial Services Pillar 4b), and finances activities in pursuit of the following **specific objectives** laid down in Article 3(2)(d) of the Regulation (EU) 2021/690:

- in respect of consumers (Pillar 4a):

  1) empowering, assisting, and educating consumers, businesses, and representatives of civil society in particular concerning consumer's rights under Union law,

  2) ensuring a high level of consumer protection, sustainable consumption, and product safety in particular for the most vulnerable consumers in order to enhance fairness, transparency and trust in the single market,

  3) ensuring that the interests of consumers in the digital world are duly taken into consideration,

  4) supporting competent enforcement authorities and consumer representative organisations and actions which enhance the cooperation between competent authorities, with particular emphasis on issues raised by existing and emerging technologies,

  5) contributing to improving the quality and availability of standards across the Union; efficiently addressing unfair commercial practices,

  6) ensuring that all consumers have access to efficient redress mechanisms and are provided with adequate information on markets and consumers rights, and promoting sustainable consumption, through raising awareness about specific characteristics and the environmental impact of goods and services.

- in respect of consumers and other financial services end users (Pillar 4b):

  1) enhancing the participation of consumers, other financial services end users, and representatives of civil society in financial services policymaking,

  2) promoting a better understanding of the financial sector and of the different categories of commercialised financial products,

  3) ensuring that the interests of consumers in the area of retail financial services are protected.

As regards Pillar 4a the intervention logic (see Fig.1) outlines the **sub-objectives** that directly address the **key challenges** (listed above) and align closely with the programme-level **overarching objectives** identified in the impact assessment and focusing on:

*1.* Empowerment of citizens, consumers, and businesses in Single Market – *addressing challenges 3, 4 and 5.*

Pillar 4a contributes to achieving this overarching objective by a) empowering, assisting, and educating consumers, businesses and civil society about consumer rights; b) promoting

sustainable consumption, c) ensuring that the interest of consumers in the digital world are duly taken into consideration.

This will result in greater representation of consumer interests, higher awareness of their rights and responsibilities, enhanced access to information more sustainable consumption with reduced environmental impact.

*2.* Enhancement of administrative cooperation, capacity building and integration among Member States authorities - *addressing challenges 1 and 2.*

Pillar 4a contributes to achieving this objective by a) facilitate access to efficient redress mechanisms; b) supporting competent national enforcement authorities and consumer representative organisations; c) ensuring high level of consumer protection including vulnerable consumer and product safety.

This will lead to increased access to effective redress systems, improved cooperation and capacity of national competent authorities, and higher level of consumer protection and safer products in the Single Market.

*3.* Support EU rule making, standard setting and enforcement of EU law - *addressing challenges 2.*

Pillar 4a contributes to achieving this objective by improving evidence-based policymaking.

This will ensure more effective, relevant, and responsive regulation that address the new challenges arising in rapidly changing market and to protect consumers, particularly the most vulnerable, from unfair commercial practices.

Beyond the expected outputs, and impacts shown in the intervention logic, the Consumer Pillar is also seen to contribute to the Sustainable Development Goals (SDG). In particular, the Pillar has a positive impact on responsible/sustainable consumption and production (SDG 12), on reducing inequalities (SDG 10) by ensuring that the vulnerable consumers are not excluded, and their rights are well respected. Moreover, the Pillar contributes positively to promote inclusive, and sustainable economic growth (SDG 8) by supporting effective market surveillance to ensure that only safe and compliant products are made available on the Union market.

**Links between objectives, activities and effects**

The activities under Pillar 4 have been devised to address the main challenges identified in the IA and the SMP overarching objectives, for instance:

- Activities supporting enforcing authorities through capacity building and cooperation are aimed at addressing non-compliance, and the wider objective of administrative cooperation and integration (overarching objectives of the SMP). Among the outputs are the joint actions and coordinated actions from participating authorities, the number of enforcement actions and the training sessions organised, for Pillar 4a; and participation in working groups and committees by the beneficiaries, for Pillar 4b;

- Another group of activities is aimed at empowering consumers, civil organisations and businesses; linked to the overarching objective of the SMP. This includes grants to representative organisations, including BEUC, ECC Net and ADR, but also education and communication events for Pillar 4a; and Better Finance and Finance Watch, under

Pillar 4b. Other actions include communication, consumer education, advice and tools that include IT tools.

- Evidence gathering through studies is expected to support EU rulemaking, standard setting and enforcement of the EU law. This assists with the evaluation of the fitness of the regulatory framework. The outputs from these activities include the revision of different existing directives or formulation of new regulations through the production of reports and studies procured through SMP funding (both under Pillar 4a and 4b)

The impacts are also depicted in the Intervention Logic; and include, inter alia, increased awareness and education, better protection of consumers, increased cooperation among the authorities and better representation of consumers in policymaking.

### 2.3. Baselines and points of comparison

The evaluation was carried out using several points of comparison that highlight the needs and challenges identified in the impact assessment and present prior to the implementation of the SMP. The Pillar 4 built on achievements of its predecessor programmes and continued to support specific activities covered by the previous Consumer Programme 2014-2020, under Pillar 4a, and the 2017-2020 Capacity Building Programme, under Pillar 4b, bringing them together under a single programme.

The activities financed under Pillar 4a and 4b show a large degree of continuity with the previous programme. The activities of Pillar 4a have however been reorganised under six specific objectives (as opposed to four objectives focusing on 1) product safety, 2) consumer education and support to consumer organisation, 3) rights and redress and 4) enforcement, under the previous programme) aiming to better align with the priorities of the New Consumer Agenda, with a stronger emphasis on supporting consumers in the digital and green transition.

Baselines are essential as a reference point against which progress can be measured. Information on the indicators and baselines are included in the SMP Regulation, the impact assessment of the SMP and in the Commission Delegated Regulation (EU) 2023/2445 supplementing Regulation (EU)2021/690 on the establishment of a monitoring and evaluation framework for the Single Market Programme[371]. The Table 1 summarises the outputs and result indicators for Pillar 4 included in the above-mentioned monitoring and evaluation framework. The evaluation compares the current state of activities against the baseline data available at the end of the Consumer Programme 2014-2020 for Pillar 4a and the 2017-2020 Capacity Building Programme, for Pillar 4b.

The mid-term evaluation of the Consumer Programme 2014-2020[372] shows a general satisfaction of the stakeholders in terms of effectiveness of the activities with the highest scores attributed to ECCs, BEUC, E-enforcement Academy, RAPEX/Safety Gate platform, networking/exchange of best practice events, and provision of evidence and data. For the Capacity Building Programme the results of its evaluation report[373] demonstrated the effectiveness and efficiency of the activities of Better Financeand Finance Watch in achieving the programme's objectives. Overall, the objectives and priorities of the

[371] https://eur-lex.europa.eu/eli/reg_del/2023/2445/oj

[372] The *ex post* evaluation of the Consumer Programme 2014-2020 is currently ongoing.

[373] EUR-Lex - 52020DC0820 - EN - EUR-Lex (europa.eu) COM(2020) 820 final - Evaluation report of the Union programme to support specific activities enhancing the involvement of consumers and other financial services end users in Union policymaking in the area of financial services for the period of 2017-2020 pursuant to Regulation (EU) 2017/826 of the European Parliament and of the Council.

Consumer Programme and the Capacity Building Programme were assessed as being still very relevant and should be continued.

## Table 46: Output and result indicators Pillar 4

| Indicator | Sub-pillar | Indicator | Definition | Baseline | Target (year 2027) | Latest data |
|---|---|---|---|---|---|---|
| Result | Pillar 4a | Consumer Condition Index | The CCI monitors the quality of the consumer environment and covers knowledge and trust, (Pillar I), compliance and enforcement (Pillar II) and complaints and dispute resolution (Pillar III). It is part of the Consumer Conditions Scoreboard and measured every two years at absolute value. | Set at 0 due a change in the methodology in 2020 in line with policy priorities[374] | Positive trend | CCI 2022: 71.8<br>Knowledge and trust: 51.2<br>Compliance & enforcement: 77.4<br>Complains & dispute resolutions: 86.7 |
| Output | Pillar 4a | OP 4.1. - Number of authorities participating in the joint actions on the safety of products (CASP) | Number of market surveillance authorities (MSA) participating in the Coordinated Activities on the Safety of Products (CASP) | 7 (2020)[375] | Positive trend | Target partially met:<br>12 in 2021<br>17 in 2022<br>(no activities in 2023) |

[374] The 2021 edition was an online-only publication that combined data from two major surveys: the consumer conditions survey and the market surveys. It also included other official data sources, mainly Eurostat, to monitor the impact of measures in the New Consumer Agenda on consumer markets.
[375] 35 MSA are included in the IA to the SMP; the 2020 CASP activity report note a smaller number of 30.

| Indicator | Sub-pillar | Indicator | Definition | Baseline | Target (year 2027) | Latest data |
|---|---|---|---|---|---|---|
| Output | Pillar 4a | OP 4.2. – Total number of Consumer Law Ready and Consumer Pro trainings | Number of trainings, seminars and workshops provided to the SMEs and to the consumer protection professionals. | 80 (2020) | Positive trend | Target already met (jointly by Consumer Law and Consumer Pro) as follows:<br>Consumer Law Ready: 4 European workshops[376] and 52 training sessions between the second half of 2021 and 2022[377].<br>The latest report on Consumer Pro, covering period from July 2021 to July 2023, notes 46 national training sessions[378]. Six European workshops were completed from June 2022 to June 2023. |
| Output | Pillar 4a | OP 4.3. - Number of participants to consumer policy major communication events | Number of participants of the major events: Consumer Summit, Consumer Dialogues, International Product Safety Week (IPSW), Safety Gate media event and European Product Safety Award. | 1000 (2020) | Positive trend | Target already met. IPSW 2022 was attended by more than 640 participants; the Consumer Summit in 2023 saw 686 participants; there were 802 in 2022 and 718 in 2021. In 2021, the European Product Safety Award, organised every two years, brought together more than 200 attendees[379]. The 2023 ceremony had 88 onsite participants and 170 online. There were 60 participants in the Safety Gate media event. More than 500 followers on YouTube for the Consumer dialogues. |

[376] Attended by 94 participants.
[377] At least 1 069 people trained during that period, about half of them SME trainers. These figures are second half 2021 to end 2022. Reporting date was JAN23. Half of the people trained are multipliers, i.e. trainers that in turn train SMEs. Not all SMEs trained are covered by this figure. Unfortunately, not annual figures have been made available.
[378] 900 professionals benefiting from training. The national training sessions started in September 2022 and continued in three different rounds until May 2023.
[379] https://ec.europa.eu/safety-gate/#/screen/pages/SafetyAwardPreviousEditions.

| Indicator | Sub-pillar | Indicator | Definition | Baseline | Target (year 2027) | Latest data |
|---|---|---|---|---|---|---|
| Output | Pillar 4b | OP 4.4. - Number of press releases of the beneficiaries | This indicator measures the total number of press releases of the two beneficiaries, Better Finance and Finance Watch, in the context of the grant's activities, in a given year. | 41 (2020) | ≥ 40 /year | Target already met.<br>2023: 46<br>2022: 41<br>2021: 38 |
| Output | Pillar 4b | OP 4.5 – Number of conferences, seminars, webinars organised by the beneficiaries | This indicator measures the total number of events organised by the two beneficiaries, Better Finance and Finance Watch, in the context of the grant's activities, in a given year, | 14 (2020) | ≥ 12 yearly (fluctuations below 2020 baseline are possible depending on the policy context and the n° of proposals expected or under discussion) | Target already met.<br>2023: 13<br>2022: 12<br>2021: 12 |
| Output | Pillar 4b | OP 4.6. - Number of meetings with Commissioners, MEPs, representatives from European Economic and Social Committee, Committee of the Regions, and Permanent Representations | This indicator measures the total number of meetings between representatives of Better Finance and Finance Watch and Commissioners MEPs, representatives from EESC, CoR and Perm Reps in a given year and in the context of grant's activities. | 28 (2020) | ≥ 50 yearly (fluctuations are possible depending on the policy context and the n° of proposals expected or under discussion) | Target partially met.<br>2023: 111.<br>2022: 108<br>2021: Slightly below target (47) |
| Output | Pillar 4b | OP 4.7- Number of position papers and responses to public consultations in the field of financial services from beneficiaries. | The data mainly draws from the activity reports provided by the beneficiaries of the Programme | 53 (2020) | 53 | Target partially met.<br>2023: 25 responses to public consultation; 15 position papers, policy briefs and open letters<br>2022: 40 responses; +7 position papers<br>2021: 43 responses to pc; 16 position papers |

| | | | | | | |
|---|---|---|---|---|---|---|
| Result | Pillar 4a | RES 4.1. - Outcome of consumers queries to European Consumer Centres Network (ECC Net) | Number of consumers that received tailored information and advice from ECC Net | 116 424 (in 2021) | Positive trend | Target already met.<br>2023: 124 119<br>2022: 118 142 |
| Result | Pillar 4a | RES 4.2. - Number of measures on dangerous non-food products alerted on the Safety Gate platform | Number of preventive and restrictive measures on unsafe products. | 6 500 measures<br>Measures in the alerts and in the follow-up actions | This target is difficult to measure as currently defined (as numbers may indicate greater level of activity and not just more unsafe products in the market and vice versa)[380]. | The total number of measures (both in the alerts and in the follow-ups) shows a varied trend.<br>2021: 7 041 measures<br>2022: 6 384 measures<br>2023: 8 293 measures<br><br>2021: 2 142 alerts with 4 965 follow-up actions<br>2022: 2 117 alerts with 3 932 follow-up actions.<br>2023: 3 412 alerts with 4 287 follow-up actions) |
| Result | Pillar 4a | RES 4.3. - Number of Alternative Dispute Resolution bodies supported | Number of ADR bodies supported by action grants | 16 (in 2020) | Positive trend | Target partially met.<br>2023: 15<br>2022: 22<br>2021: 9 |
| Result | Pillar 4b | RES 4.4. - Number of social media followers of the beneficiaries | This indicator measures the total number of Twitter, Facebook and LinkedIn followers of the two beneficiaries, Better Finance and Finance Watch, in a given year | 33 894 (2020) | ≥ 33 894 (until 2023); ≥ 36 000 (as from 2023) | Target already met.<br>2023: 43 358<br>2022: 35 281<br>2021: 35 225 |

[380] Each alert has at least one measure, while follow-up action can have zero or more measures.

Additional priorities could be given to sustainable consumption, to activities that reinforce and uniform consumer protection through the EU, and to support consumer organisations at the Member State level. In terms of efficiency, the stakeholders highlighted the need to reduce the administrative burden associated with programme delivery and called for greater flexibility in choosing between procurements and grants. Finally, the Consumer Programme should have a higher level of flexibility to effectively respond to emerging market challenges driven by rapid and often unpredictable societal and technological changes.

## 2. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

### 2.1. Budget implementation

Article 4 of Regulation (EU) 2021/690 establishing the SMP sets out the legal basis for budgetary allocations within the programme. Accordingly, Pillar 4 has been allocated a budgetary envelope of EUR 189.5 million for the period 2021-2027, representing 4% of the total SMP budget. This amount includes credits for administrative and technical support which represents 4.5% of the operational budget. Accordingly, the operational budget allocated to the Pillar 4 amount to EUR 181.4 million.

During the evaluation period 2021-2023, the total amount of EUR 78.4 million was committed to implement operational actions under Pillar 4. The sub-pillar *Consumer protection* received EUR 73.9 million, and the sub-pillar *Consumer policy in the financial field* received EUR 4.5 million to implement their respective actions. This suggests that the cumulative implementation rate for Pillar 4, in terms of operational budget, reached 43.2% (78.4/181.4) at the end of 2023.

The following table presents the amounts committed by sub-pillar per year in the period 2021 – 2023. These amounts represent the operational budget hence excluding the administrative and technical support credits.

**Table 47: Pillar 4 commitments 2021-2023**

| Operational budget 2021-2023 | 2021 | 2022 | 2023 | Totals to date |
|---|---|---|---|---|
| Pillar 4a: Consumer protection | Commitments: € 24,930,243 | Commitments: € 24,649,850 | Commitments: € 24,340,886 | Commitments: € 73,920,979* |
| Pillar 4b: Consumer policy in the financial field | Commitments: € 1,496,375 | Commitments: € 1,497,691 | Commitments: € 1,497,841 | Commitments: € 4,491,907 |
| **TOTAL Pillar 4** | **Commitments: € 26,426,618** | **Commitments: € 26,147,541** | **Commitments: € 25,838,727** | **Commitments: € 78,412,886** |

*Source: Committed amounts were provided by DG JUST and DG FISMA*

**Note: The amount committed include EUR 1,908,448 (over the period 2021-2023) arising from the contribution of EEA EFTA countries to Pillar 4a*

## 2.2. Programme implementation within Pillar 4a: Consumer protection

### 3.2.1 Programme management and budget overview.

Activities on consumer protection, Pillar 4a, are the responsibility of the Directorate-General for Justice and Consumers (DG JUST). The implementation of around 75% of the budget is delegated to the executive agency EISMEA.

The Pillar has been implemented by means of biennial work programme (i.e. presenting budgets for two-year periods: 2021-2022 and 2023-2024) adopted by the Commission with the assistance of an advisory Committee formed by representatives from Member States. Each work programme set out the actions to be undertaken over the two years. The implementation of the work programmes proceeded as planned. The actions have been implemented through action grants, operating grants, indirect funding, and through public procurement procedures. The stakeholders eligible for support were public or private non-profit organisations duly established in one or more countries participating in the SMP, or entrusted international organisations.

From 2021 to 2023, the total implemented commitments amount to EUR 73.9 million, including EUR 1 908 448 arising from the contributed of EEA EFTA countries (Table 4). Almost similar amounts were spent on grants (EUR 36.5 million) and procurements (EUR 36.9 million), as shown in Table 3. In 2023, the budget allocated to grants, significant increased, mainly due to the multi-annual instalments of ECC grants which allow flexibility in terms of amounts committed each year of the biennial programming[381].

The largest amount, EUR 33.7 million, or over 50% of the operational budget to date, was allocated to support consumer organisations and bodies assisting consumers. As shown in the table below, between 2021 and 2023, a total of 138 action grants and 3 operating grants have been awarded.

**Table 48: Number of action grants and operating grants per year**

| | European Consumer Centres* | Alternative Dispute Resolution bodies | Consumer Protection Cooperation | Debt advice services | BEUC |
|---|---|---|---|---|---|
| **2021** | 29 | 9 | 1 | 24 | 1 |
| **2022** | | 22 | 3 | - | 1 |
| **2023** | 35 | 15 | - | - | 1 |
| **Total** | **138** | | | | **3** |

*Source: EC statistics.*

* *Biennial grant agreements signed with 29 designated ECCs. In 2023-2023 the ECCs had the opportunity to apply for an additional grant targeting actions with a EU dimension and aimed at benefiting the entire ECC network.*

Public procurement procedures have been an important financing tool for implementing a significant number of actions planned in the work programmes, resulting in around 130 contracts over the entire period and absorbing EUR 36.9 million.

Actions under indirect management, particularly in cooperation with entrusted international organisations, have amounted 0.6% of the total budget.

[381] Which means that higher amounts have been committed in 2023 than in 2024. However, the total amount committed over the two years respected the amount allocated to the ECCs in the 2023-2024 work programme.

**Table 49: Budget commitments per type of activity and per year**

| Operational budget 2021-2023 | 2021 amount committed (EUR) | 2022 amount committed (EUR) | 2023 amount committed (EUR) | Total committed (EUR) |
|---|---|---|---|---|
| ***GRANTS*** | ***10,977,093*** | ***11,396,892*** | ***14,164,184*** | ***36,538,169*** |
| Support to consumer organisations and bodies (ECC, BEUC, ADR) | 9,804,797 | 9,743,946 | 14,164,184 | 33,712,927 |
| Support to national consumer protection authorities (CPC) | 29,520 | 1,652,946 | 0* | 1,682,466 |
| Support to individual consumer policy initiatives and projects (i.e. debt advice) | 1,142,776 | 0 | 0 | 1,142,776 |
| ***PROCUREMENTS*** | ***13,953,150*** | ***13,252,958*** | ***9,736,702*** | ***36,942,810*** |
| Market surveillance and enforcement actions | 3,449,870 | 4,895,073 | 940,336 | 9,285,279 |
| Capacity building and education actions | 2,292,347 | 2,769,919 | 2,893,747 | 7,956,013 |
| Studies, analysis and surveys | 4,167,278 | 783,884 | 2,391,024 | 7,342,186 |
| IT systems and information support structures | 1,836,915 | 2,621,718 | 1,400,233 | 5,858,866 |
| Events and external communication actions | 2,206,740 | 2,182,364 | 2,111,362 | 6,500,466 |
| ***INDIRECT MANAGEMENT*** | | | | |
| Actions on Product Safety in cooperation with international organisations (OECD) | - | - | 440,000 | 440,000 |
| **TOTAL (Grants and Procurements and Indirect Management)** | **24,930,243** | **24,649,850** | **24,340,886** | **73,920,979** |

*Source: Operational budget was provided by DG JUST*

**As from 2023, support to national consumer protection authorities is provided in form of public procurement activities managed by the Commission.*

### 3.2.2. Actions funded under the Consumer protection sub-pillar.

Actions funded under the Pillar 4a aim at helping national authorities, consumer organisations, similar actors in the Member States and policymakers, to better assist consumers, increase their protection and enforce their rights in the Single Market.

The main direct beneficiaries absorbing 48.5% of the total budget are therefore:

- European Consumer Centres (33%)
- European Consumer Organisation BEUC (9%)
- Alternative Dispute Resolution bodies (4%)
- MS' enforcement authorities Consumer Protection Cooperation (2.5%)

The different actions, as presented in the intervention logic, funded by the SMP Consumer pillar are described further below.

**a) Support to organisations representing and assisting consumers.**

The **European Consumer Centres**[382] help consumers engage in cross-border transactions more confidently by providing them with free information and advice on their rights, assist them in resolving cross-border consumer complaints and obtain access to appropriate dispute resolution. The network consists of 29 centres, active in every EU Member State, as well as in Norway and Iceland.

ECCs can also take a coordinated role and work on specific subject areas, such as communication, artificial intelligence, training, etc. and they can receive additional funding for activities in the common interests of the network. In addition, the ECC Net collaborates with international and national regulators, government associations and business professionals. It can also entice enforcement actions. For instance, following ECCs' alerts on car rental intermediaries, a 'sweep'[383] was pursued. ECCs are co-financed by national budgets. In 2021-2023 period, the SMP awarded 64 action grants for a total amount of more than EUR 24 million to the ECC Net.

**Alternative Dispute Resolution (ADR)**[384] means setting a complaint out of court with the assistance of an impartial dispute resolution body. Resolving consumer disputes this way is easier, faster, and less expensive than going to court. ADRs provide assistance to consumers in form of mediation, conciliation, arbitration, complaints boards, or ombudsmen[385]. In 2021-2023, EUR 2.7 million in form of action grants (46 grants in total) were awarded to ADRs entities under the SMP to support them in digitalisation, to make them better known and more accessible to consumers, including in the cross-border context, to improve their operational capacity in resolving consumer disputes and problems and improve monitoring activities on the functioning and the effectiveness of dispute resolutions mechanism.

The **Representative Actions Directive (RAD)**[386] provides an EU model of collective redress which allows designated consumer organisations and public bodies to seek

[382] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/resolve-your consumer-complaint/european-consumer-centres-network-ecc-net_en.

[383] Consumer Protection Cooperation (CPC) authorities check websites within a particular sector to identify level of compliance of EU consumer protection regulation. See more on Sweeps - European Commission (europa.eu).

[384] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/resolve-your-consumer-complaint/alternative-dispute-resolution-consumers_en.

[385] There are 460 ADRs in EU. The way in which ADR entities are funded differs among the MSs but most use both public and private funding. See report: Information gathering for assisting the Commission in complying with its obligation under Article 26 ("reporting") of the ADR Directive and Article 21 ("reporting") of the ODR Regulation - Publications Office of the EU (europa.eu).

[386] https://commission.europa.eu/law/law-topic/consumer-protection-law/representative-actions-directive_en.

consumer collective redress in courts, in so-called mass harm situations when large groups consumers are concerned by the same trader's illegal practice. Such actions imply complex and long litigation involving important market players and significant values of claims. This new type of legal actions is also a challenge for the administration of justice and for individual judges dealing with specific cases significantly different from traditional dispute resolution. In the evaluation period, around EUR 1.2 million has been spent from the SMP budget to finance the study on the assessment of the compliance of national measures with the transposition of the Representative Actions Directive, the development and maintenance of EC-REACT collaboration tool (which enables RAD qualified entities, judges and national contact points to share relevant data and best practices, as well as solve common issues) and to support awareness raising, trainings and capacity building of all involved in RAD parties (namely large public, legal experts, consumer organisations and public bodies).

Furthermore, EUR 2.2 million was spent on improvement, hosting and maintenance of IT tools and collaborative platforms to facilitate work and cooperation of the ECC Net, CPC network, ADR/ODR and EC-REACT/RAD.

In accordance with Article 10(1)(e) of the SMP Regulation, the **European Consumer Organisation**[387] **(Bureau Européen des Unions de Consommateurs BEUC)** is eligible for annual operating grants to support its activities. Between 2021-2023, BEUC received EUR 6.8 million from the SMP which represent ca. 30% of its annual income. BEUC is an umbrella group representing 44 independent consumer organisations from 31 countries. Its aim is to represent and defend the interests of European consumers. Activities under the operating grant include: participation in public consultations to review legislation and in meetings with stakeholder groups; cooperation on specific issues with EU-level regulators, with NGOs, and with business associations; preparation alerts on infringements of consumer law; promotion of sustainable products and consumption; supporting the transposition and implementation of RAD and working with and supporting the national consumer organisations.

In 2021, the Commission has launched a call for action grants to support individual consumer policy initiatives aimed at promoting **stable debt advice services** in 13 targeted EU countries where such services are not sufficiently available. As a result, 24 projects were funded for a total amount of EUR 1.2 million aimed at setting up personalised advice and guidance services to help over-indebted consumers to maintain, or regain to, a stable financial situation.

**b) Actions on education, capacity building, knowledge sharing, communication and awareness raising.**

Nearly 20% of the 2021-2023 budget supported capacity building, knowledge sharing, awareness raising and education/training activities, implemented under the public procurement procedure based on existing framework contracts.

EUR 1.5 million have been released to finance the second phase of the **ConsumerPRO**[388] initiative which is a capacity building project aimed at making consumer organisations and other actors in consumer policy better equipped to protect consumers in their respective countries. Participation in the Consumer PRO project and events is open to all consumer professionals from the Member States, Iceland and Norway.

[387] https://www.beuc.eu/.
[388] Consumer PRO: Boosting professionals in consumer protection | BEUC.

Almost EUR 1 million have been allocated to finance the **Consumer Law Ready**[389] training programme targeting SMEs provide specialised training on important aspects of EU consumer law and how to safeguard consumer rights. The project covers the topics related to pre-contractual information requirements, rights to withdrawal, product guarantees, unfair commercial practices, contract terms and alternative dispute resolution mechanism. Trainers educated in the project can host courses in their own localities, anywhere in Europe, in the language of the country. The material is tailored to consumer legislation as it applies in the relevant countries and is available online for anyone to use.

**Better Internet for Kids**[390] (BIK): the platform includes a website that serves as a central hub for information, guidance and resources related to safer and better internet practices for children. With a contribution of EUR 1.5 million from the SMP budget, a specific content has been developed to empower children as consumers, especially when they are gaming online or viewing influencer videos.

**Consumer Education Hub**[391] platform, this consists of a website run by BEUC providing a range of consumer educational materials and resources from across Europe. The concept and material behind this website were developed after research work conducted by EC on consumer education initiatives in Europe (EUR 0.4 million).

The **European Consumer Summits**[392] take place every year and bring together participants from all MS, such as policymakers, enforcement authorities, academics, consumer and business organisations, and representatives from other EU institutions. The events foster the exchange of ideas and addresses a wide range of consumer protection issues. They are collaborative efforts aimed at shaping the future of EU consumer policy.

**Annual Digital Consumer Events**[393] gathering authorities, businesses, academia, consumer, traders, enforcement authorities to discuss consumer challenges in the digital transition. During its 3rd edition in 2023, 11 online marketplaces signed the Consumer Protection Pledge[394]which consists of two pillars. The first one is the Product Safety Pledge + that sets up areas where online intermediaries and other actors voluntarily agree to take specific actions with respect to the safety of non-food consumer products sold online by third parties on their marketplaces that go further than the legal requirements. The second pillar is the Digital Consumer Rights Commitments, a voluntary digital consumer rights commitments regarding transparency of consumer reviews and influencer marketing, facilitate the exercise of certain EU consumer rights, and promoting knowledge of consumer rights among sellers operating on the marketplaces.

**Consumer Dialogues** (EUR 0.5 million) that the Commission organised between 2021-2023 in all EU Member States, following a country-by-country approach, aimed to strengthen collaboration and partnerships at EU and national level, with the overall objective of putting the New Consumer Agenda into practice on the ground.

**The International Product Safety Week**[395] (EUR 0.6 million) is organised every two years (since 2006) and brings together national authorities, international regulators, consumer organisations, industry, standard-makers, test laboratories, academics, lawyers

[389] SME homepage | Consumer Law Ready.
[390] https://www.betterinternetforkids.eu/; https://digital-strategy.ec.europa.eu/en/policies/strategy-better-internet-kids.
[391] https://consumer-education.eu/.
[392] https://commission.europa.eu/ec-events/european-consumer-summit-2024-shaping-future-together-2024-04-18_en.
[393] https://commission.europa.eu/ec-events/3rd-annual-digital-consumer-event-2023-11-30_en.
394 https://commission.europa.eu/strategy-and-policy/policies/consumers/consumer-protection-policy/consumer-protection-pledge_en..
[395] https://ec.europa.eu/safety-gate/#/screen/pages/safetyWeek2024.

and other product safety experts from all around the world to discuss issues around safety of products. The 2022 edition focused on new trends in e-commerce and how market surveillance can adjust to keep pace with these changes.

Every two years **EU Product Safety Award**396 (EUR 0.3 million) is organised to promote innovative business initiatives that go the extra mile for consumers, thus raising the level of protection across Europe. The Award encourages and honours innovative business initiatives that enhance consumer safety beyond legal requirements and included researchers for the first time in 2022. The award also aims to raise consumer awareness about product safety and to encourage more informed purchasing choices.

EUR 0.5 million was dedicated to a large-scale **communication campaign empowering displaced Ukrainians** to fully exercise their consumer rights by providing them with the knowledge necessary to assess their rights with confidence. The campaign was rolled out in Germany, Poland, Czechia, Spain, Italy and Bulgaria[397].

EU communication **campaign on 50-year of consumer protection rights**[398] (EUR 0.25 million) in 2022 was the momentum to create awareness, particularly among younger consumers, about this important added European value.

Other communication actions funded under the SMP:

- High-level consumer policy events
- Communication on better enforcement and modernisation of consumer protection directive
- Awareness raising campaigns for businesses and consumers on the new General Product Safety Regulation (GPSR)
- Safety Gate media events
- Sustainable consumption pledge event
- Communication on better enforcement of consumer protection directive
- Communication campaigns qualified entities and production of materials on RAD
- Consumer policy stakeholders' conferences and meetings: Consumer Protection Cooperation Network, Consumer Policy Network, Consumer Safety Network, Alternative Dispute Resolution assembly, Financial Services User Group meetings.

**c) Support to national authorities responsible for enforcement of consumer protection law.**

The SMP facilitated the collaboration and coordination of enforcement actions within the **Consumer Protection Cooperation**[399] **(CPC)** which is a network of authorities responsible for the enforcement of EU consumer protections laws. CPC take action to address cross-border non-compliance with consumer law at EU level.

Until 2022, the SMP budget supported CPC authorities through action grants, enabling to develop projects such as an online investigation tool to target dark patterns (based on AI), scaling up a database of consumer complaints to detect recurring market issues across consumer associations in different Member States. These grants also funded networking activities between EU authorities and non-EU enforcement bodies as part of the

396 https://ec.europa.eu/safety-gate/#/screen/pages/safetyAward.
397 https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/eu-consumer-rights-displaced-ukrainians_en.
398 https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/50-years-consumer-legislation_en.
399 https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/consumer-protection-cooperation-network_en.

International Consumer Protection and Enforcement Network (ICPEN). The total amount awarded through action grants in 2021 and 2022 was approximately EUR 1.68 million.

From 2023, at the request of Member States, financial support to national consumer protection authorities is provided through public procurement managed by the Commission. The support to the CPC authorities, aimed at building capacity, exchanging of best practices through peer-to-peer meetings, contracting behavioural studies and enhancing cooperation and coordination of enforcement activities. As 2023 marked the first year of implementing procurement-based support, this is why only a portion of the budget allocated for CPC actions (EUR 0.4 million) was used in 2023.

The **e-Enforcement Academy** project, also funded by the SMP, was designed to enhance the online investigative capabilities of the CPC Network and the Consumer Safety Network (CSN). The second phase of the project, launched in 2022, focuses on providing ongoing, up-to-date training for national enforcement bodies. This includes high-level trainings and e-learning materials on online investigation techniques, aiming to develop standardised tools and methods to tackle the complexities of online commerce. In 2023, the third phase of the project stared. The total amount allocated for this project in the evaluation period amount to EUR 1.6 million.

Moreover, additional support at the national level consists of action grants allocated to authorities tasked with consumer protection and holding the Presidency of the Council. These grants were intended to cover expenses related to organising of high-level conferences aimed at promoting consumer safety, enhancing cooperation and knowledge sharing, integrating consumer interests into key sectoral policies, and enforcing consumer regulations. Since 2022, however, due to limited utilisation of these grants - largely a result of limited capacity of national administrations - the Presidency grants have been substituted with public procurement contracts overseen by the Commission.

**d) Market surveillance and coordinated activities on the safety of non-food products.**

A key initiative supported by the SMP includes the facilitation of coordinated efforts among market surveillance authorities in Member States. This enables joint testing activities and the exchange of best practices on market surveillance with the aim of enhancing the safety of non-food products in the European single market. The **coordinated activities on the safety of products**[400] (CASP) provide tools to participating market surveillance authorities to jointly test products found in the single market, assess the risks identified through such testing, draw common positions and measures, facilitate discussions and knowledge sharing among national authorities and reach out external stakeholders who have a responsibility to ensure a safe single market. Between 2021 and 2023 EUR 6.1 million were spent on CASP activities.

Under the consumer protection pillar, the SMP continued to finance **Safety Gate**[401] (EUR 2.6 million), the EU's rapid alert system for the dissemination of information on dangerous non-food products allowing national authorities to take action to remove them from the market. Each day, national authorities submit alerts to the Safety Gate, providing details about the identified dangerous product, the associated risks, and any measures taken by the economic operator or imposed by the authority. These alerts are then followed up by other authorities, who take action if the same product is found in their respective

[400] https://ec.europa.eu/safety-gate/#/screen/pages/casp.

[401] Safety Gate (previously called RAPEX): the EU rapid alert system for dangerous non-food products, can be accessed at: Safety Gate: the EU rapid alert system for dangerous non-food products (europa.eu).

markets. Furthermore, unsafe products identified through CASP activities are also reported on Safety Gate, enabling rapid dissemination of the information across national authorities, so they can also trace them and take measures in their countries to ensure that the European single market remains safe[402]. Safety Gate comprises three elements:

i) Safety Gate rapid alert system - through which national authorities and the Commission exchange information.

ii) Safety Gate portal - providing information to the public.

iii) Safety Business Gateway - portal enabling businesses to fulfil their obligation to inform authorities and consumers about dangerous products and accidents.

Over the years, the Safety Gate IT system has been enhanced with various complementary modules and tools to improve its quality and efficiency. One such example, funded under SMP (EUR 2.7 million), is the **e-Surveillance web crawler**, introduced in 2022 to strengthen authorities' ability to track dangerous products. This tool identifies products previously reported on Safety Gate and that are still being sold on websites and online marketplaces. allowing authorities to take further action. Web crawler automatically identifies and list each of these offers, allowing enforcement authorities to trace the responsible provider and enforce the removal of unsafe item from online platforms.

**e) Joint actions with third countries and international organisations.**

During 2022 and 2023, the SMP has financed the activities aimed at strengthening cooperation with international organisations. The emphasis is on closer cross-border cooperation to enforce consumer law in a consistent manner, especially with key international partners such as the United States but also with consumer protection authorities from other regions, including Australia, China and other Asian countries[403].

With the support of the SMP, the CPC network and the International Consumer Protection Enforcement Network (ICPEN) have conducted joint workshops aimed at improving enforcement capacities related to online marketplaces and sharing tools and methodologies for effective monitoring. Both networks have also aligned their efforts to carry out several coordinated 'sweeps'[404], tackling consumer protection issues that have a global impact, particularly in the digital marketplace. Moreover, ICPEN members participate in the e-Enforcement Academy trainings, financed by the SMP budget.

In cooperation with the OECD, the SMP co-founded in 2023 a 'Study on the impact on consumers' health and safety of new digital technologies in products'. This included, among other activities, workshops with relevant stakeholders on artificial intelligence governance. The total amount allocated to the implementation of this project was EUR 440 000.

**f) Actions to improve evidence-based policymaking.**

Evidence gathering is a key activity of the SMP ensuring that consumer policy and law are adapted to the evolving needs of consumers. Expenditures on studies, analysis, surveys

[402] EC (2023): 'Product safety and market surveillance'.

[403] EC (2024): COMMISSION STAFF WORKING DOCUMENT 2022-2023 biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future, SWD(2024) 186 final.

[404] **Sweeps** are coordinated simultaneous control actions undertaken by national enforcement authorities, often involving multiple jurisdictions or countries. The aim of sweeps is to detect breached of EU consumer law in a specific economic sector or in relation to specific commercial practices such as misleading practices, unsafe products, or fraudulent activities.

and databases supporting consumer policymaking amounted to almost 10% of the budget. There are regular and ad hoc evidence gathering exercises. Regular data gathering include Consumer Condition Survey that feed into the Consumer Condition Scoreboard (CCS). The latter is a biennial reporting exercise to monitor consumer sentiment across the EU, as well as in Iceland and Norway. It collects data on national conditions for consumers with regards to three pillars: 1) knowledge and trust, 2) compliance and enforcement; and 3) complaints and dispute resolution. The latest edition was published in 2023.

Studies funded under the SMP between 2021 and 2023 include:

- Foresight study on consumers' behaviour in the context of twin transition and the impact of COVID-19 pandemic
- Impact assessment of the regulatory framework for package travel
- Study on measures for online fairness (fitness check) and on the application of the directive on better enforcement and modernisation of EU consumer protection law
- Content update of the Consumer Law Database
- Behavioural study on the transparency of price reduction transparency
- Collection of enforcement and capacity indicators
- Consumer Survey on energy crisis related issues
- ADR/ODR data collection studies
- Evaluation of the CPC
- *Ex post* evaluation of the Consumer Programme 2014-2020
- Mid-term evaluation of the SMP 2021-2027
- Study on consumer education initiatives in the EU
- Behavioural study on marketing techniques used in games that affect the purchasing behaviour of children
- Study analysing the transposition of the Representative Actions Directive
- Study to support the implementation of the GPSR - circular economy
- Study and workshop on implementation of the GPSR - digital vulnerability
- Study and development of the union logo for commercial guarantee of durability

### 2.3. Programme implementation within the Pillar 4b: Financial service consumers and users

The funding under the SMP is aimed at enhancing the participation of consumers, other end users of financial services and civil society in financial-services policymaking, protecting the interests of consumers and promoting a better understanding of the financial sector.

To this end, Pillar 4b of the SMP includes the funding of two grants to beneficiaries that represent the interest of consumers and end users in financial services. In the Commission, DG FISMA is responsible for the management of the grants funded under this Pillar.

The two beneficiaries funded directly as part of the SMP are Better Finance and Finance Watch. The current state of play of the actions funded through the grants attributed to the two organisations is presented below:

**Better Finance** is a European-level organisation with approximately 40 independent members mainly from EU Member States, including national financial consumer and individual investor associations. Better Finance provides support and expertise to its

members, advocacy for financial users to enhance their position in policymaking and promotes awareness to enhance financial literacy[405].

Better Finance groups its activities in three main categories:

- policy and advocacy which contains the activities performed to enhance the participation of consumers and end users in the policymaking process and includes the publication of position papers, responses to public consultations, participation in expert groups and meetings with EU policymakers.
- research which includes the research work undertaken by the organisation in key financial services topics and provides the input for the policymaking activities as well as awareness raising and promotes a better understanding of the sector.
- communication activities, including events, press releases, social media outreach and publishing financial education material, that aim to increase awareness and promote the understanding of financial services to the public and relevant stakeholders.

Some key areas that Better Finance has focused on since 2021 include retail investments including investor protection, biased-free advice and value for money, pensions and long-term savings, robo-advice and digital finance, redress mechanisms, insurance, sustainable finance and sustainability reporting and withholding tax.

**Finance Watch** is an international non-profit association under Belgian law, established in 2011 to defend the public interest in the field of financial regulation. Its core mission is 'to strengthen the voice of society in the reform of financial regulation by conducting advocacy and presenting public interest arguments to lawmakers and citizens'. Finance Watch has over 110 members including civil society organisations and experts and is providing core technical expertise to the policymaking process.

The activities of Finance Watch funded under the SMP can be grouped in the following categories:

- research and advocacy that includes the activities related to research work, and advocacy work of the beneficiary to enhance the participation of consumers and end users in the policymaking process. It includes the publication of reports, policy papers, responses to public consultations, participation in expert groups and lobbying work such as meetings with EU policymakers.
- communications and networks which includes work for the engagement of; citizens & civil society engagement in debates around financial regulation with educational material, activities to increase visibility of the organisation amongst policymakers and experts (cross-topics), initiating and coordinating campaigns, expand their membership and develop national networks.

Finance Watch, in the period under evaluation, covered a wide range of financial topics, including retail financial services, financial inclusion, banking, non-performing loans, over-indebtedness, sustainable finance and ensuring a green and just recovery, financial stability, EU economic governance framework, capital markets union (CMU) and digital finance, sovereign debt, and climate risk in finance.

[405] BETTER FINANCE, 'Organisation', available at: https://betterfinance.eu/organisation/.

During the period 2021 to 2023, EUR 4.49 million were in total assigned to this strand of the pillar. The amount was allocated each year in the form of action grants to the two main beneficiaries. Better Finance received a total amount of EUR 1.36 million in the three-year period and Finance Watch received a total amount of EUR 3.13 million.

The total amount of 4.49 million allocated to this strand of the pillar corresponds to less than 0.5% of the total budget of the SMP for the same period.

## 3. EVALUATION FINDINGS (ANALYTICAL PART)

### 3.1. To what extent was the consumer protection sub-pillar successful and why?

This chapter outlines an evidence-based analysis of how successful the sub- pillar 4a of the SMP has been in progressing towards or achieving its objectives during the evaluation period.

#### 3.1.1 Effectiveness: Pillar 4a

**a) The SMP has been effective in empowering, assisting, and educating consumers and other relevant stakeholders about consumer rights and promoting sustainable consumption.**

The main activities under this sub-objective include actions on education, capacity building, communication and awareness raising, and other actions carried out by consumer organisations and other professionals to assist consumers.

**Consumer PRO and Consumer Law Ready** have been effective in strengthening the capacity of consumer professionals and raising SMEs' awareness on consumer rights respectively. The target of the output indicator OP 4.2 has been achieved.

Consumer PRO, during its second phase from July 2021 to July 2023, it trained 31 national trainers across participating countries (expanding the pool to a total of 45 trainers since the project's inception in 2019). During this phase, a total of 52 national trainings events and European workshops were conducted. Over 900 consumer professionals across the EU benefited from these training sessions, which achieved a high satisfaction rate of 98%, highlighting the programme's success in enhancing consumer protection knowledge and skills. Moreover, several theoretical documents have been produced and customised for national specificities in three main areas: general consumer law, digital rights, and collective redress. They were translated into the EU official languages and are available online.

Consumer Law Ready is open to owners and employees in SMEs, across the European Union. They are trained to become 'lead trainers' in their respective countries where they trained 20 to 30 regional trainers per 18-months period on EU and national consumer law. Between July 2021 and March 2021, there were 52 training sessions organised and 1 069 people trained (SME trainers and SMEs directly). Four European workshops were organised with almost 100 participants. All training materials are available free of charge to all trainers, national or local on EU Academy portal[406]. The website has been visited by nearly 24 000 visitors and online resources have been downloaded more than 2 100 times. These figures demonstrate that there is a need for such training and that the activity was successful.

[406] https://academy.europa.eu/.

Other educational initiative supported by the SMP is also seen to be effective to assist and protect vulnerable consumers. In 2022, a new platform **Better Internet for Kids** was created aimed at creating a safer online environment for children and youth and empowering them in the digital world. Latest figures suggest that the platform reaches over 30 million people annually providing tools, information, guidance, resources, and good practices as well as raising awareness. Positive views were expressed during the interviews on the platform, noting that the platform should continue to be developed.

The SMP has also been successful in assisting and empowering consumers in cross-border trade through its support to **European Consumer Centres**. More than 150 legal experts from the ECCs reply to over 120 000 consumer requests and complaints per year. In 2023, the ECC Net website was visited almost 120 000 times. Since the outbreak of COVID-19, the ECCs have been helping consumers confronted with cancellations of flights and package travel, problems related to online shopping and the increase in the number of scams. In 2022, the network received over 118 000 requests for assistance. In 26 000 cases it acted as an intermediary with the trader in obtaining redress, which resulted in the recovery of over EUR 9.9 million. In 2023, the network assisted 124 000 consumers. On average, over 60% of cross-border complains are resolved amicably with the help of the ECCs._Their communication activities reach citizens via press, the network websites, conferences, fair stands, and other online campaigns. The ECC Net also publishes guidance and advice on common consumer problems. During the 2022-2023 period, the ECC Net sent to the Commission 16 external alerts on infringement covered by the CPC Regulation[407]. The following table summarises the activities of the ECC Net in figures.

**Table 50: ECC net in figures**

| Indicator | 2021[408] | 2022409 | 2023[410] |
|---|---|---|---|
| Answer to individual enquiries | 116 424 | 118 142 | 124 119 |
| Amount recovered (EUR) | 7 508 771 | 9 904 715 | 8 821 728 |
| Cross-border complaints resolved amicably | 64% | 60% | 60% |

*Source: ECC Net (2023) annual reports*

The number of answers to individual enquiries increased from 2021 to 2023 achieving the target of a positive trend. Consultation with the ECCs in this regard however has highlighted that in many cases consumers may approach ECCs with complaints that cannot be resolved, mostly due to cases where the trader is not based in the EEA. This was highlighted as a gap as they have not got the legal status to assist beyond the EEA. However, the new revised ADR Directive now includes traders established outside the EU, if the consumer is a resident in a MS; thus, this gap is expected to be addressed with new legislation. In addition, with varying capacities, sometimes ECCs may struggle to find sufficient case handlers, particularly where the ECCs may not have so much national support.

[407] 2022-2023 Biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future (europa.eu).
[408] ECC Net (2021) at 431c1cb7-b023-42ce-bf9a-1930035b3276_en (europa.eu).
[409] ECC Net (2022) at: 525e7bea-63cb-4ee4-b724-952f3918ab6e_en (europa.eu).
[410] ECC Net (2023) at https://commission.europa.eu/document/download/47efcd6d-eb6a-4564-a873-.

92.6% of respondents to the consumer survey agreed that the ECC Net has been very effective and often instrumental in helping consumers make informed choices, obtain redress, and promote consumer rights across the Single Market. The data gathered by ECCs is key for policymaking and help to detect unfair practices by rogue traders.

Although the number of visitors to the ECC Net website saw an increase in 2023, their visibility could be increased, according to consultation with the ECCs. The visibility of ECCs does vary by MS and could be improved further.

The **European Consumer Summit** events were considered effective or very effective by 82% of respondents to the online survey, in bringing together different stakeholders to discuss consumer protection. The number of participants has been significant over the period since 2021, with over 2 200 attendees in total. The opinions of stakeholders on the Consumer Summit by stakeholders is very positive. Furthermore, the stakeholders interviewed for this mid-term evaluation indicated that Consumer Summits played an important role and were considered successful in fostering dialogue among various stakeholders, including policymakers, enforcement authorities, and consumer organisations. Consumer Summits play a crucial role in shaping a consumer-centric Single Market that benefits both consumers and traders, reflecting common European values and addressing the evolving challenges in consumer protection.

The SMP has also funded actions to promote sustainable consumption, which is one of the five priorities of the New Consumer Agenda, aimed at empowering consumers to make sustainable choices and play an active role in the green transition. This topic was also one of the key agenda point of the 2023 Consumer Summit and included the **Sustainable Consumption Pledge** (in 2021 and 2022 respectively) aimed at encouraging businesses to voluntarily commit to actions that promote more sustainable consumption and production practices[411]. The SMP has also funded specific studies to address the link between sustainable production with product safety and supported the representation of consumer interests by funding the work of its beneficiaries in the area of green transition (such as the work of BEUC on green claims and the right to repair). **Consumer Education Hub** platform developed after research work[412] (managed by BEUC) funded under Pillar 4a, offers a comprehensive collection of consumer education initiatives from across Europe, serving as a valuable resource for individuals and organisations aiming to enhance consumer understanding and decision-making. The Hub provides access to over 500 consumer educational materials and resources covering topics such as sustainable consumption, e-commerce, energy, environment, financial literacy, product safety, and general consumer rights. These resources are tailored to help consumers make informed choices in various aspects of daily life. The platform caters to different consumer groups, including teachers, educators, teenagers, parents, and the general public, ensuring that educational materials are relevant and accessible to all. Organisations and individuals can contribute to the Hub by adding their own consumer education initiatives, fostering a collaborative environment for sharing knowledge and best practices. It aims to inspire and support the development of consumer education initiatives that empower individuals to navigate markets safely and confidently.

[411] https://commission.europa.eu/strategy-and-policy/policies/consumers/consumer-protection-policy/sustainable-consumption-pledge_en.
[412] https://commission.europa.eu/strategy-and-policy/policies/consumers/consumer-protection-policy/consumer-education-and-local-advice-initiatives_en.

**b) The SMP has been effective in ensuring a high level of consumer protection and product safety.**

Actions funded by the SMP on product safety have been very effective in removing risk to consumers. As unsafe products represent an important cost for consumers and society, actions on product safety funded by the SMP Pillar 4a are key priority.

Market surveillance and product safety enforcement is the competence of the Member States authorities which are called on to take appropriate action so that the products posing a risk to the health and safety of consumers are removed from the market. The Commission performs important coordination activities in the product safety field to ensure consistent and efficient application of EU product safety rules. **The EU Safety Gate** rapid alert system for dangerous non-food products, operated by the Commission and financed by the SMP, has enabled a quick exchange of alert information and follow-up about dangerous products in all of EU and the European Economic Area countries. This is a main tool for corrective action when it comes to the safety of products and for effective communication among the market surveillance authorities (MSAs). The system has a restricted part only accessible to authorised users from the national surveillance authorities and a public window, called the Safety Gate portal. National authorities are systematically following-up the alerts that are circulated in the system and exchange information on them.

**Table 51: Safety Gate in figures[413]**

| Indicator | 2021 | 2022 | 2023 |
|---|---|---|---|
| Number of alerts | 2 142 | 2 117 | 3 412 |
| Number of follow-up actions | 4 965 | 3 932 | 4 287 |
| Number of measures on unsafe products | 7 041 | 6 384 | 8 293 |

*Source: Safety Gate annual reports*.

In 2021, authorities from the 30 participating countries of the Safety Gate network (EU Member States, Norway, Iceland and Liechtenstein) reacted to 2 142 alerts with 4 965 follow-up actions; in 2022, the same participating countries reacted to 2 117 alerts with 3 932 follow-up actions. In 2023, Safety Gate reached a record number of validated alerts of 3 412, also with 30 different countries participating and recorded 4 287 follow-up actions[414]. This record number of alerts is mainly due the fact that market surveillance authorities have increased their monitoring of cosmetics to check for the presence of banned dangerous chemical ingredients due to the enforcement of restrictions of chemicals under REACH[415]. This trend is anticipated to continue, and likely accelerate even further, with the implementation of the new General Product Safety Regulation (EU) 2023/988 (GPSR), which enhances market surveillance and requires online marketplaces to quickly react when unsafe products are offered on their website.

[413] Safety Gate reports https://ec.europa.eu/safety-gate/#/screen/pages/reports.

[414] EC (2024): Safety Gate, Safe Products, Safe Consumers, 2023 Results, available at https://www.mpo.gov.cz/assets/en/consumer-protection/products-safety/2024/3/Safety-Gate-2023-report.pdf.

[415] The Cosmetics Regulation (EU) 2021/1902 was amended in October 2021, and certain substances were banned from March 2022. From that time onward, cosmetics containing BMHCA had to be taken off the store shelves in the EU. Consequently, over 1 500 cosmetic have been recalled in the past two years. Dangerous products notified in Safety Gate in 2023 (europa.eu).

The effectiveness of Safety Gate is also illustrated by the measures taken in response to notifications under the Safety Gate system by economic operators or market surveillance authorities, such as withdrawal of dangerous products from the market, sales bans, and corrective measures. 84% of follow-up actions included additional national measures. More than 21 000 voluntary or compulsory measures were reported between 2021 and 2023.

Safety Gate has been instrumental in bilateral and multilateral international cooperation of the EU with respect to product safety. Safety Gate is a major contributor to the OECD Global Recalls portal[416] which gathers information about corrective measures against dangerous products, including product recalls, that are issued around the world. Moreover, as China is the main country of origin for non-food products that are subject to notification (52%), a specific module has been developed (EU Safety Gate China)[417] that facilitates regular transmission of data between the EU and China on dangerous products of Chinese origin found on the EU markets and notified on the Safety Gate. Another bilateral partner is Canada with whom an automated exchange of information between Health Canada's RADAR[418] and Safety Gate has been established through an administrative agreement. In addition, both jurisdictions collaborate on awareness raising initiatives and exchange of best practices[419]. This cooperation helps align safety regulations and standards, thereby contributing to improving global product safety mechanisms.

Manual checks by the MSAs to confirm that reported dangerous products are removed from all online listings in a timely manner, and to make sure these products will not re-appear again at a later stage are time-consuming, costly, and not effective enough. Therefore, the Safety Gate IT system has been complemented by associated modules and tools to improve its quality and efficiency, with a focus on the digital world. Examples include, funded by the SMP, the **e-Surveillance web crawler**, which detects online offers of products that are still online after being flagged as dangerous in Safety Gate. The tool serves a two-fold purpose - to enhance product safety on the Single Market by placing a powerful online surveillance instrument in the hands of the EU Member State authorities, and to collect data on unsafe products as a basis for horizontal analysis for policy actions and decisions. It automatically generates takedown requests accompanied by evidence reports, allowing the Member States market surveillance authorities to automatically create follow-up alerts in the Safety Gate. The web crawler is able to scan up to 200 000 online offers per day on various online platforms, using advanced machine learning algorithms that allows detection of offers of unsafe products with above 90% accuracy. Since its launch in 2022, and during its first nine months of operation (pilot phase), the tool detected 5 068 online offers from 2 079 web shops concerning unsafe products that should have been removed from sale[420]. These results demonstrate a great potential and effectiveness of the e-Surveillance web crawler to streamline the detection of unsafe products sold on online platforms.

The Consumer Conditions Survey (2023)[421] showed that at the EU level 72% of consumers are generally confident that the products they buy are safe. The survey responses indicated that Safety Gate was the most effective initiative on product safety, with 94.1% of

[416] https://globalrecalls.oecd.org/#/project-partners.
[417] Safety Gate 2023 report Safety Gate: the EU rapid alert system for dangerous non-food products (europa.eu).
[418] https://commission.europa.eu/business-economy-euro/doing-business-eu/eu-product-safety-and-labelling/product-safety/international-cooperation-product-safety/bilateral-cooperation_en.
[419] In February 2023, Health Canada participated in the EU Coordinated Activities on the Safety of Products (CASP) workshop on online market surveillance.
[420] Internal Commission report on the pilot phase.
[421] https://commission.europa.eu/system/files/2023-10/consumer_conditions_scoreboard_2023_v1.1.pdf.

respondents rating it effective or very effective[422]. This high rating was reported mainly by national competent authorities (incl. ministries, market surveillance and enforcement authorities) and consumer organisations.

The SMP has also been effective in coordinating actions on market surveillance through **Coordinated Activities on the Safety of Products (CASP)** that consists of jointly testing products by Member States and encouraged exchange of best practices between them. The following table sets out some key figures from the CASP activities[423].

**Table 52: CASP activities and outputs**

| Indicator | 2021 | 2022 |
|---|---|---|
| Number of participating authorities | 38 | 37 |
| Number of MS participating | 19 | 22 |
| Number of samples | 627 | 431 |
| Corrective measures | 312 | 261 |
| Safety gate notifications issued based on CASP test results | 99 submitted<br>14 pending | 21 submitted<br>20 pending |
| Outputs from horizontal activities | Guidance documents<br>Workshops | Guidance documents<br>Workshops |
| *No CASP activities were conducted in 2023.* | | |

CASP has achieved several key milestones in enhancing consumer protection and product safety. Some of the notable achievements include:

- *Improved cross-border market surveillance*: CASP has strengthened cooperation between national market surveillance authorities across the EU. By coordinating inspections, product tests, and information exchanges, the initiative has helped ensure that unsafe products are identified and removed from the market more efficiently. The number of countries participating in CASP has increased in 2022 compared to 2021 and stands at 22[424].
- *Harmonised testing protocols*: The advantage of joint actions is that more products can be monitored with fewer resources and the testing are carried out in a coordinated and harmonised manner, ensuring consistent and comparable testing across EU countries, prevents duplication of efforts, thus achieving a greater impact on the safety of products on the market. Between 2021-2022, a total of 494 out of the 1 058 products tested did not meet at least one of the requirements identified in the testing plans. For example, in the 2021 testing of toys purchased online from non-EU web shops, 84% of the toys failed at least one safety requirement. In total, only 15 of the 92 tested toys met all the required standards[425].
- *Detection and removal of unsafe products*: The market surveillance authorities have taken the necessary measures based on the risk assessments performed. CASP

[422] Public consultation on the SMP interim evaluation.

[423] CASP_2021_final_report_en.pdf and CASP_2022_final_report_en.pdf.

[424] In 2021, a total of 38 authorities from 19 different EU/EEA Member States participated in the CASP project. In 2022, the number of authorities was 37 but were from 22 countries.

[425] CASP_2021_final_report_en.pdf.

testing performed in 2021 and 2022 has led to 573 corrective measures[426] and 120 products were subject to Safety Gate notifications, so the relevant information was shared with other MSAs, consumers and economic operators[427], with follow-up actions to ensure they are withdrawn or recalled.

- *Guidelines on different horizontal topics and research on relevant safety topics*: CASP has developed co-authored guidance materials and tools to help businesses, manufacturers, and retailers better understand their obligations regarding product safety. By educating economic operators, CASP helps prevent non-compliant products from entering the EU market. CASP 2021 co-developed five guidance documents and three reports addressing the key horizontal topics of market surveillance; in 2022, CASP co-developed four guidance documents and a template for more efficient reporting to the Product Safety Pledge signatories.

Generally, there is an agreement by stakeholders that the actions on product safety are critical to protecting consumers from new and remaining risks, as a result of increased online sales, the globalisation of supply chains or the absence of specific legislation in some sectors (e.g. on hygiene products). The consumer online survey stated that actions such CASP are being effective or very effective increasing consumer safety by 80% of respondents. This high rating was reported mainly by consumer organisations and national competent authorities (incl. ministries, market surveillance and enforcement authorities). Through CASP activities, Pillar 4a facilitated cross-border collaboration among national market surveillance authorities, promoted the exchange of results and best practices, enhanced safety measures and strengthened consumer confidence in product safety within the Single Market. The latter is confirmed by the Consumer Conditions Survey (2023) which shows that 72% of consumers are generally confident about the safety of non-food products they buy. Confidence in product safety has increased since 2018 (pre-pandemic) by 5 p.p.

**c) The SMP has made progress in ensuring that the interests of consumers in the digital world are taken into consideration.**

The digital transformation is reshaping consumers' lives by offering more opportunities but also presents challenges to make informed decisions and protect their interests. according to the Consumer Conditions Scoreboard, by end 2022, 71% of EU consumers purchased goods or services online. Consumers reported experiencing several problems, for example 76% were personally targeted by problematic online advertising, 75% experienced hidden advertising in search results, and 69% had come across reviews that did not appear genuine.

In this context, the SMP has financed the fitness check study to assess digital fairness in the key EU consumer Directives. The study analysed consumer detriment based on the prevalence unfair commercial practice in e-commerce, such as dark patterns, certain personalisation practices often based on profiling, hidden advertising, fraud, false or misleading information and manipulated consumer reviews. The study assessed the adequacy of the regulatory framework and provided recommendations[428]. Another notable study, linked to the Better Internet for Kids, examined the impact of online marketing through social media, games, and mobile applications on children. The study highlighted

[426] Corrective measures can include imposing penalties, recall from the user, withdrawal from the market, request to improve the product, request to mark the product with the appropriate warnings, or ban on the sale of the product.

[427] Reported results are based on the information available on 14/04/2023 as provided by the MSAs.

[428] https://commission.europa.eu/publications/study-support-fitness-check-eu-consumer-law-digital-fairness-and-report-application-modernisation_en.

that many online services have addictive designs which can exploit children's vulnerabilities and lead to excessive screen time. The report suggested the need for stronger regulations to protect children from manipulative design practices. Another important study that will contribute to ensure the interests of consumer in the digital world is related to the implementation of the General Product Safety Regulation (entered into force in June 2023) aims to tackle the safety of online sales, digital vulnerability and new technology products.

The SMP has made progress in protecting the interests of consumers in the digital word by supporting the competent stakeholders and funding their activities. For instance, BEUC has played a key role in addressing consumer digital concerns and guaranteeing consumer's rights are upheld. For example, BEUC coordinated complaints against companies like Google and WhatsApp for violating GDPR rules, particularly regarding unclear terms and excessive data collection practices and its complaint against Amazon led to reforms in cancellation processes to make it easier for consumers to unsubscribe from Amazon Prime._In June 2023, BEUC with national consumer authorities filed a complaint against major social media platforms like Instagram, YouTube, TikTok and Twitter for promoting misleading crypto assets and calling for stricter advertising policies and enforcement[429]. Furthermore, BEUC organises campaigns to inform consumers about online scams, data protection, and their rights in the digital space, empowering them to make informed decisions.

**The e-Enforcement Academy** has further strengthened the capacities and skills of national enforcement authorities (CPC) and the Consumer Safety Network (CSN) in conducting digital investigation, for example in using digital tools like eLab[430] to conduct more effective online investigations into mass-scale breaches of consumer law. A new phase of the e-Enforcement Academy began in 2022, generating a variety of outputs, including 12 new e-learning modules, 10 tutorials, 12 webinars, 15 local training sessions for 317 enforcement officials, and 3 CPC workshops[431]. Currently the e-Enforcement Academy community is made of 865 users. The Academy has provided high-quality training and up-to-date learning materials, enabling authorities to effectively tackle challenges in e-commerce and mobile commerce. Through these training, and networking, the Academy has fostered coordinated approaches to common problems, enhanced direct contacts and exchange of best practices between authorities from different countries. The ongoing efforts of the e-Enforcement Academy continue to play a crucial role in adapting consumer protection to the evolving digital landscape.

CPC Network, supported by the SMP, carries out 'sweeps,' coordinated investigations across Member States, where national authorities check compliance with consumer protection laws on websites or online marketplaces. These sweeps target misleading advertising, fraud, or non-transparent online selling practices. From 2021 to 2023, the CPC network carried out six sweeps[432]. For example, in 2023, a major sweep was done on 'influencer marketing' by 22 Member States on the posts of 576 influencers, to verify whether they disclose their advertising activities. 97% (558) of those influencers published posts which contained commercial content but only 20% (112) systematically indicated it. The sweep on influencers resulted into developing the Influencer Legal Hub[433] where

[429] Hype or Harm? The great social media crypto con | BEUC.
[430] eLab tool is funded by the Digital Europe Programme, the SMP has supported the workshops and trainings of national eLab experts and financed the preparations and testing of eLab components.
[431] Information provided by EISMEA and Reports on e-enforcement academy Phase 2.
[432] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/enforcement-consumer-protection/sweeps_en.
[433] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/influencer-legal-hub_en.

influencers can find practical information and video trainings to become familiar with the EU consumer protection law that need to be applied in advertising, selling goods and providing services.

The **Annual Digital Events** organised in 2021, 2022 and 2023 facilitated discussions among stakeholders and consumer law experts on the developments and needs regarding the consumer protection in the digital age. The third edition of this event was held in 2023 to address specific issues in the context of the Commission's Fitness Check of EU consumer law digital fairness. Moreover, at this event 11 leading global and European online marketplaces[434] signed the extended 'Consumer Protection Pledge', which contains in addition to the extended Product Safety Pledge+ the Digital Consumer Rights Commitments. These are additional voluntary commitments regarding the transparency of consumer reviews and influencer marketing, as well to leverage the power of the marketplaces to facilitate the exercise of certain EU consumer rights, and to offer training and advice to sellers operating on the marketplaces. The signatories committed to apply these commitments from mid-2024 and the Commission will gather data and report on their implementation as from 2025.

**d) The SMP has been effective in supporting competent enforcement authorities and consumer representative organisations.**

Under the Consumer Protection Cooperation Regulation (Regulation (EU) 2017/2394), the Commission does not have direct powers to enforce consumer law in the Union, but it plays an important coordinating and supporting role in this area. Financial support from the Pillar 4a enabled the Commission to manage and steer the activities of the national consumer protection authorities of the EU and the European Economic Area countries, the **Consumer Protection Cooperation Network**, when addressing cross-border and widespread breaches of EU consumer law and carrying out coordinated enforcement actions.

In 2020 and 2021, CPC authorities cooperated on 312 mutual assistance requests, of which 231 were requests to take enforcement measures. The CPC network and the Commission issued 89 alerts of suspected business practices suspected to breach of consumer law. Those alerts covered a wide scope of EU consumer law issues, relating to practices by web shops, and other online platforms (e.g. social media or entertainment). They mostly concerned a lack of price transparency, misleading advertisements, and misleading labelling of commercial content, unclear or missing pre-contractual information, geo-blocking, warranty issues and greenwashing practices[435].

In 2022 and 2023 CPC authorities exchanged a total of 440 requests (+41%) under the mutual assistance mechanism provided by the CPC Regulation. Out of these, 283 were requests to take enforcement measures. Moreover, 93 alerts (an increase of 3% from the previous period) of suspected breaches of consumer law were issued and mostly concerned dark patterns, automatic renewals, misleading 'green claims' and the unfair promotion of crypto investments[436] Furthermore, between 2021-2023 the CPC authorities, supported by Pillar 4a, carried out approximately 20 coordinated enforcement actions against leading market players (e.g. Airbnb, Booking, WhatsApp, Google, TikTok, Amazon etc.) which

[434] These traders include Allegro, AliExpress, Amazon, Bol.com, Cdiscount, eBay, EMAG, Etsy, Joom, Rakuten France, and Wish.
[435] EC (2022): Biennial overview of actions carried out by national authorities under Regulation (EU) 2017/2394 on consumer protection cooperation and key market trends that might affect consumers' interests in the future, SWD(2022) 108 final c52bbf71-56d1-4433-a73c-c432f6c35610_en (europa.eu).
[436] SWD(2024) 186 final on consumer protection cooperation available at: https://commission.europa.eu/document/download/692a2cf1-1078-4dca-9901-3a9b9e62ec33_en?filename=Biennial%20Report%20B3.pdf.

have been successfully finalised and agreements on improvements reached with companies. At present, these coordinated actions are informal and take the form of a dialogue with the trader concerned to agree on the timely implementation of commitments to stop the infringement rather than the imposition of penalties on such traders by national authorities. For instance, as a result of the coordinated action concerning Airbnb, consumers now receive clearer and complete price information. Another joint action resulted in 16 airlines committing in 2021 to refund unused vouchers that they had issued to consumers for cancelled flights during the COVID-19 pandemic. As a result, more than 500 000 consumers received their money back. The impact of coordinated actions is significant across the single market. Targeting big online platforms and traders, they ensure the respect of consumer rights for millions of citizens, creating also a level playing field across different sectors.

Other high-profile activity of the CPC is coordinated screening of websites 'sweeps' to identify breaches of consumer law in specific sectors. The sweeps are carried out simultaneously by national enforcement authorities in participating countries under the coordination of the Commission. The sweeps provide a valuable indicator of the level of compliance of businesses on online markets. The most recent high-profile sweeps were conducted on consumer scams related to consumer credit (2021); online consumer reviews (2021); car rental intermediaries (2022); Black Friday sales (2022), dark patterns (2022) and social media influencers (2023). In the enforcement phase, the authorities ask the traders concerned to take corrective action. The responses on the public consultation show that sweeps, facilitated by the SMP and carried out by the CPCs, are rated to be highly effective according to 87% of respondents[437].

The support provided by Pillar 4a to CPC Network has contributed to visibly consolidate and expand its activities during the evaluation period. Both the mutual assistance mechanism in the form of exchange of information and enforcement requests between national competent authorities as well as sweeps and joint enforcement actions have seen improvement in terms of effectiveness.

Moreover, the Pillar 4a effectively supported development of operational capacities of the CPC authorities, notably by providing a digital environment in form of CPC knowledge exchange platform to support collaborative work and share results with the wider CPC network, as well as the eLab which is an internet laboratory for mass-scale investigations and sweeps on the online market. In 2023, 200 users from 25 countries were using this free of charge service to perform investigations adapted to their specific needs and exchange best practices. The Pillar 4a has supported the workshops and trainings of national eLab experts and financed the preparations and testing of eLab components. For example, in 2023, two in-person training sessions to show how software can be used to detect companies and individuals behind websites, and complex online scam networks were provided through the eLab and financed by the Pillar 4a.

The Consumer Conditions Survey (2023)[438]shows that confidence in organisations to either respect or protect consumer rights remains above the pre-pandemic levels of 2018. For example, around two thirds of consumers have confidence in public authorities to protect consumer rights (66%, five p.p. increase since 2018). Additionally, trust in public authorities to protect consumers tends to be higher than the general levels of trust in public administrations. Moreover, consumers' confidence in retailers and service providers to

[437] Public consultation on the SMP interim evaluation.
[438] https://commission.europa.eu/system/files/2023-10/consumer_conditions_scoreboard_2023_v1.1.pdf.

respect their consumer rights remains the highest (76%, five p.p. increase since 2018). This suggest that actions supporting competent enforcement authorities (CPC Network) are contributing to the intended effect, namely strengthening consumer confidence in the protection of their rights.

The Pillar 4a has been effective in improving representation of consumer interests at EU level through the activities of **BEUC ('Bureau Européen des Unions de Consommateurs')** which is the umbrella group for 44 independent consumer organisations from 31 countries. BEUC´s main role is to represent them to the EU institutions and defend the interests of European consumers. BEUC's objective is to make the voice of consumer organisations heard in EU policymaking; to contribute to and facilitate the enforcement of consumers' rights at EU and national levels, to protect and promote consumers' health, safety, legal and economic interests. BEUC pays particular attention to the protection of vulnerable groups of consumers and integrates the needs of the next generations, by mainstreaming sustainable production and consumption. BEUC's consistent funding has led to successful functioning of the organisation, which has grown and found other sources of finding (with the Commission's annual grand under the SMP constituting a third of BEUC's total operational budget).

The operating grant has enabled BEUC to advocate for consumer rights by participating in over 200 public events annually, issuing over 50 position papers and around 10.000 quotes in written press per year (see Table 8)[439]. BEUC plays a crucial role in representing and defending the interests of consumers at the EU level and in influencing EU legislative proposals, ensuring that consumers are represented in discussions around new laws. This includes active participation in public consultation on consumer protection legislation proposals and on trade agreements.

The evaluation findings emphasis BEUC's significant contribution to EU policymaking and its key role in representing and defending consumer interests at EU level. Support to BEUC was rated as effective or highly effective by 85% of stakeholders who consider BEUC to be a very proactive and influential organisation that plays a crucial role in the European consumer protection framework and acts as a key information and networking hub for national consumer organisations. BEUC's funding significantly strengthens its capacity to engage in comprehensive advocacy, conduct research, support national organisations, and push for stronger EU policies that benefit consumers.

**Table 53: BEUC in figures outputs**

[439] BEUC annual reports at https://annualreport.beuc.eu/.

| Indicator | 2021 | 2022 | 2023 |
|---|---|---|---|
| Press releases | 51 | 53 | 55 |
| Quotes in written press | 6,600 | 7,500 | 12,000 |
| Interviews to media outlets | 55 | 48 | 40 |
| Posts in social media | No information | No information | 1,700 |
| Participation in public events | 242 | 203 | 288 |
| Meetings with the European Commission | 2 meetings with European Commissioners, 4 meetings with European Commission Directors-General, and 208 meetings with staff from a variety of departments that work on consumer-related topics. | 4 with Commissioners, 12 with Directors-General or Deputy Directors-General, and 163 with staff from a variety of departments that work on consumer-related topics. | 3 with Commissioners, 8 with Directors-General or Deputy Directors-General, and 136 with staff from a variety of departments that work on consumer-related topics. |
| Source: BEUC annual reports | | | |

**e) The SMP has made progress in ensuring access to redress mechanisms.**

**Alternative Dispute Resolution (ADR**) bodies and ECCs facilitated consumers access to effective redress mechanisms and have been supported by the SMP. Based on the Consumer Conditions Survey[440] 45% of consumers agree that it is easy to settle disputes with retailers and service providers through an out-of-court body, compared with 34% who believe that going through the courts is easy. While this trend persists, there is also a slight increase in the belief that dispute resolution is easier now than when measured before the pandemic in 2018 (proportions agreeing with these statements have both increased by 3 p.p.). Resolving disputes through ADRs is generally easier, and less expensive than going to court. making it an attractive option for both consumers and businesses who find ADR processes more satisfactory because they provide opportunities for dialogue and mutually agreeable outcomes.

The number of qualified ADR entities receiving support grew to 46 between 2021 and 2023. Though, some challenges, such as the 60% co-financing rate and administrative burdens, have limited ADR uptake in certain areas. A wide range of activities were eligible to be supported by action grants awarded to the ADR entities. For example, the activities focused on enhancing operational capacity, modernising and digitalising the case-handling system, fostering networking and exchange of best practices, and raising awareness and bringing knowledge of ADR among consumers and traders.

[440] Consumer Conditions Survey 2023 edition.

The evaluation of the ADR Directive[441], funded by the SMP, concluded that ADR have been successful in handling consumer issues with traders, although there were differences between Member States in setting up ADR entities and differences in outcomes; and trader uptake remained very low due to low awareness-raising or complex procedures.. The resolution rates for these disputes vary significantly, ranging from 17% to 100% depending on the Member State. Cross-border ADR, according to the evaluation, is still under-used in many countries due several factors such as cost, complex procedures, language, and applicable law.

The findings and recommendations of this evaluation laid the groundwork for the Commission's proposal (adopted on 17 October 2023)[442] to review the ADR Directive, to make it better fit to digital markets, enhance the use of ADR in cross-border disputes through more customised assistance and simplify ADR procedures.

The ECC has been rated as very effective in terms of redress by 92.6% of respondents to the targeted consultation in providing free of charge information, advice, helping consumers resolve cross-border disputes with traders and guiding consumers toward appropriate dispute resolution mechanisms. They handled thousands of disputes, recovering over EUR 8.8 million for consumer in refunds during 2023 (EUR 9.9 million in 2022). The respondents noted that during the COVID-19 pandemic, ECCs played a critical role in mediating disputes related to cross-border transactions, such as cancelled flights and unfulfilled online orders. Interviewed stakeholders have further noted that the flexibility of SMP funding has been crucial in allowing ECCs and ADR entities to adapt to new challenges, such as the COVID-19 pandemic and geopolitical events like the Russian invasion of Ukraine. Their intervention ensured that many consumers received refunds or compensation, demonstrating their effectiveness in crisis situations.

**f) The SMP has been effective in improving evidence-based policymaking**

Improving evidence base for policymaking is a key activity of the SMP. Between 2021-2023, the SMP has funded 17 studies to inform policy in designing smart and targeted regulations and to identify any market malfunctioning or changes in consumers' needs. Examples of actions in this regard include:

a) the study supporting the Fitness Check of EU consumer law on digital fairness addressed consumer issues in the digital sphere such as dark patterns, influencer marketing, personalised pricing, targeted advertising, and analysed the alignment between consumer legislation and other EU digital legislation. The Commission published the Fitness check report on 3 October 2024, providing the evidence base and legal assessment that will feed into the future Digital Fairness Act,

b) the study on the revision of the ADR framework, resulting in a new proposal to amend the ADR Directive to create a more robust, efficient, and user-friendly ADR framework that better meets the needs of consumers and businesses in digital market and the discontinuation of the ODR platform,

c) the study on the GPSR and the circular economy will provide useful recommendations on improving the safety of recovered products that can inform future policymaking,

[441] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/resolve-your-consumer-complaint/alternative-dispute-resolution-consumers_en.
[442] https://www.eumonitor.eu/9353000/1/j4nvhdfdk3hydzq_j9vvik7m1c3gyxp/vm7es0m4cdrs.

d) the foresight study on consumers' behaviour in the context of green and digital transition and the impact of COVID-19 pandemic on consumer behaviour, consumption patterns, and markets in Europe, with a time horizon extending from 2025 to 2030.

The Consumer Conditions Survey (CCS) is a key tool that has been very efficient to monitor the consumer environment across the EU and consumers' perception of market conditions. It assesses consumer conditions in areas such as trust, knowledge, complaints, dispute resolution, enforcement, and integration of the retail market. In 2021, a new online Consumer Scoreboard was launched to keep regular updates combining two major surveys: the Consumer Conditions Survey and the Market Surveys but also using other available statistics. The CCS has been instrumental in identifying discrepancies between Member States in consumer rights and enforcement, leading to more harmonised consumer protection standards across the EU. Evidence gathered by the CCS helps also to monitor consumers' engagement in the circular economy. It provided policy-relevant insight that contributed to shape the new Directive on Empowering Consumers for Green Transition[443]. The CCS pays special attention to the challenges faced by vulnerable consumer groups, such as older people, low-income households, and those with limited digital skills. It identifies disparities in access to services and markets, and the need for tailored policies that address their specific challenges. For example, the 2021 edition revealed the concerns of consumers about paying their bills and energy costs. In response, the Commission proposed a series of coordinated actions, including the 'Joint Energy Declaration' for enhanced consumer protection during the winter in 2022. This initiative called for consumer-friendly measures such as preventing disconnection to electricity and gas for consumers, temporary deferrals of bill payments and emergency income support for vulnerable consumers. Creating a better evidence base for consumer policy aimed at protecting consumers have been mentioned as particularly effective in consultation by 66% responding to the survey and particularly by consumer advocacy groups.

### 3.1.2 Effectiveness: Pillar 4b

**Finance Watch**

During the evaluation period, Finance Watch engaged in the major debates and policy developments in financial regulation. It covered a very broad array of topics including insurance, retail financial services more generally, financial inclusion, sustainable finance, financial stability, digital finance and the capital markets union. Overall, the study found that the activities of Finance Watch have been very effective and have contributed towards a stable financial system, channelling capital toward sustainable economic activities and to representing the interest of all members of society.

In the period 2021 to 2023, Finance Watch worked towards *enhancing the participation of consumers, other financial services end users and representatives of civil society in financial services policymaking*, mainly through their activities focusing on policy and advocacy.

The beneficiary provided 41 replies to public consultations covering a wide range of financial services' topics and provided input to several public consultations of the European Commission and the ESAs covering initiatives around topics such as retail financial services (mortgage, consumer credit, retail investments), insurance, sustainability and climate risks, digital finance, macroprudential framework etc. In addition, Finance

[443] https://commission.europa.eu/live-work-travel-eu/consumer-rights-and-complaints/sustainable-consumption_en.

Watch produced 25 policy/position papers in the same period.

The online survey444 confirmed the effectiveness of Finance Watch's advocacy activities: The majority of respondents that expressed an opinion on the advocacy work of the beneficiary found this very useful and effective (this corresponds to around 40% of all respondents for responses to consultations and around 46% of all respondents for policy papers). However, a significant percentage of respondents (45% of all respondents for responses to consultations and 40% of all respondents for policy papers) did not express an opinion on the effectiveness of the work, indicating that the broader visibility of the work could be improved.

This was also confirmed by the interviews conducted as part of the study[445]. They showed that stakeholders consider that Finance Watch has been effective in advocating for the public interest in financial regulation, particularly in areas like sustainable finance. There were however some respondents that indicated that the work of the beneficiary could be more active and visible. Respondents appreciated the work of Finance Watch on financial climate risks and over-indebtedness for promoting the interest of consumers in retail finance. Positive feedback received highlighted Finance Watch's important and good quality work on finance for green SMEs and its collaboration with teams in multiple countries, fostering a broad engagement.

In the period 2021 to 2023, Finance Watch has also been working towards *promoting a better understanding of the financial sector.* In addition to the policy papers and responses to public consultations, the beneficiary produced a total number of 16 research reports in the period 2021 to 2023 and organised a total of 19 conferences and seminars. The reports focused on current issues and included, among others, a harmonised personal insolvency framework, climate finance and insurance markets. The reports and publications were also used in lobbying and advocacy work, where the findings were used as evidence base and during discussions with policymakers and industry.

The effectiveness of Finance Watch of the research activities was again confirmed by the survey conducted as part of the study[446]: The majority of respondents who expressed a view on this question considered that the papers and studies by Finance Watch were very useful or useful (45% of the total number of respondents). Yet a high number of respondents (40% of all respondents) did not express an opinion about the level of their effectiveness highlighting a potential need for more visibility of the work of the beneficiary. The respondents' comments to the survey also highlighted the usefulness of open webinars and the participation of Finance Watch experts at events, but also the need for more consumer information.

The objective of *promoting a better understanding of the financial sector* was also addressed through the communication activities of Finance Watch such as events and press releases. In the period 2021 to 2023, Finance Watch organised a total of 19 conferences and seminars (between 6-7 each year), with around 150-180 participants attending their events in 2021 and 2022 and 380 in 2023. Finance Watch was mentioned in 235 articles in the press in 2023. In the period 2021 to 2023 Finance Watch published 62 press releases in financial services' related topics.

The study confirmed that Finance Watch has a significant volume of social media

[444] See Pillar 4b Online survey summary report.
[445] See study Section 4.2.1.
[446] See study Section 4.2.1.

followers and good social media presence. The results of the survey[447] also showed that 37% of the respondents found the communication campaigns of Finance Watch effective, however 44% of the respondents did not express an opinion indicating a lack of familiarity with the work of the beneficiary.

Finally, the study also assessed Finance Watch's work for *ensuring that the interests of consumers in the area of retail financial services are protected* by actively participating in consultations and policy discussions. Finance Watch also continued to actively participate in the work of Commission and ESA expert groups, for example through its participation in the EC Financial Services User Group, the EC Technical Expert Group on Sustainable Finance, and the European Insurance and Occupational Pensions Authority (EIOPA) Consultative Expert Group on Digital Ethics. Finance Watch participated in total in 191 meetings in six expert groups between 2021 and 2023. In addition, as part of their advocacy work, Finance Watch focused on increasing the meetings with EU policymakers such as Members of the European Parliament, representatives from the European Economic and Social Committee, the College of the Regions etc. conducted a total of 213 meetings in the period 2021 to 2023. The results of the survey showed again that the majority of the respondents who expressed an opinion (45% of all respondents) found that Finance Watch was effective or very effective in ensuring that the interests of consumers in retail financial services are protected. Yet, similarly as before, a significant percentage of 38% respondents did not express an opinion.

**Better Finance**

In the period under evaluation Better Finance has typically covered work streams related to financial services users' issues with a strong focus on investors and pension savers as well as sustainable and digital finance. Better Finance produced important policy and advocacy and research work and the study concluded overall that its activities were very effective *in representing the views of financial services end users in policymaking ensuring their interests are protected and promoting a better understanding of the sector.*

In the period 2021 to 2023, Better Finance worked towards the objective of *enhancing the participation of consumers and financial services end users.* The beneficiary produced 60 replies to public consultations covering a wide range of financial services' topics, focusing in particular on those that are relevant for investors. For instance, in the three-year period Better Finance provided input to public consultations of the European Commission and the ESAs covering initiatives around the topics of retail investments, insurance, sustainability, digital finance, taxation etc. In addition, Better Finance produced 20 position papers and open letters in the same period which constituted important advocacy work in order to ensure the participation of consumers in the financial services' policymaking process.

The effectiveness of Better Finance's advocacy work was confirmed by the responses to the survey[448] where the majority of respondents (over 60% for responses to consultations and over 70% for policy papers) found that Better Finance's outputs were very useful and effective. However, a notable proportion of respondents indicated that they did not know of the activities (23% for policy papers and 27% for responses to consultations) indicating that the broader visibility of the work of the organisation could be improved.

The interviews conducted as part of the study[449] highlighted the effectiveness of Better

[447] See study Section 4.2.1.
[448] See Pillar 4b Online survey summary report.
[449] See study Section 4.2.1.

Finance in advocating transparency in financial markets and promoting better products and recognised the work as impactful in representing the interests of small investors at both the EU and national levels. In addition, the results of the survey conducted showed that respondents strongly support the advocacy efforts of the beneficiary, they find the organisation effective in ensuring consumer protection in retail financial services.

In the period 2021 to 2023, Better Finance has also been *promoting a better understanding of the financial sector*. In addition to the policy papers and responses to public consultations, Better Finance produced a total number of 20 comprehensive research reports in the period 2021 to 2023. The reports focused on current issues that were relevant for consumer and financial services end users. The themes covered by Better Finance since 2021 include among other pensions, collective redress, education in times of high inflation, shareholder engagement, solvency reports, and capital markets. The reports and publications of Better Finance are also used in supporting the advocacy work of the organisation and serve as evidence during discussions with policymakers and industry.

The responses to the survey[450] also showed that over 70% of respondents found that Better Finance research work/studies were very useful and effective with 25% not expressing an opinion. Some respondents also provided comments to the survey also highlighting specific topics such as long-term pensions and saving products, cross-border learning initiatives, educational programmes, and studies on key issues for private investors, where the research work of Better Finance has been very important. The interviews that were conducted as part of the study showed similar results with the interviewees, especially Members of the FSUG, and other users of Finance Watch' and Better Finance's outputs that emphasised the value of research reports and policy papers in supporting national advocacy efforts. The interviews showed that stakeholders particularly appreciated the reports of Better Finance on pensions and savings, which were seen as critical in promoting a better understanding of these products among consumers and highlighted the reports' role in promoting transparency and safeguarding small investors' interests.

The objective to *better inform consumers* was addressed through the communication activities of Better Finance such as events and press releases. In the period 2021 to 2023, Better Finance organised on average six events per year (such as international conferences and press conferences), with around 700 to 800 participants attending their events each year. Media coverage of Better Finance was mentioned in on average 300 press articles[451] per year. In the period 2021 to 2023 Better Finance published 62 press releases providing information on policy and regulatory developments at the European level affecting investors and financial services end users.

The study indicated that the social media presence of Better Finance is relatively limited due to the more focused nature of the activities and the more limited target audience (being investors and savers). Its engagement with the public is done through its member organisations, which include mainly financial consumer associations at national level. The results of the survey showed that over 60% of the respondents found the communications activities of Better Finance effective.

To ensure that the *interests of consumers in the area of retail financial services are protected* Better Finance also continued to participate in and provide input to expert group discussions and Committees such as the European Commission Financial Services User Group, (FSUG), several stakeholder groups of the European Insurance and Occupational

[450] See study Section 4.2.1.
[451] Media mentions as per annual reports of BETTER FINANCE: 308 in 2021, 329 in 2022, data not available for 2023.

Pensions Authority (EIOPA), the European Banking Authority (EBA) and the European Security and Market Authority (ESMA), the European Financial Reporting Advisory Group (EFRAG), the Sustainability Standing Committee (SSC) and the Investment Management Standing Committee (IMSC) and participated in total in 83 meetings of the expert groups. In addition, as part of their advocacy work, Better Finance focused on increasing the meetings with EU policymakers such as Members of the European Parliament, representatives from the European Economic and Social Committee, the College of the Regions etc. conducted a total of 53 meetings in the period 2021 to 2023. In addition, 67% of the respondents rated Better Finance as effective or very effective in ensuring that the interests of consumers in retail financial services are protected, 9% as moderately or slightly effective with 24% not expressing an opinion on the matter.

Given the nature of the funded activities (e.g. policy and advocacy work) and considering the low amount of funding under pillar 4b it is difficult to measure and quantify results and direct impacts on consumers so that the evaluation of this specific area of intervention is mainly focused on the progress of outputs delivered by the beneficiaries.

### 3.1.3 Efficiency

#### *Pillar 4a*

Evaluation of the efficiency of Pillar 4a actions requires an assessment of the benefits arising from the actions in relation to the costs incurred in implementing them. This chapter will therefore look at both sides of this assessment, beginning at a general level and then proceeding to greater detail.

**Table 54: Overview of main costs of Pillar 4a activities**

| Stakeholder | Costs |
|---|---|
| EU | • EU funding for Programme activities (grants and procurements)<br>• EC management and administrative costs |
| National authorities (CPCs, MSAs) | • Co-financing contributions of beneficiaries for specific activities (where applicable)<br>• Administrative costs of beneficiaries (applying, reporting, M&E) |
| Consumer organisations and bodies (BEUC, ECCs, ADRs) | • Co-financing contributions of beneficiaries for specific activities (where applicable)<br>• Administrative costs of beneficiaries (applying, reporting, M&E) |
| Consumers | • None |

*Source: elaboration in the supporting study.*

The direct budgetary costs to the Commission from Pillar 4a were explained in Section 3 where it was seen that the operational budget for consumer protection Pillar 4a over the period 2021 to 2023 amounted to EUR 73.9 million. There will be other costs to beneficiaries from co-financing. A substantial part of funding by the SMP under Pillar 4a requires co-financing. Member States and a range of organisations must contribute to the overall financing of activities. The work programmes notes that:

- The maximum co-financing rate for the BEUC operating grant is 50%.

- During the grant period 2021-2023 ECCs were co-funded up to 52%, although they could receive additional funding in specific circumstances. For instance, the ECCs that carried out EU dimension activity received grants covering 95% of the eligible costs, ECCs that belong to countries whose GDP per capita is in the lower quartile (based on Eurostat data) received a up to 67% EU contribution.
- The maximum co-financing rate for grants for ADRs was 50% in 2021 and 90%in 2022 and 2023.
- In 2021, the maximum level of Union contribution for grants to national enforcement authorities is 50% of eligible costs. However, in the case of actions of exceptional utility the co-financing rate is increased up to 70 % of the eligible costs. In 2022, the maximum level of Union contribution is increased up to 70%, and in the case of exceptional utility is increased up to 80% of eligible cost.

Direct beneficiaries also incur some administrative costs in terms of making applications and reporting. The online survey revealed a wide range of costs associated with various activities undertaken by different stakeholders for the period 2021 – 2023. Examples include:

- One ADR body incurred a one-off application cost of EUR 1 500 to receive SMP funding for delivering a communication campaign on ADR/ODR. Another ADR reported EUR 6 000 in administrative costs due to reporting obligations on events funded by the SMP in addition to EUR 3 000 in application costs. The same ADR reported EUR 1 000 for other related expenses (but they did not specify the nature).
- Two national CPC authorities reported larger administrative costs, ranging from EUR 16 000 to EUR 80 000; the larger costs were reported on joint actions by the CPC Net. Qualitative feedback noted that the level of reporting is too detailed; yet the costs would appear to be too high which suggests that other costs, which may include the costs of co-financing, may be included in the estimates.

BEUC has provided information that a total of 23 person-days is estimated to be needed to apply for the operation grant which amounts to c. EUR 10 000. It has also reported that the costs for reporting bask on the grant are similar to those for the application. However, they acknowledge that requirements have been simplified with the SMP and reporting happen once a year (instead of twice in the previous programme). This has results in some savings.

**Table 55: Overview of main benefits of Pillar 4a activities**

| Stakeholders | Benefits |
|---|---|
| EU | • Beter functioning of Single Market<br>• Greater public trust in EU institutions<br>• Enhanced capacity to tackle cross-border issues<br>• Enhanced ability to ensure consumer protection and product safety<br>• Smarter regulatory actions<br>• Improved enforcement of consumer law |
| National authorities | • Enhanced capacity in implementing and enforcing consumer law<br>• Increased trust in national authorities<br>• Strengthened cooperation/exchange of best practices among authorities<br>• Provision of IT tools, collaborative platforms, evidence, and data |
| Consumer organisations and bodies | • Improved capacity<br>• Improved representation of consumer interests<br>• Better cooperation/exchange of best practices among organisation<br>• Provision of IT tools, collaborative platforms, evidence, and data |
| Businesses | • More level playing field across the EU |

| | |
|---|---|
| | • Reduction of reputational risks<br>• Improved awareness of consumer law<br>• Increased number of B2C cross-border transactions |
| Consumers | • Increased awareness of consumer rights and responsibilities<br>• Better representation in policymaking through consumer organisations<br>• Better information and advice<br>• Greater protection of consumer rights and product safety<br>• Reduced consumer detriment<br>• Increased consumer welfare |

*Source: elaboration in the supporting study.*

One of the main groups benefiting from actions carried out under Pillar 4a are consumers themselves. In fact, they are intended to be the ultimate beneficiaries of all actions, even though they do not incur any direct costs for most of them. Examples of the benefits they receive include:

- Actions supporting ADRs and ECCs are expected to result in savings for consumers. ADRs are normally free of charge (in around 75% MS) for consumers or at a nominal fee (although in some MS ADRs can charge a fee) and they are cheaper and faster than court procedures. ECCs are free of charge and help consumers on cross-border disputes in their native language. In 2023, ECCs handled over 124 000 consumer related inquiries. They intervene also on behalf of the consumers to resolve disputes amicably too and respond to consumer enquiries, to help them make better informed decisions.
- Actions such as the enforcement of consumer law and cooperation in product safety provide immediate benefits to consumers by ensuring safer products, protecting them from fraud and unfair commercial practices, preventing injuries and health risks, and minimising financial losses.
- Actions on consumer education and awareness and communication actions are also expected to impact consumers positively by improving their knowledge and awareness about their rights, which can in turn reinforce the impacts from actions concerning redress in the single market.
- Actions supporting organisations representing consumers have positive effects in ensuring that their interests are protected, including the protection of vulnerable consumers.

Moreover, there are public and private non-profit organisations, such as grants beneficiaries namely ECCs, BEUC, ADRs and CPCs that directly benefit from Pillar 4a funding which enhance their ability to protect and support consumers across the EU. Key benefits include increased capacity and resources, improved cooperation, and knowledge sharing, enhance enforcement capabilities, data-sharing tools and platforms.

Finally, there are benefits for all groups across the wider economy and society. These benefits arise from a better functioning of the single market, because of more level playing field for traders that comply with legislation due to better enforcement and from the consequent efficiency and confidence gains that lead to higher overall economic welfare.

### Proportionality of costs and benefits of Pillar 4a activities

The costs were largely proportionate to the benefits, as the activities under Pillar 4a deliver substantial economic, social, and policy-related gains that cannot be easily quantifiable and far exceed its financial outlay. The prevention of consumer financial or health-related harm, enhanced single market efficiency, and strengthened consumer confidence justify the expenditure, making it a cost-effective investment in both consumer welfare and the broader EU market. Here below is an attempt to demonstrate the cost-benefit, however this should be interpreted with caution.

**Table 56: Cost and benefits**

| Indicator | Total costs 2021-2023 | Benefits (per year) |
|---|---|---|
| Safety Gate | EUR 2.6 million | EUR 11.5 billion per year |
| ADR | EUR 2.7 million | EUR 383 million per year |
| ECC | EUR 24 million | EUR 9 million per year |
| *These figures need to be read with caution as costs only represent expenditure by SMP and excludes other costs such as administrative costs of grant beneficiaries. Benefits are difficult to attribute to SMP's actions alone.* | | |

- The total spent on Safety Gate under Pillar 4a is c. EUR 2.6 million. The impact assessment to the GPSR[452] provided some valuable information on the benefits from reducing preventable detriment due to unsafe product related injuries. This was estimated at EUR 11.5 billion per year. Detriment is also suffered by consumers that have purchased an unsafe product, even if it does not lead to concrete harm. In this case, the detriment is linked to the financial loss, is estimated based on product value and amounts to EUR 19.3 billion per year. Although it is not possible to calculate the exact number of accidents that Safety Gate is preventing, the benefits are expected to be significant (based on over 3 000 alerts for instance in 2023). Other actions, such as market surveillance tools and CASP will also contribute to this type of benefits.
- Grants awarded to ADRs over the evaluation period are around EUR 2.7 million. There are on average 300 000 ADR cases per year (but the resolution rates for these disputes vary significantly, ranging from 17% to 100% depending on the Member State). The consumer detriment of not being able to use ADRs was estimated to be EUR 383 million per year in the impact assessment accompanying the proposal for a Directive on ADRs[453]. This would suggest that the benefits of funding ADRs are also considered to be large against the level of funding.
- ECCs have received from the SMP over EUR 24 million since 2021. They have assisted in average over 120,000 consumers per year and recovered for them around EUR 9 million per year which is above the amount that they have received annually (approximately EUR 8 million per year). Although, the ECC role can't be reduced to the recovered amounts, they collect valuable data on consumer complaints and identify breaches of consumer law, providing insights that inform EU consumer policy and help evaluate the effectiveness of enforcement actions within the Single Market.

The evaluation findings indicate that across the main areas of activity (i.e. product safety, consumer rights and redress, consumer education/awareness and enforcement), a majority

[452] EC (2021) https://commission.europa.eu/system/files/2021-07/gpsd-final-report-part2-ia.pdf.

[453] EC (2023) Impact Assessment Report accompanying the document proposal for a Directive Of The European Parliament and of the Council Amending Directive 2013/11/Eu On Alternative Dispute Resolution For Consumer Disputes, as well as Directives (EU) 2015/2302, (EU) 2019/2161 and (EU) 2020/1828 SWD(2023) 335 final.

of respondents perceived the benefits from actions funded by the Pillar 4a as outweighing their costs. On enforcement for instance, 81.8% of respondents (mostly ECCs, national competent authorities and consumer organisations) saw the benefits of enforcement as significantly or moderately greater than the costs. Respondents noted that the costs are small compared to the benefits gained in terms of competence transfer, consensus, and cooperation with other Member States. For product safety, 54.5% of respondents (mostly consumer organisations and national competent authorities), believed the benefits were greater, while 45.5% did not express an opinion. For consumer rights and redress, 83.3%, (ECCs, ADRs and consumer organisations) viewed the benefits greater than the costs. In consumer education, 73.3% (mostly ECCs and consumer organisations), saw greater benefits, with 46.7% noting them as significantly greater. No respondents rated the benefits as less than the costs in any category.

### Resource allocation and potential for efficiency gains

The following table presents the allocation of funds and the number of direct beneficiaries. The proxies of the grant amount per beneficiary can help to inform the assessment of efficiency. These show the increasing amount per beneficiary since 2021 for ADR and ECCs. CPCs benefiting from the grants in 2022 received a significant amount on average; in 2023, the average spent was reduced when it moved to procurement. This change demonstrates significant efficiency gains.

**Table 57: allocation of funds and number of direct beneficiaries**

| Indicator | 2021 | 2022 | 2023 |
|---|---|---|---|
| CPC- amount spent | 29,520 | 1,652,946 | 422,400* |
| Number of CPCs receiving support (grant or procurement) | 1 | 3 | 5 |
| *Average per CPC (rounded)* | *29,500* | *551,000* | *84,480* |
| ECC – Amount spent** | 7,439,253 | 6,174,124 | 10,582,140 |
| Number of ECC receiving grants | 30 | 29 | 29 |
| *Average per ECC (rounded)* | *248,000* | *212,900* | *364, 901* |
| ADRs – Amount spent | 365,544 | 1,169,822 | 1,182,044 |
| Number of ADRs receiving grants | 9 | 22 | 15 |
| *Average per ADR (rounded)* | *40,600* | *53,200* | *78,800* |
| BEUC operating grant | 2,000,000 | 2,400,000 | 2,400,000 |

**As from 2023, support to CPC authorities is provided in form of public procurement activities managed by the Commission.*

*** ECC 2022 - 2023 amounts are part of the same call for action grants awarded on the basis of multiannual grant agreement*

Source: EISMES (pers. Comm, 2024).

The mid-term evaluation of the Consumer programme 2014-2020 did not lead to the

conclusion that substantial change was necessary but concluded that what was mostly needed is an improvement in the delivery model. The Impact Assessment for the SMP also noted that there was significant room for improvement related to programme delivery with a demand for simplification as regards grants for joint actions EC, 2018, pp. 192). The flexibility and simplification brought by the SMP was expected to allow faster adaptation of financing schemes to retail market developments and to the new needs of authorities or consumer associations (IA, p. 25).

Several changes have been undertaken towards efficiency improvement and reduction in administrative burdens, for instance ECC grants have transitioned to biannual funding instead of annual.. Furthermore, CPC grants and presidency grants were replaced by public procurements as national authorities lacked the human resources to apply for these grants and the allocated budget was regularly unspent. These are examples of how the conclusions of the mid-term evaluation of the Consumer Programme 2014-2020 have been addressed.

Information has also been sought on developments relating to the above during consultation. In terms of the flexibility to adapt to new challenges, the Commission services have argued that the movement from action grants to procurement has allowed greater flexibility to respond to new demands. The objective of the change was precisely to increase flexibility and the number of fund recipients. In the opinion of few interviewees from the Commission services and the CPCs this has been a positive move. Consultation has suggested that this has resulted in a better allocation of funds and efficiency improvements since; contracts that are based on open calls for tenders and within existing frameworks contracts facilitate better resource allocation. Procurement processes through already existing at the Commission framework contracts can drive both cost and operational efficiency, with the budget going to the most competitive tender. It can also respond to new emerging needs in terms of evidence gathering (with particular regard to digital services and practices).

Pillar 4a budget is relatively modest, hence most of the activities under the Pillar 4a require co-funding. Some co-financing amounts have increased, enabling Consumer Pillar funding to reach the critical mass necessary to support the planned activities effectively. Although there are some known benefits to co-financing e.g.it can help maximise deliverability and help to strengthened partnerships and collaboration among EU institutions, national organisations and other regional and local stakeholders. Consultation with ADRs and ECCs emphasised that the capacities of ECCs, national authorities and ADRs vary considerably by country, including in their abilities to raise co-financing. The last impact assessment on the proposed ADR Directive[454] mentioned that significant investments by ADR entities in digitalisation has rendered the ADR more cost-effective and increased satisfaction among users. Respondents to the survey indicated that overall, administrative costs are generally managed within the set parameters and are mostly covered by lump-sum funding recognised after adding up eligible costs (as indicated by an ECC). The pandemic temporarily reduced costs due to decreased business travel, but overall, costs have been increasing annually due to rising staff wages and rent (by approximately 5% each year)

[454] EC (2023) Impact Assessment Report Accompanying the document. Proposal for a Directive Of The European Parliament And Of The

### *Pillar 4b*

In terms of outputs, the two beneficiaries have reached the targets set out as part of the SMP[455]. More specifically:

Better Finance produced a stable level of outputs. In the period examined, the output as regards the key indicators of the period 2021 to 2023 (See Annex I – Table of Indicators) remained overall stable as regards most indicators, such as the production of research work as well as communication activities such as press releases, and events. By contrast, the output increased as regards the number of meetings while there was a slight decrease in the responses to public consultations[456] which could be explained by the fact that the number of public consultations can vary from year to year following the policy cycle of the EU institutions.

The results of the study[457] confirm the above and concluded that the efficiency of Better Finance is high, delivering significant outcomes, a high number of activities and outputs that are regarded to be of high-quality. Even though the team of Better Finance is a very small organisation, it provides specific and impactful advice to a wide range of consumers and stakeholders. As it emerges from the study supporting this evaluation, Better Finance's level of output per person is very high indicating high productivity and effectiveness of the organisation. The study also found that, as compared to another organisation of a similar size[458], Better Finance is performing well compared to similar organisations, and is particularly efficient when it comes to policy, advocacy and research work. By contrast, the beneficiary is less efficient when comparing the number of conferences and the number of social media followers.

Finance Watch has also been overall efficient in delivering its actions under the programme. Looking at the results of the organisation in terms of key indicators for the three-year period (See Annex 3 – Table of Indicators), we can see that the number of outputs was relatively stable for most of the indicators such as the website visits, social media presence. while there was an increase of meetings with stakeholders, press releases and participants in conferences and a decrease in the research reports published and production of policy papers, public consultations[459] which could be explained by the fact that the number of public consultations can vary from year to year following the policy cycle of the EU institutions.

The results of the study[460] confirm the above and conclude that there is high efficiency in the results delivered by Finance Watch that manages to support a wide range of stakeholders, it provides significant output and maintains a high level of influence in the financial services sector. The high quality of their work against financial malpractices, finance for green SMEs and over-indebtedness has been underlined. For Finance Watch, the study461 also found that the beneficiary is performing well compared to a similar organisation and is particularly efficient when it comes to communication activities. By contrast, the beneficiary is less efficient when comparing the number of conferences. A

[455] See table of indicators in Section 2, points of comparison.

[456] A decrease in policy papers and public consultations is expected in some years as the work of the beneficiaries follows the policy cycle of the EC.

[457] See study Conclusions Section 9.2.

[458] See study of the contractor, Pillar 4 Section 5.2.3 Proportionality of costs versus benefits of financial actions.

[459] A decrease in policy papers and public consultations is expected in some years as the work of the beneficiaries follows the policy cycle of the EC.

[460] See study Conclusions Section 9.2.

[461] See study of the contractor, Pillar 4 Section 5.2.3 Proportionality of costs versus benefits of financial actions.

comparison of research work and policy papers was not possible due to a lack of available information.

### Benefits of Pillar 4b activities

Given the nature of the funded activities, the *benefits* that the work of the beneficiaries have produced cannot be easily quantifiable as it is not easy to measure the direct impact on consumers for example from the policy and advocacy work of the organisations. The benefits identified in the study[462] consist mainly of qualitative benefits such as their policy and advocacy representation by highlighting gaps in the market and pushing for better financial products and promoting consumer interest in policymaking. The beneficiaries have contributed significantly in raising awareness in consumer issues in financial services policymaking and have been representing consumers' voice on the opposite side of industry stakeholders. Better Finance has been in particular promoting retail investor-friendly practices and legislation, while Finance Watch has been contributing to shaping EU-wide policies that promote long-term consumer protection. The beneficiaries have also supported national advocacy through their research reports offering insights that might not be possible for national organisations to produce independently. Additional benefits can be observed when looking at the initiatives of Better Finance with regards to financial education where the outputs have been recognised for their importance in promoting transparency and improving consumer understanding of financial products.

### Costs of Pillar 4b activities

With regards to the *costs* of the activities, the grants received by the beneficiaries amount to up to 60% of their costs. In addition, according to the study conducted the administrative costs needed by the beneficiaries to apply for the grants and reporting amount to approximately between 44 and 64 person- days and between 20.000 – 25.600 euro[463]. The budget allocated as part of the SMP for the grants has not followed the changes in inflation resulting in a decrease of budget in terms of real value.

### Proportionality of costs and benefits of Pillar 4b activities

With regards to the proportionality of the costs compared to the benefits of the actions, the study concluded that the beneficiaries have managed EU funds and resources with efficiency and ensured best value for money to deliver their outputs. Compared to the low budget that the beneficiaries receive as part of the SMP (less than 0.5% of the total SMP budget) the beneficiaries have delivered significant results in terms of outcomes of the work programme, number of activities and quality of the work produced which are indicative of their efficiency. In addition, the work of the beneficiaries has been efficient in covering all major policy areas affecting consumers of financial services and in reaching out to key groups of stakeholders. In addition, according to the study[464]diversification of funding would be beneficial as it would increase the capacity of the organisations to engage in more activities. However, diversification of funding cannot include industry financing given the need that the actions of the beneficiaries remain independent.

With regards to the KPIs introduced with the programme, these have proven to be an important element that enables the monitoring of the progress of the activities of the beneficiaries in achieving the objectives of the SMP. The study, and more specifically the interviews with the beneficiaries, have indicated room for simplifications. The nature and

[462] See Study of the contractor, Pillar 4 Section 5.2.1 Overview of main benefits of financial actions.
[463] See Study of the contractor, Pillar 4 Section 5.2.2 Overview of main costs of financial actions.
[464] See study of the contractor, Pillar 4 Section 8.2.2 Relevance of activities on Financial Services question QD8.3.

quality of the work of the beneficiaries is not easily measured in quantitative terms or may be subject to change in view of political developments or emerging issues related to consumers in financial services. The study conducted by the contractor includes therefore a suggestion for more flexibility to adapt the targets of the indicators yearly or potentially agree on alternative indicators[465].

In addition, the results of the study also suggest the importance of continuing the joint efforts of the Commission and the beneficiaries to advance the signature grant agreements to ensure that there are no delays in the planning and execution of the programme.

### 3.1.4. Coherence

#### *Pillar 4a*

Consumer policy is often regarded as the most horizontal policy because it intersects with and influences a wide range of sectors (healthcare, finance, digital services, energy, or food safety)**,** supports broader EU priorities (such as digitalisation and sustainability), and integrates with other policies (digital, economic, environmental, social, competition etc.)**.** It protects consumers in every aspect of their daily interactions with businesses, markets, and services, making it critical for the functioning of the Single market and the well-being of EU citizens. Therefore, several complementarities can be found between Pillar 4 and other Pillars of the SMP

##### Internal coherence

The findings of the evaluation indicate that there are no overlaps or inconsistency between Pillar 4a, and any other SMP pillar and sub-pillar, although several complementarities can be found between Pillar 4 and other Pillars of the SMP.

For example, Pillar 1 finance tools and platforms such as Your Europe (which offers guidance on the single market and with linkages to consumer rights information), Your Europe Advice (a personalised service provide by legal experts, clarifying EU laws and explaining how citizens can exercise their rights, including consumer rights) and SOLVIT (only partially funded by the SMP, a network of national centres that helps citizens and businesses resolve when their EU rights are breached by public authorities in another Member State). These tools do not duplicate but are complementary to the services provided to consumers via the ECCs and ADR/ODR platforms.

Another complementarity with the Pillar 1 concerns competition policy (which promotes the interests of consumers by enforcement of competition law, ensuring fair competition and thus lower prices for consumers) and support to market surveillance provided by both pillars. However, in this case as well, there is no duplication but complementarity between activities, as Pillar 1 is competent on harmonised products, while Pillar 4 is focus on non-harmonised products. Moreover, both pillars have cooperated in synergy, to establish a joint CASP/JACOP framework contract to carry out tests of harmonised and non-harmonised products in parallel; Consumer Safety Network (Pillar 4a) and EU Product Compliance Network (Pillar 1) expert groups work also in synergy, and participate in the e-Enforcement Academy trainings funded by Pillar 4; and harmonised dangerous products tested by Pillar 1 can also be notified in the Safety Gate system of Pillar 4a.

[465] See Study of the contractor, Pillar 4 Section 4 'Effectiveness' subsection 4.2.4 answer to questions QD6.4.

The administrative cooperation between CPC enforcement authorities is supported by a modern IT tool implemented via the Internal Market Information System, funded under Pillar1, facilitating communication between public authorities on internal market matters.

Finally, Pillar 5 reduces risks to consumers by taking action to ensure food safety, promote sustainable food practices, encouraging more informed and responsible consumer behaviour. These activities are fully complementary to the activities funded under Pillar 4a which focus on non-food products but also promotes sustainable consumption.

#### External coherence

The activities of Pillar 4a were considered by interviews to be strongly coherent with the EU consumer policy in general as set out in the New Consumer Agenda 2020-2025 and wide range of other EU policies and programmes. For example, Pillar 4 is coherent with the Digital Europe Programme, aiming to expand the use of digital technologies while ensuring consumer safety. The eLab tool which is used by the CPC national authorities to conduct online investigations has been funded under the Digital Europe Programme. Pillar 4 complements EU digital policies such as the Digital Services Act, the Digital Markets Act, the Artificial Intelligence Act, and the General Data Protection Regulation by addressing issues like unfair commercial practices; unfair contract terms and consumer data protection.

Coherence exists also with the EU competition policy, by ensuring that businesses do not engage in misleading advertising, unfair pricing or other unfair practices. Pillar 4 contributes also to EU social inclusion policies by focusing on vulnerable consumers. There is coherence between the Pillar 4 and the EU's Justice Programme, particularly in consumer redress and alternative dispute resolution (ADR). Moreover, Pillar 4 supports the objectives of the European Green Deal by promoting sustainable consumption and empowering consumers in green transition and has complementarities with other EU funding sources like Horizon Europe and LIFE particularly in supporting initiatives related to sustainable consumption and products.

International cooperation is one of the objectives of the New Consumer Agenda, and in this regard, Pillar 4 is funding activities that facilitate this cooperation like for example the International Product Safety Week and Safety Gate tool for data exchange with international organisations such as OECD, Healthy Canada, China. Pillar 4 activities are coherent also with the initiatives of the International Consumer Protection and Enforcement Network (ICPEN) with which the CPC network conducts joint activities, workshops and coordinated sweeps.

### *Pillar 4b*

Pillar 4b focuses directly on consumers and end -users in the financial services by strengthening their representation in policymaking and raising awareness. The activities funded under this sub-Pillar are complementary to other SMP activities such as those of Pillar 3b where Better Finance and Finance Watch contribute by representing the interest of consumers and investors in the different groups discussing the standardisation of financial services. Within Pillar 4, the activities of Pillar 4b are complementary to those of Pillar 4a focusing more directly and exclusively on financial services users[466]. BEUC's activities, that receives an operational grant as part of Pillar 4a, may also include financial

[466] BEUC's activities, that receives an operational grant as part of Pillar 4a, may also include financial policy related topics such as credits, general consumer issues and consumer law. However its members are national consumer associations while the member organisations of BETTER FINANCE and Finance Watch are focused exclusively on financial services consumers and end users unlike BEUC or other consumer organisations whose members cover a broader range of services or products.

policy related topics such as credits, general consumer issues and consumer law. However, Better Finance and Finance Watch as well as their member organisations are focused exclusively on financial services consumers and end users unlike BEUC or other consumer organisations whose members cover a broader range of services or products.

In addition, the two beneficiaries of Pillar 4b complement each other by covering different issues in different depth. Better Finance focuses on retail investment issues covering for example pension challenges and withholding taxes, fostering investor education on sustainable practices. Finance Watch on the other hand focuses on consumers as end users of retail financial services more generally, covering broader topics such as financial inclusion, over-indebtedness, European economic governance and financial stability.

With regards to coherence with other EU interventions, the activities of Pillar 4b can be linked indirectly with actions financed through other EU interventions in areas such as the green economy and digitalisation with the beneficiaries contributing to promoting consumers rights in areas linked to financial services such as sustainable and digital finance. The work of the beneficiaries is also coherent with initiatives at national and international level, for example with national actions of their members covering financial literacy or engagement in international work in topics relevant to financial services users, for example on sustainable consumption and finance.

### 3.2. How did the EU intervention make a difference and to whom?

#### *Pillar 4a*

Consumer protection stakeholders confirm Consumer Pillar 4a has generated EU added value by funding activities with results going beyond what an intervention supported at national level could have led to. A large majority of to the online survey (87%) responded that the same results would not have been achieved via initiatives funded only at national/regional level, and without the EU intervention through the SMP.

The SMP provides financial support to entities operating across borders, such as ECC Net, ADRs and CPC Net. Stakeholders stressed that without SMP funding many of their activities would be severely constrained and that access to EU-funded research and policy analysis would significantly decrease their national-level advocacy efforts. Moreover, the SMP-funded activities allowed them to participate in EU-wide initiatives that they otherwise would not have been able to engage with.

Activities financed by the SMP have provided better assistance for consumers and better access to redress mechanisms than would be possible in the absence of EU funding. Services such as the ECC Net offer EU added value stemming from the scale and quality of their services and their cross-border nature. As demonstrated earlier, the ECC Net has responded to more than 358 000 enquiries by consumers over the period from 2021 to 2023 and has resolved around 60% of the complaints amicably every year. Representatives of the ECC Net noted that without EU funding, their ability to handle cross-border disputes would be significantly compromised and the level of cooperation and coordination between the ECCs would be significantly lower, unless the Member States chose to provide replacement funding. The ADRs bodies also mentioned that the SMP capacity building grants enabled them to develop tools and organise activities that would not have been possible with national funding alone.

The SMP support is essential to enable the Commission and the Member States to meet their obligations under the Consumer Protection Cooperation Regulation (EU) 2017/2394 and without this support it would be adversely affected. The Regulation requires the

Member States to cooperate and coordinate actions with each other and with the Commission in the field of consumer protection. This includes actions related to investigation and enforcement in response to possible infringements of consumer law. The operation of the CPC and the implementation of its activities involves a certain cost thus gives rise to the needs for funding from the SMP or some other source.

Furthermore, the peer-to-peer meetings facilitated by the SMP through the CPC capacity building activities have been recognised as adding significant EU value by enhancing cooperation between national enforcement authorities. These activities have allowed Member States to share best practices, develop joint solutions to common consumer protection challenges as well as review their practices to make them more effective.

Globalisation and increasing e-commers raises serious concerns about consumer and product safety. The growing volume of parcels delivered directly to consumers presents a challenge for competent authorities, who are finding their capacities stretched. To address this, SMP-funded projects help enhance the capabilities of these authorities and promote greater cooperation and coordinated actions, adding substantial value to consumer protection efforts. EU funding, through action grants to ECCs and CPCs, both individually and collectively, enables these networks to function effectively. It allows their members to coordinate activities, share knowledge, expertise, and resources, and provide advisory support to consumers. Together, these efforts reinforce the efficient operation of the Single market, benefiting compliant traders while ensuring stronger consumer protection.

For instance, the CASP activities provided a clear demonstration of EU added value by enabling coordinated product testing across multiple Member States. This level of cooperation and efficiency would be difficult to achieve through national actions alone. Similarly, the Safety Gate that has proved effective in exchanging information between the competent authorities about dangerous non-food products, resulting in withdrawal unsafe non-food products from the Single would cease to operate without the European coordination and funding. The e-surveillance web crawler is another tool that has proven that by centralising efforts at EU level it has let to substantial savings and better harmonisation of methodology.

Consumer education and awareness raising activities financed by the SMP have provided a greater European dimension, helped the development of best practice, and delivered economies of scale than would otherwise not be possible. National authorities or consumer bodies can be best placed to reach consumers given their national, regional or local presence and also given that consumer law varies between countries. The e-Enforcement Academy, Consumer Law Ready, Consumer Pro and Consumer Education Hub projects aiming at building capacity of consumer professionals was presented by stakeholders as another example, offering a unified and high-level training tools and resources accessible to all Member States, thereby raising the standard of consumer protection enforcement across the EU.

The SMP enables better representation of consumers at EU level than would be possible in the absence of EU funding. Representative bodies exist at national level to provide a voice for consumers within the Member States and participate in policymaking to a greater or lesser extent. In the absence of SMP funding for EU-level organisations such as BEUC[467], the representation of consumers would be weaker and less coordinated at EU level and uneven across EU-27 compared with the current situation. National bodies and

[467] 35% of BEUC income was from the Consumer pillar of the SMP in 2022.

other stakeholders also emphasised during interviews the necessity of BEUC, particularly in areas where national organisations lack the resources or expertise to engage effectively at the EU level. If the SMP funding for EU-level organisations was discontinued, it is most likely that their operations would be much reduced in scale, given the low probability that other sources would offer the same level of funding (e.g. subscriptions from national bodies, funding from Member States). Interviews with BEUC have revealed that the operating grant is fundamental to the continuity of its activities.

The SMP provides added value to policymakers through robust evidence gathering. It has funded numerous studies aimed at addressing specific consumer issues and evaluating targeted policies. It also collects regular data to assess consumer confidence levels and identify emerging trends that could pose risks to consumers within the single market. Without EU funding, it is highly unlikely that any Member State would undertake data collection on this scale. These studies are essential for benchmarking the performance of Member States, providing targeted support through action grants, and, crucially, shaping future policy decisions and coordinated enforcement actions at EU level. Much of the consumer policy at the Member State level originates from European legislation, with the European Commission leading initiatives on critical issues like digital safety and the green transition, which require coordinated action at the EU level. These efforts must be grounded in robust data collection, stakeholder engagement, and consultation at the EU level to ensure effective and informed policymaking.

The SMP provides a strong EU added value by facilitating cooperation with international organisations, such as ICPEN, OECD, UNCTAD and with non-EU countries such as Canada, or China. Without its funding this cooperation would be reduced in scale and less effectively coordinated.

### *Pillar 4b*

A significant share of financial services legislation is adopted at EU level and it is important that organisations ensuring that consumer interests are taken into account are active at EU level. Without such funding, consumer interests – unlike industry interests - may not be sufficiently heard.

The EU-level funding allows the beneficiaries to use their expertise and add significant value by:

- enhancing the participation of consumer and end users of financial services into policymaking by responding to public consultations, issuing position papers, meeting policymakers including Commissioners and MEPs,
- ensuring protection of EU consumers within the financial services policy area and promoting a better understanding of the financial sector by issuing research reports, policy papers, by organising events and seminars covering a wide range of subject areas that are poorly understood by consumers but also through the dissemination of their work to their media followers.

The above conclusions are supported by the results of the evidence gathered during the mid-term evaluation by the contractor, where the survey has confirmed the added value of the activities of the beneficiaries. Respondents noted that SMP funding has enabled Better Finance and Finance Watch to operate at a scale and level of influence that would not have been possible without EU support.

The beneficiaries are dependent on EU funding with nearly 50% of the total income of Better Finance and 40% of the total income of Finance Watch coming from the Single Market Programme[468]. In the absence of EU funding Finance Watch and Better Finance would be unable to provide the same level of support for the interests of users of financial services[469]. Attracting additional funding for consumer topics remains difficult: Better Finance's non-EU funding[33] comes from mixed sources i.e. membership fees (19%), partnering income and donations (12.5%) and project-based grants (20%); Finance Watch receives most of its non-EU source funding from third parties (60%), with a less significant amount of membership fees (less than 0.02%)[470]. In 2023, Finance Watch received funding from nine donators with Quadrature Climate Foundation and Laudes Foundation471 accounting for 51% of donations. Without EU grants to the two beneficiaries, it is unlikely that other EU organisations would be able to fill the gap. In order to ensure the active participation and involvement of these groups in the EU in the area of financial services, it is necessary to continue providing these grants.

The above analysis confirms earlier conclusions[472] on the added value of the activities of the organisations at EU level and the contribution of EU funding in establishing the two beneficiaries as expert non-industry organisations with complementary profiles.

### 3.3. Is the intervention still relevant?

#### *Pillar 4a*

##### Relevance of the programme and its objectives regarding Pillar 4a

Regarding the relevance of the Pillar 4a activities to the specific objectives of Article 3.2d(i) of the SMP Regulation and the priorities of the New Consumer Agenda, these remain highly relevant to current needs and issues in consumer protection and product *safety.*

**Actions to support organisations representing the interests of consumers and helping consumers remain highly relevant to empowering and assisting consumers.** The evidence shows that EU action is necessary because consumer awareness is still low, and they are still in need of information and assistance. According to the 2023 Consumer Conditions Survey, across EU countries more than a third of consumers had a low knowledge of their rights (37%), compared with 28% with high knowledge[473]. These findings suggest that consumer do not feel totally empowered yet and thus the actions to inform, educate, assist, and advise them, remain highly relevant. Support to ADRs and ECCs is relevant to ensure that consumers have access to effective redress and are provided with adequate information. Stakeholders consulted and evidence gathered for this mid-term evaluation have highlighted the increasing number of requests by consumers to ECCs and ADRs, for instance due to the energy crisis but also because of increased digitalisation. This growing demand highlights the continued relevance of the ECC network in providing accessible, multilingual support and helping consumers assert their rights across the Single

[468] 2023 figures.

[469] The evidence gathered as part of the study has confirmed the added value of the funding under Pillar 4b. Respondents noted that SMP funding has enabled BETTER FINANCE and Finance Watch to operate at a scale and level of influence that would not have been possible without EU support. For example, the majority of respondents felt that the results achieved by the beneficiaries would not have been possible without EU-level funding (60% for Finance Watch's results and 78% of respondents for BETTER FINANCE's results), highlighting the importance of SMP support.

[470] Governance & Funding | Finance Watch (finance-watch.org).

[471] These foundations focus inter alia on adapting to the impacts of climate change and to the transition to a green economy; https://www.qc.foundation/; https://www.laudesfoundation.org/.

[472] SMP Impact Assessment and the evaluation of the DG FISMA capacity building programme.

[473] EC (2023): Consumer Conditions Scoreboard, 2023 edition. Available at: https://commission.europa.eu/system/files/2023-10/consumer_conditions_scoreboard_2023_v1.1.pdf..

Market. Given the rapid growth of e-commerce and the complexity of the globalised marketplace, effective cross-border out-of-court dispute resolution (ADR) has become more relevant than ever for the smooth functioning of the Single market.

**Support to national authorities responsible for enforcement and market surveillance activities, including coordinated actions, is highly relevant to ensuring a high level of consumer protection and product safety.** Enforcement and market surveillance actions at the EU level remain highly relevant because they ensure consistent protection for consumers, and address the challenges posed by increasingly complex, digital and global markets. They also provide a coordinated response to emerging issues like product safety, digital fraud, and lack of sustainability. The number of dangerous non-food products notified through the Safety Gate every day, suggest that the objective on products safety remain highly relevant. Moreover, a high percentage of respondents to the Pillar 4a survey indicated that product safety is very relevant in the context of increased digitalisation and e-commerce practices.

The impact assessment to the SMP highlighted several problems that the programme needed to address, including lack of compliance with consumer law. Supporting national enforcement authorities and enhancing cooperation between them remain very relevant and allow them to act jointly against compagnies violating consumer law. This cooperation ensures that coordinated enforcement actions can be taken consistently and efficiently across the Single market, preventing businesses from exploiting regulatory gaps in specific countries.

**Actions ensuring that the interests of consumers in the digital world are duly considered remain highly relevant.** The digital marketplace poses new challenges for consumer protection, such as misleading advertising, data privacy violations, and fraudulent practices. According to the 2023 Consumer Conditions Survey, 76% of consumers had been personally targeted by online advertising, 75% experienced hidden advertising in search results, and 69% had come across reviews that did not appear genuine. A study issued in 2022 conclude that 97% of the most popular platforms and applications used by EU consumers deployed at least one dark pattern and the most prevalent were hidden information/false hierarchy, preselection, nagging, difficult cancellations, and forced registration[474]. Coordinated enforcement at the EU level is essential to address these challenges effectively, as many of these issues involve cross-border data flows and digital platforms operating in multiple jurisdictions. In the digital world, fraudulent activities often cross borders, making it difficult for any single national authority to tackle them alone. EU-wide cooperation and enforcement ensure that misleading practices and scams are addressed uniformly, protecting consumers across the entire Union.

### Relevance of the Pillar 4a to unforeseen events

The COVID-19 pandemic reshaped Pillar 4a activities such as capacity building, trainings and events which transitioned from in-person to online format. This shift had several key effects such as increase accessibility, broader reach, development of digital platforms and e-learning tools, cost reduction and sustainability benefits. Moreover, the Consumer Conditions Survey 2021 included targeted questions to assess the impact of COVID-19 on EU consumers. Furthermore, CASP product tests adjusted its priorities to launch coordinated activity on testing safety of personal protective equipment such as hand

[474] Behavioural study on unfair commercial practices in the digital environment – Dark patterns and manipulative personalisation – Final report, Publications Office of the European Union, 2022, https://data.europa.eu/doi/10.2838/859030.

sanitisers, and face masks and single-use gloves. During the COVID-19 pandemic. ECCs played a critical role in mediating disputes related to cross-border transactions, such as cancelled flights and unfulfilled online orders. Their intervention (significantly increased in number) ensured that many consumers received refunds or compensation, demonstrating their effectiveness in crisis situations.

In response to the war in Ukraine and the large influx of Ukrainian migrants into the EU, Pillar 4a launched an information campaign titled 'EU consumer rights for displaced Ukrainians' to inform Ukrainian refugees residing in six Member States (PL, GE, CZ, ES, IT and BG) on their rights under EU consumer protection laws, which are applicable throughout their stay in the Union. Comprehensive materials, including leaflets, videos, and posters, are available in Ukrainian and English to ensure accessibility. These resources cover various topics, from understanding consumer rights to practical steps for lodging complaints.

### *Pillar 4b*

The beneficiaries have both been successful in becoming an important voice of representation for financial services' consumers and have built up significant expertise in the area. The activities carried out and the topics covered by the beneficiaries are relevant to achieve the objectives set out in the SMP. The activities follow the EU political agenda in the area of financial services very closely. In order to ensure relevance of the topics covered, the beneficiaries are in frequent contact with other organisations and their partners to monitor the market, identify new risks and challenges. In addition, the Commission services reviews the beneficiaries' applications, annual work programmes and annual activity reports to assess their relevance to the EU agenda.

The relevance of the activities of the beneficiaries is supported by the results of the study. For example, literature review and responses to the survey confirm that the majority of respondents (78% for Better Finance and 53% for Finance Watch) find that the activities and topics covered by the beneficiaries relevant to the current needs of the users of financial services[475]. In addition, as shown in the study, some stakeholders suggested some areas where the beneficiaries could seek to provide further coverage such as non-life insurance, financial services involving AI-driven credit assessments or activities or the need for more focus on vulnerable consumers and financial literacy, particularly across different Member States476.

Going forward the political focus on the Savings and Investment Union with increased retail participation in capital markets and on strengthened financial literacy will even lead to further increased importance of the activities of the beneficiaries. The expertise of the two beneficiaries in the area of financial services and their role in representing consumers in this technical area will thus be even more relevant in the coming years. The two organisations can in particular play an important role in preparing and implementing the Savings and Investment Union.

#### Relevance of the programme and its objectives regarding Pillar 4b

[475] See Study of the contractor, Pillar 4 Section 8 'Relevance' answer to question QD8.2. Literature review and responses to survey confirm that the activities and topics covered by the beneficiaries relevant to the current needs and users of financial services.
[476] See Study of the contractor, Pillar 4 Section 8 'Relevance' answer to question QD8.2.

The funding of the beneficiaries remains relevant as the governance and membership structure of the beneficiaries continues to ensure that they are independent[477] from the industry[478].

No other beneficiaries have emerged to date that could cover the same range of topics and at the same depth as Better Finance and Finance Watch[479]. The two organisations complement each other to provide coverage in a large thematic area covering the EU while managing to not overlap by producing different type of work and targeting different audiences and members. Other organisations (e.g. BEU[480]C, COFACE481 or AGE Europe[482]) represent consumers, but their focus is not primarily on financial services and they may not have the same level of specialisation and expertise on the topic. Given the complexity and technical nature of financial services legislation, this in-depth knowledge of a wide range of financial topics is required to ensure that the interests of consumers can be adequately represented.

Regarding the relevance of the objectives of Article 3.2d(ii) of the SMP Regulation, these remain highly relevant to current needs and issues in the area of consumer protection in financial services.

The sub-objective of enhancing the participation of consumers, other financial services end users and representatives of civil society in financial services' policymaking remains relevant as the European Commission continues to work on the strengthening and development of the financial services' legislative framework. In recent years, many legislative initiatives have been revised, reshaping the legislative framework and many of those initiatives have had a particular focus on consumers such as the Consumer Credit Directive and the Retail investment strategy. The area of digital finance has also been in the spotlight with the EU seeking to address the challenges and opportunities presented in the area by developing the legislative framework to for cryptocurrencies and the introduction of the Digital Finance Package to support innovation[483].

The sub-objective of promoting a better understanding of the financial sector and of the different categories of commercialised financial products remains highly relevant due to the complexity of financial services and evidence that the levels of financial literacy in Europe are not satisfactory[484] and there is need for further action to enhance financial. The emphasis given in the topic of financial literacy at EU level was also validated with the Council conclusions on financial literacy that were adopted on 14 May 2024 and call for actions from Member States and strengthening of the cooperation in financial education matters with Member States, international organisations and third countries[485].

[477] As required by Article 10.f.1) of the SMP regulation the beneficiaries need to be independent from the industry, commerce or business, have no conflicts of interest and are through their membership representative of the interests of EU consumers and other end users in the financial services area.

[478] See Study of the contractor, Pillar 4 Section 8 'Relevance' answer to question QD8.3.

[479] See Study of the contractor, Pillar 4 Section 8 'Relevance' answer to question QD8.4.

[480] BEUC (Bureau Européen des Unions de Consommateurs) is the umbrella group for 44 independent consumer organisations from 32 countries. Their role is to represent them to the EU institutions and defend the interests of European consumers. https://www.beuc.eu/.

[481] COFACE Families Europe promotes the well-being, health and security of families and their members in a changing society and serve as a trusted entity for family mainstreaming and for the voice/needs of families in the EU and beyond. http://www.coface-eu.org/.

[482] AGE Platform Europe is a European network of non-profit organisations for people aged 50 and over, which aims to voice and promote the interests of EU citizens aged 50 and over and raise awareness on the issues that concern them most. https://www.age-platform.eu/about-age.

[483] Blackrock (2023): Regulatory Developments in Europe: Midyear 2023 Outlook, available at: https://www.blackrock.com/corporate/literature/whitepaper/viewpoint-regulatory-developments-in-europe-2023-midyear-outlook.pdf.

[484] https://europa.eu/eurobarometer/surveys/detail/2953 Data from the Eurobarometer survey published in July 2023 that reported that only 18% of EU citizens have a high level of financial literacy, 64% have a medium level, and the remaining 18% have a low level.

[485] https://data.consilium.europa.eu/doc/document/ST-9930-2024-INIT/en/pdf.

In addition, the sub-objective of ensuring that the interests of consumers are protected is also relevant in the current environment. The lack of an integrated EU single market in the area of financial services which means that consumers do not always benefit of increased competition more choice and cheaper prices. The continuous development of digital services such as such as mobile banking, digital investing, 'finfluencers', peer-to-peer lending and the use of artificial intelligence (AI) creates opportunities for consumers and easier access to financial services. However, it presents new challenges and risks that need to be addressed.

The relevance of the SMP-related objectives of sub-pillar 4b was confirmed by the work performed by the contractor through the interviews with beneficiaries and literature review.

## 4. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 4.1. Conclusions

#### Pillar 4a

The mid-term evaluation of Pillar 4a of the SMP indicates overall positive outcomes across all objectives and evaluation criteria. Significant progress has been achieved in tackling the challenges and fulfilling the needs identified in the impact assessment.

The SMP has been broadly effective, efficient and added EU value when pursuing its main objective and the four specific objectives. It was highly coherent and relevant.

The findings of the evaluation regarding effectiveness are:

**Surveillance tools such as the Safety Gate and product safety coordinated actions (CASP) supported by the SMP** were effective to identify non-compliant products and ensuring a high level of consumer protection and product safety. As well as financial benefits from these actions there were also health benefits arising from a reduced risk of injury. Safety Gate has become a reference tool for checking the safety of products in and outside the EU.

**Actions on raising awareness and knowledge have proved to be effective to empower, assist and educate consumers**. Consumer PRO and Consumer Law Ready are regarded as very effective to build capacities of consumer professionals and traders that benefit consumers. Main events such as the Consumer Summits and the International Safety Week are also effective in raising awareness and promoting international cooperation. These are well attended by consumer, business organisations, policymakers, enforcement authorities and academics.

**Activities supporting the CPC and their capacities are also considered to be highly effective in ensuring a high level of consumer protection.** The joint enforcement actions carried out by the CPC authorities, facilitated by the SMP, were identified by stakeholders as very effective in protecting consumers from unfair practices in an increasingly interconnected world.

**Actions supporting consumers' access to redress by providing support to the ADRs and ECC Net are considered to be very effective.** ECC Net is one of the most valued citizens' assistance networks in the Union and most of its centres host contact points

offering advice. Each year, approximately 300 000 eligible disputes between consumers and traders are examined by ADR entities across the EU[486] and the success rate remains to be high across all the MS. This highlights the effectiveness of ECCs, ADRs and their funding and their input to empower consumers to feel more confident in buying from traders established in other MS.

**Support to organisations representing consumers is also effective in ensuring that their interests are considered, including in the digital world.** Organisations like BEUC, with their advocacy role, are key to ensuring that consumers from across the EU are represented in policymaking. Interviews with stakeholders have confirmed that they see BEUC as a very proactive and influential organisation.

The findings of the evaluation regarding efficiency are:

**Actions on market surveillance and enforcement are very efficient,** delivering significant benefits to consumers, in relation to outlay. Unsafe products can cause significant consumer detriment, in the form of injuries and financial losses. The benefits of preventing these have been estimated to be around EUR 30 billion per year. Safety Gate and coordinated actions result in product recalls, thus preventing such damages. The SMP spend over the last three years in enforcement and surveillance amounts to around EUR 9.3 million. Thus, the benefits are expected to outweigh the costs considerably.

**Actions to fund ADR and ECCs are also highly efficient.** ADR entities were awarded around EUR 2.7 million over the period in question to modernise their infrastructure, investing into digital tools to speed up the process and increase conformity in the outcomes of ADR disputes, carry out awareness raising activities and staff trainings, etc. ECCs have received over EUR 24.2 million since 2021 which, apart from balancing out the amounts recovered (around EUR 9 million per year) for consumers, they assist and empowered thousands of consumers to resolve their issues related to cross-border transactions and to make more informed decisions. ECC-data remains to be key for policymaking and in identifying unfair commercial practices.

**Actions supporting capacity building and education are also efficient,** delivering better cooperation among competent enforcement authorities (CPC) but also providing the tools to address new risks to consumers from the digital word. Training activities such as the e-Enforcement Academy and Consumer PRO (aimed at national officials and at consumer professionals respectively) have also the potential of having a real multiplier effect, thus representing good value for money.

**The remaining actions are also delivering significant benefits to consumers in the EU.** For instance, BEUC funding allows representing over 440 million consumers in policymaking. Regular evidence gathering such as the CCS allow monitoring to identify new trends and risks perceived by consumers, where actions may be required. Considering that these actions are a small part of the SMP budget, they are believed to be delivering a significant number of benefits.

[486] See EC (2023): Report on the application of Directive 2013/11/EU of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and Regulation (EU) No 524/2013 of the European Parliament and of the Council on online dispute resolution for consumer disputes. At: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023DC0648.

**On coherence within the Pillar 4a, activities within the Pillar work synergistically to achieve the objectives,** in particular:

Actions on enforcement and market surveillance are complementary to capacity building actions for the CPC authorities; as they work to ensure product safety and a high level of consumer protection (including digital consumers), delivering better cooperation. Actions on redress, the ECC Net and education are also complementary. These actions work together empowering, assisting and educating consumers.

Actions on Pillar 4 and 4b are complementary to ensure that the interests of consumer are protected, including financial services. The three main beneficiaries complement well as they focus on different areas.

**Concerning coherence with other pillars, no significant issues have been identified.** There is little overlap with other pillars, and websites covering consumer issues funded under Pillar 1 seem to complement the actions of Pillar 4a, with no duplication.

The activities under the consumer strand are also coherent with the priorities of the New Consumer Agenda for 2020-2025 by supporting several initiatives aimed at ensuring digital fairness and protecting consumer's rights when buying online (including in digital finance), addressing the new challenges to the safety of products brought by new technologies and online sales, as well as tackling unfair online practices and manipulations such as dark pattern models and hidden influencer marketing. Consultation has also highlighted that the SMP aligns well with other programmes such as Horizon Europe and the Digital Europe Programme. Horizon Europe cover innovation and sustainable consumption, which the SMP also supports in events such as Consumer Summits and gathering evidence to support regulatory reforms while maintaining product safety. Digital Europe Programme aims to ensure the wide use of digital technologies but ensuring that consumers remain safe, which is also a key objective of the SMP.

**On added value, the actions by the SMP Pillar 4a have demonstrated significant added value.** Actions on the ECC Net, support to BEUC and coordinated actions add value because of their cross-border nature. In the absence of SMP funding, international cooperation would most likely be reduced in scale and poorly coordinated.

**On relevance,** the mid-term evaluation has found that the **objectives and actions of the SMP remain relevant.** In particular: education and awareness actions remain relevant to empower and educate consumers since, according to the 2023 CCS, consumer awareness is still considered low. Capacity building, market surveillance and monitoring and enforcement related actions remain highly relevant, since consumers are still experiencing unfair practices and every day there are new alerts on dangerous products through the Safety Gate.

### Pillar 4b

The activities funded in the period 2021 to 2023 have been successful in meeting the objectives of the programme as described in the SMP Regulation.

As set out above, the work of the beneficiaries has been very effective in achieving the objectives of Pillar 4b, namely, enhancing the involvement of consumers and financial services end users and representatives of civil society in financial services' policymaking, promoting a better understanding of the financial sector and of the different categories of

commercialised financial products and ensuring the interests of consumers are protected. Finance Watch and Better Finance have contributed significantly to the policy debates and continued to offer alternative views from industry essential for the representation of consumers rights in the development of financial legislation. In addition, the research work of the organisations, the events organised, and the media presence have contributed to disseminating information to various groups of stakeholders and raising awareness on current issues in the financial services area.

Together both organisations cover most of the topics relevant to consumers and end users of financial services. The results of the survey however show that respondents were not always aware of the activities of the beneficiaries which suggests that there may be a need for increased visibility or better communication of the impact of these activities to broader audiences.

With regards to efficiency, the analysis performed, and the result of the study show that Better Finance has demonstrated high efficiency and high-quality outputs with a significant level of output per person showcasing their high productivity and effectiveness. The high efficiency of the beneficiary was confirmed also when comparing the policy and advocacy work of the organisation and its efficiency to organisations of similar size.

The analysis performed and the result of the study show that Finance Watch's actions have also been highly efficient with Finance Watch supporting a wide array of stakeholders, providing significant output and maintaining a high level of influence in the financial services sector. The organisation is performing well compared to organisations of similar size in terms of outputs, with the outputs related to communication activities demonstrating particularly high efficiency. With regards to the quality of Finance Watch's work, the interviews conducted showed that the quality of the work on financial malpractices, finance for green SMEs and over-indebtedness is regarded as high.

Pillar 4b showcases coherence both internally and externally. Its activities are aligned with each other with respect to pursuing the objectives set out in the SMP regulation. The organisations complement each other according to their specific areas of focus and expertise, working synergistically to reinforce key messages. Their work is also coherent with some of the activities of BEUC financed under Pillar 4a that is focusing on broader consumer concerns. Additionally, potential complementarity was found between Pillar 3b and Pillar 4b, in promoting consumer financial interests in standard-setting. The activities of Pillar 4b can also be linked indirectly with actions financed through other EU interventions in areas such as the green economy and digitalisation and the work of the beneficiaries is also coherent with initiatives at national and international level, for example with national actions of their members.

In order to defend the interests of consumers and end users, advocacy at EU level on behalf of non-industry stakeholders continues to be necessary. The organisations represent consumers and end users in the area of financial services at EU level, that would otherwise be under-represented. In addition, when such a big part of financial regulation is developed at EU level, representation only at MS level would not be sufficient. Without EU grants to these two organisations, other EU organisations would be unable to fill the gap as there are no other alternative organisations covering a similar range of topics in financial services and in the same depth. EU funding therefore continues to be necessary in order to increase/maintain the participation of consumers in EU policymaking in the area of financial services.

Furthermore, given the political focus on the Savings and Investment Union with increased retail participation in capital markets and on strengthened financial literacy, the expertise of the two beneficiaries in the area of financial services will become even more relevant in the coming years. On this basis, and also taking into consideration that the visibility of BETTER FINANCE and Finance Watch's work should be enhanced, more resources might be desirable/needed in the future.

## 4.2. Lessons learned

### Pillar 4a

Under Pillar 4a, the evaluation showed it is crucial continue to focus on raising consumer education and awareness and continue to enhance their participation in policymaking, especially in countries where evidence suggests gaps, with specific emphasis on financial literacy and digital rights.

Also, it is key to improve the visibility of European Consumer Centres which vary across Member States, as their role will expand with the update of the Alternative Dispute Resolution Directive, making them crucial contact points for cross-border consumer disputes. Considering that new EU legislation continues to focus on cross-border consumer protection, ensuring adequate co-financing for these centres to maintain operational capacity across all Member States is key.

Capacity building for Consumer Protection Cooperation (CPC) authorities and Alternative Dispute Resolution (ADR) bodies is required, backed by regular needs assessments to keep pace with evolving legislation. Upskilling of ADRs will be essential to tackle new categories of consumer disputes, making workshops and events for exchanging of best practices.

Continued EU funding for the European Consumer Organisation (BEUC) is essential to ensure that consumers' voices remain strong in policy debates, the market fairness is upheld, and consumers benefit from better protection, transparency, and empowerment. Therefore, supporting BEUC is a strategic and cost-effective investment in a well-functioning and consumer-friendly EU Single Market.

Furthermore, it is decisive to continue building on existing cooperation with international organisations like the OECD and third countries to foster global consumer protection standards.

Additionally, the promotion of green labelling and sustainable consumption must be strengthened, by raising awareness through regular communication campaigns and events targeting consumers and companies, encouraging businesses to sign the EU's business pledge supporting sustainable practices. Also, another dimension which should be carried on relates to aligning future activities under the consumer pillar with the New Consumer Agenda, ensuring coherence across areas like digital protection, sustainability, and safeguarding vulnerable consumers. The continuous monitoring of consumer rights in the digital economy and enhancing IT tools would benefit from further financing.

The evaluation showed the need to revise the output indicators and introduce flexibility for those that are not solely dependent on beneficiary performance (e.g. responses to public consultations). Data collection in relation to the achievement of indicators could be streamlined. A more systematic data collection for Pillar 4a activities (inputs, outputs, and

results). would allow for more substantial data available and better inform on programme's implementation.

Furthermore, the monitoring framework and key performance indicators (KPIs) should be revised to establish a more comprehensive set of indicators. This would ensure that the information collected is used effectively and that indicators and targets are better aligned with the capacity of beneficiaries to influence outcomes, allowing for adjustments where necessary.

### Pillar 4b

Looking at the results of the evaluation for Pillar 4b it is important to acknowledge the need for EU-wide representation of the interest of consumers and end users of financial services. There is scarcity of resources and lack of specialised expertise among financial services end users and non-industry stakeholders and the beneficiaries of the programme have been effective in filling this gap with the aid of the funding received by the SMP since 2021 and predecessor programmes before that.

There is a need for continuous action to raise awareness regarding aspects of the financial services that affect consumers in their day-to-day life such as the increase of digitalisation and digital finance or savings and financial planning through retail investments.

The beneficiaries have managed to maintain the output of key indicators despite the specific financial difficulties stemming from the fact that the grant amounts as designed in the SMP do not take into account inflation. The current, high inflation environment combined with regulatory requirements such as obligatory salary indexation is putting limitations in the organisations and impacts their ability to expand their activities and have a greater impact as representatives of consumers in financial services.

The results of the evaluation also suggest the importance of continuing the joint efforts of the Commission and the beneficiaries to advance the signature grant agreements. Lastly, the experience with the programme has shown that while it is important to have KPIs in place in order to measure the quantitative outputs of the beneficiaries, there are challenges in measuring the quality or impact of the activities in quantitative indicators. In addition, the dependence of the activities on the policy cycle of EU institutions makes it difficult to set specific targets. As a result, there could be a benefit in revising the KPIs of their programme in order to improve their relevance to the action.

## SUB-ANNEX I. INDICATORS RELATED TO THE SMP OBJECTIVES SET IN ARTICLE 3.2D (II) TO MONITOR THE PERFORMANCE OF PILLAR 4B BENEFICIARIES

### Indicators related to the SMP objectives set in Article 3.2d (ii) to monitor the performance of Better Finance

| | Better Finance | | | |
|---|---|---|---|---|
| **Objective** | **Indicator** | **2021 results** | **2022 results** | **2023 results** |
| 1* | Number of Twitter followers and Facebook followers48 | Twitter: 1 518<br>Facebook: 499 | Twitter: 1 636<br>Facebook: 582 | Twitter: 1 721<br>Facebook: 600<br>LinkedIn: 2 377 |
| | Number of conferences, seminars, webinars organised | 5 | 6 | 7 |
| | Number of participants in conferences, seminars, webinars organised | 813 | 688 | 805 |
| | Number of visits on the website / number of clicks on the newsletter | Website: 92 602 unique sessions<br>Newsletter: 208 | Website: 70 553<br>Newsletter: 247 | Website: 69 357 |
| | Number of press releases | 20 | 21 | 21 |
| 2, 3** | Number of position papers and responses to public consultations in the field of financial services | Position papers: 4<br>Responses to public consultation: 27 | Position papers: 7<br>Responses to public consultation: 17 | Position papers: 4<br>Responses to public consultation: 16<br>Open letters: 5 |
| | Number of research reports | 6 research reports finalised, 3 completed in 2021, with final review and publication in early 2022 | Research reports: 8 | Research reports: 6 |
| | Number of participations in stakeholder/experts groups of the European institutions | Representatives at EU Expert Groups: 28 | 25 | 30 |
| | Number of meetings with MEPs, representatives from EESC, CoR and Perm Reps | 10 | 17 | 26 |

*Source: Better Finance grant reports.*
**Objective 1 = Promoting a better understanding of the financial sector to consumers, end users and civil society.*
***Objective 2 and 3: Enhancing the participation of consumers, other financial services end users and civil society in financial services policymaking.*

### Indicators related to the SMP objectives set in Article 3.2d (ii) to monitor the performance of Finance Watch

| | Finance Watch | | | |
|---|---|---|---|---|
| **Objective** | **Indicator** | **2021 results** | **2022 results** | **2023 results** |
| 1* | Number of Twitter followers and Facebook followers49 | Twitter: 11 559<br>Facebook: 20 302 | Twitter: 12 023<br>Facebook: 21 040 | Twitter: 12 320<br>Facebook: 20 100<br>LinkedIn: 6 519 |
| | Number of conferences, seminars, webinars organised | 7 | 6 | 6 |
| | Number of participants in conferences, seminars, webinars organised | 159 | 170 | 380 |
| | Number of visits on the website / number of clicks on the newsletter | Website: 203 397<br>Newsletter clicks: 3 127 | Website: 198 380<br>Newsletter: 25% opening rate | Visits to website: 97 632 (unique visits)/ Page views: 207 162<br>Newsletter opening rate: |

| | | | | |
|---|---|---|---|---|
| | | | | 20% |
| | Number of press releases | 18 | 19 | 25 |
| 2, 3** | Number of position papers and responses to public consultations in the field of financial services | Responses to consultations: 16<br>Position papers (technical publications): 12 | Responses to consultations: 16<br>Policy briefs (technical publications): 5 | Responses to consultations: 9<br>Policy briefs (technical publications): 6 |
| | Number of research reports | Research reports: 8 | 5 | 3 |
| | Number of participations in stakeholder/experts groups of the European institutions | No groups: 6<br>No meetings: 47 | No groups: 6<br>No meetings: 78 | No groups: 6<br>No meetings: 66 |
| | Number of meetings with MEPs, representatives from EESC, CoR and Perm Reps | meetings with MEPs: 19<br>meeting with EESC/CoR: 1<br>meetings with Perm Reps: 17 | meetings with MEPs: 63<br>meetings with EESC/CoR/Perm Reps: 28 | With MEPs: 65<br>With Perm Reps: 20<br>Total: 85 |

*Source: Finance Watch grant reports; Pers. Comm. (2024).*
**Objective 1 = Promoting a better understanding of the financial sector to consumers, end users and civil society.*
***Objective 2 and 3: Enhancing the participation of consumers, other financial services end users and civil society in financial services policymaking.*

# ANNEX XIII. PILLAR 5

## 1. WHAT WAS THE EXPECTED RESULT OF THE INTERVENTION?

The specific objectives of Pillar 5 are set out in Article 3(2)(e) of Regulation (EU) 2021/690[487] (SMP Regulation):

*'Contribute to a high level of health and safety for humans, animals and plants in the areas of plants, animals, food and feed, in particular through the prevention, detection and eradication of animal diseases and plant pests, including through emergency measures taken in the event of large-scale crisis situations and unforeseeable events affecting animal or plant health, and by supporting the improvement of animal welfare, the fight against antimicrobial resistance and the development of sustainable food production and consumption, as well as stimulating the exchange of best practices among stakeholders in those areas.'*

### 1.1. Problems and needs

The EU's food and feed sector faces significant challenges that require coordinated interventions to ensure food safety, sustainability, and the integrity of the single market.

Key Problems:

1. **Animal Diseases and Plant Pests:** The highly integrated EU single market facilitates the rapid spread of animal diseases and plant pests. If not properly addressed, this poses risks to food security, agricultural productivity, biodiversity, and trade.
2. **Antimicrobial Resistance (AMR):** Excessive use of antibiotics in animals contributes to the rise of AMR, which threatens both animal and human health. AMR reduces the effectiveness of critical antibiotics, posing severe public health risks as resistant bacteria can easily transfer from animals to humans through the food chain.
3. **Sustainability of Food Production and Consumption:** Current intensive agricultural practices lead to environmental degradation, loss of biodiversity, and depletion of natural resources. This unsustainable model exacerbates long-term risks to food systems and environment.

There is a need for enhanced regulatory frameworks and actions to prevent the spread of diseases and pests within the single market. Also more responsible use of antibiotics in livestock, along with policies aimed at reducing AMR, are essential to protect public and animal health. The sector requires a shift towards more sustainable production and consumption patterns, focusing on environmental protection, biodiversity conservation, and resource management.

Addressing these challenges is critical to maintaining high health, safety, and sustainability standards in the EU's food systems.

[487] Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014, OJ L 153, 3.5.2021, p. 1.

In the impact assessment for SMP[488] identified number of recent and emerging challenges, such as globalisation, an increasingly complex food supply chain and climate change. These challenges will pose significant threats and are therefore expected to influence the future EU approach in this area. Simplification of the administrative management also should contribute to a more effective and efficient EU food chain programme.

## 1.2. Intervention logic: description and objectives

### Description of intervention logic and its objectives

The intervention logic, used as the basis for the present interim evaluation, provides the link between the Pillar 5 problems, the needs the SMP sought to address, its general objectives, its inputs, its activities, its outputs and results, and its expected impacts. The intervention logic illustrates five objectives associated with Pillar 5.

#### *Objective I - Prevent, detect and eradicate animal diseases and plant pests, including by means of emergency measures*

The **veterinary programmes**, aim primarily to improve health standards and disease control in the EU through prevention, detection and eradication. In the period 2021-2023 the focus was primarily on diseases that significantly affect animal and human health, have a substantial impact on trade, and pose a risk of introduction into the EU from third countries. Diseases included in programmes for co-funding: African swine fever (ASF), HPAI, Rabies, Salmonella in poultry populations, Transmissible spongiform encephalopathies (bovine spongiform encephalopathies and scrapie), Classical swine fever, Bovine brucellosis, Sheep and Goat brucellosis, bovine tuberculosis, lumpy skin disease, sheep and goat pox and peste des petits ruminant. In addition, efforts to eradicate endemic diseases should be maintained to consolidate the results achieved and to capitalise on the budget already spent in previous years to achieve full eradication.

The **phytosanitary programmes** are central to the strengthening of plant health and safety measures. The pests that are subject to co-financing are prioritised in phytosanitary work programmes that is drafted on the basis of part B of Annex II of Regulation (EU) 2019/2072[489] and Annex of Commission Delegated Regulation (EU) 2019/1702[490] (e.g. *Xylella fastidiosa*, *Anoplophora glabripennis*). MS implement necessary actions by surveys, containment measures and eradication of quarantine pests. The objective of the programme is to contribute to a high level of health for plants along the food chain and in related areas, by preventing, eradicating pests or, where agreed that eradication is no longer possible, by containing, and by ensuring a high level of protection for consumers and the environment, while enhancing the competitiveness of the Union food and feed industry and favouring the creation of jobs.

**Veterinary and phytosanitary emergency measures** are in line with the broader objective of maintaining high health standards during crises. These actions are required to combat animal diseases or plant pests by applying emergency measures in accordance with Part 1 of Annex I of the SMP Regulation. Emergency measures are rapid response actions taken in the event of a significant outbreak of animal diseases or plant pest. These measures aim to prevent the spread of infections by implementing actions such as quarantine, movement restrictions, and the

[488] European Commission. (2018). Commission staff working document impact assessment accompanying the document proposal for a regulation of the European Parliament and of the Council establishing the Programme, Annex 17.
[489] Commission Implementing Regulation (EU) 2019/2072 of 28 November 2019 establishing uniform conditions for the implementation of Regulation (EU) 2016/2031 of the European Parliament and the Council, as regards protective measures against pests of plants, and repealing Commission Regulation (EC) No 690/2008 and amending Commission Implementing Regulation (EU) 2018/2019, OJ L 319, 10.12.2019, p. 1.
[490] Commission Delegated Regulation (EU) 2019/1702 of 1 August 2019 supplementing Regulation (EU) 2016/2031 of the European Parliament and of the Council by establishing the list of priority pests, OJ L 260, 11.10.2019, p. 8.

slaughtering and culling of affected animals, and the destruction of plants and goods. Through these measures it is expected to avoid any further spread of the animal diseases (e.g. ASF, HPAI) and plant pests (e.g. *Xylella fastidiosa*) and ensure their fast eradication when they appear on the Union territory. The existence of the EU veterinary emergency team and the maintenance of antigen and vaccine banks participate in the tools which can be used in case of emergency.

***Objective II - Support the improvement of the welfare of animals***

The specific objective on improving the welfare of animals responds to public concerns about animal treatment in food production. This encompasses ensuring appropriate living conditions, humane treatment, and health and welfare considerations for animals. The EU's commitment to this cause is reflected in its pursuit of stricter welfare standards and updated legislation that aligns with societal values and scientific progress.

To achieve this objective, numerous activities implemented using SMP funding. The World Organisation for Animal Health (WOAH) Regional Platform on Animal Welfare for Europe funded through SMP plays important role increasing awareness and improved cooperation with non-EU countries on animal welfare (e.g. welfare during transport). These activities within WOAH should facilitate quick exchange of information in case of incidents during international transport of animals and support enforcement efforts and ultimately improve animal welfare during transport.

The activities and meetings for the animal welfare platform, studies, trainings and events with stakeholders contribute in improving animal welfare.

***Objective III - Fight against antimicrobial resistance (AMR)***

This objective is focusing on combating AMR and addresses the critical issue of the misuse and overuse of antimicrobials in animal husbandry. Unnecessary use of antimicrobials contributes to the escalation of AMR, diminishing the effectiveness of antimicrobials to treat human and animal infections. Balancing economic concerns with the preservation of human and animal health is a key aspect of this objective. The increased AMR translates into additional healthcare costs and lost productivity in EU.

Specific funded activities such as Coordinated Control Programmes for AMR and the setting up of national systems for the collection of data on sales and use of antimicrobials in animals contribute to harmonised AMR monitoring and reporting, which ensures that all Member States follow consistent methods for collecting and testing AMR data. This uniformity should allow the EU to compile and compare data effectively, informing EU-wide policies to combat AMR and take appropriate decisions.

Through these coordinated efforts, the EU aims to significantly reduce the overuse and misuse of antimicrobials in animal husbandry, thereby mitigating the risk of AMR and safeguarding human and animal health.

***Objective IV – developing sustainable food production and consumption***

The EU's strategic focus on sustainable food production and consumption, is a crucial part of its commitment to fostering a sustainable food system. Scientific and technological advancements deeply influence the transition to sustainable food systems and involve embracing practices such as crop rotation, organic farming, use of pesticides and sustainable water management. Additionally, innovation in agricultural technology and a shift in both policy and consumer behaviour towards more sustainable options are essential components of this

objective. This objective is closely aligned with the expected output of activities related to the prevention of food waste and reduction of use of hazardous pesticides.

Preventing food waste is a significant aspect of this objective. This includes addressing inefficiencies in the food supply chain and raising awareness about sustainable practices through educational campaigns and collaborative engagements with stakeholders. It also includes food waste monitoring to better understand the causes and hotspots for food waste and take appropriate actions to address it. Reducing food waste can save food for human consumption, save money and lower the environmental impact of food production and consumption.

***Objective V - Stimulate the exchange of best practices between stakeholders***

Objective V, focuses on stimulating the best practice exchange within the EU, is directed towards keeping pace with the evolving landscape of the food chain, animal health, and plant health amidst technological and environmental changes.

Activities under this objective aim at supporting the EU Reference Laboratories (EURLs) and European Union Reference Centres (EURCs). This support includes the cooperation with national reference laboratories (NRLs), national control bodies and the establishment of the EU network of excellence, thereby improving the quality, coherence, harmonisation and knowledge of laboratory testing methods in various areas, including veterinary and phytosanitary concerns, animal welfare, food and feed, and animal breeding issues.

Specifically, the EURLs' activities contribute to the harmonisation of laboratory standards across the EU, including by organising inter-laboratory proficiency tests and comparative testing, as well as conducting annual workshops.

The EURCs on animal welfare (EURCAWs) aim at supporting development of scientific studies and materials, training, and collaboration with national networks and authorities, as well as responsiveness to inquiries from national control bodies, thereby reinforcing the EU's commitment to animal welfare education, competence and improving MS knowledge on animal welfare.

The Better Training for Safer Food (BTSF) programme is aimed at training staff and increasing knowledge for officials from Member States and third countries. BTSF also aims to maintain a high level of consumer protection and food safety across multiple sectors by promoting a harmonised approach to both Union and national control systems. In that regard training activities are carried out in animal health, plant health, food and feed safety, animal welfare, AMR domains.

Objective V is also aimed at enhancing crisis management capabilities. The EU's commitment to technological advancement is evident in the development of cutting-edge databases and information management systems, as stated in Annex I of the SMP Regulation and Commission Implementing Regulation (EU) 2019/1715[491]. The Regulation (EU) 2019/1715 lays down rules for the functioning of the information management system for official controls and its system components (the IMSOC Regulation**).** This activity focuses on the creation and enhancement of specialised databases and information management systems that enhanced crisis management capabilities in animal and plant health, food and feed safety and animal welfare.

This objective strategically focuses on enhancing the EU's capabilities in best practice

[491] Commission Implementing Regulation (EU) 2019/1715 of 30 September 2019 laying down rules for the functioning of the information management system for official controls and its system components (the IMSOC Regulation), OJ L 261, 14.10.2019, p. 37.

exchange, laboratory standards, and crisis management through targeted investments in technology, training, and best practice dissemination. These concerted efforts are central to maintaining a resilient, safe, and sustainable food system in the face of evolving environmental and technological challenges.

### 1.3. Points of comparison

**Situation before the intervention**

Before the introduction of the SMP under Pillar 5, previous common financial framework was implemented through Regulation (EC) No 652/2014[492](CFF).

Previous CFF mid-term evaluation[493] raised several challenges:

- specific mechanism to access a reserve for crises in case of large-scale emergencies needs to be identified;
- the monitoring system is to be improved and integrated with a cost-effectiveness analysis;
- the current grants system needs to be simplified;
- plant health funding strengthened.

The impact assessment of SMP highlighted that the optimisation of the administrative system is also expected to contribute to a more effective and efficient EU Food Chain Programme, improving its overall functioning as well as its capacity to respond to the present challenges, for example by exploring possible synergies or seeking further simplifications. A number of recent and emerging challenges, such as globalisation, the increasingly complexity of the food supply chain and climate change, will pose significant threats and challenges and are therefore expected to influence the future EU approach in this area.

Under previous CFF number of following activities were eligible for funding:

- Animal health emergency measures, and veterinary programmes
- Plant health emergency measures, survey programmes concerning the presence of pests, programmes concerning the control of pests in outermost regions of the Union
- Official controls and other activities
- European Union Reference Laboratories (EURLs)
- Training of the staff of the competent authorities responsible for official controls
- Experts from the Member States (expenses for experts appointed to assist the Commission)
- Coordinated control plans and data collection
- Information systems

[492] Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC, OJ L 189, 27.6.2014, p. 1.

[493] Mid-term evaluation of Regulation (EU) No 652/2014 - Publications Office of the EU (europa.eu)https://data.europa.eu/doi/10.2875/399507.

In the current SMP framework additional activities are funded, such as, measures to fight antimicrobial resistance (data collection on sales and use of antimicrobials in animals), food waste supporting sustainability efforts and phytosanitary programmes.

**Points of comparison for assessing the intervention**

The evaluation will compare the current state of implemented measures against the baseline and the targets set for 2027. Performance indicators include the number of successfully implemented national veterinary programmes, number of successfully implemented national phytosanitary programmes, number of successfully implemented phytosanitary and veterinary emergency measures, percentage of poultry population under an EU co-financed Salmonella programme below the EU target. These points of comparison will help assess the effectiveness, efficiency, and EU added value of the intervention.

**Table 58: Performance indicators**

| Performance indicators | Baseline | Target |
|---|---|---|
| Number of successfully implemented national veterinary programmes | 90% 2020 | >90% (by 2027) |
| Number of successfully implemented national phytosanitary programmes | 0 (2020) | >95% (by 2027) |
| Number of phytosanitary emergency measures successfully implemented by MSs | 100% (2020) | 100% (by 2027) |
| Number of veterinary emergency measures successfully implemented by MSs | 100% (2020) | 100% (by 2027) |
| Percentage of poultry population under an EU co-financed Salmonella programme below the EU target | 80% (2020) | >80% (by 2027) |

All performance indicators and results are quantified for different Pillar 5 activities and are listed in Annex VI of Staff working document Programme-level.

## 2. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

This section provides an overview of the state of play of the implementation of Pillar 5 of the SMP, which is dedicated to ensuring food, feed, animal health, plant health and animal welfare across the EU. The section details the governance structure, activities and resources as well as the budget undertaken to achieve the strategic objectives of the programme from 2021 to 2023.

### 2.1. Governance

The governance of Pillar 5 of the SMP involves a collaborative effort between DG SANTE, HaDEA, Member States and various stakeholders, each playing a role in maintaining high standards of food and feed safety, animal health, plant health and animal welfare in the Union. Governance is structured to ensure the implementation of comprehensive regulations across the EU.

DG SANTE sets strategic priorities, allocates funds, oversees programme implementation and ensures alignment with the wider objectives of the SMP. DG SANTE also develops and implements policies and measures on food and feed safety, animal and plant health and animal welfare. Following adoption of work programmes, DG SANTE and HaDEA implement several

SMP activities listed in the work programmes through grants, procurements and contribution agreements with international organisations (e.g. WOAH).

Member States' national competent authorities ensure the implementation of EU legislation, carry out inspections and audits, sample and laboratory analyses, monitor compliance and report findings. Member States' authorities are the main beneficiaries of the SMP funds.

Stakeholders are actively involved through consultations, ensuring that views are taken into account. They also apply for specific activities and measures through grants and procurements.

Pillar 5 of the Single Market Programme is financed from the EU budget, focusing on the Commission's strategic priorities to support research, innovation, monitoring and enforcement activities.

## 2.2. Programme activities and implementation

The SMP allocates 40% of its total budget of EUR 4.2 billion to Pillar 5 activities. The Pillar 5 funding model is designed to ensure the efficient allocation and use of resources to achieve its policy objectives. Funding is distributed across different types of financial instruments, mainly grants and procurement, as well as contribution agreements, to support a range of activities and initiatives. A significant part of the funding is allocated through grants.

Grants are used to support Member States' competent authorities, international organisations and stakeholders in the implementation of various programmes and actions in different areas, such as veterinary programmes to prevent and eradicate animal diseases and zoonoses, phytosanitary programmes to prevent and eradicate or contain plant pests, emergency measures to manage epidemics, initiatives to monitor antimicrobial resistance, reduction and monitoring of food waste and others.

In addition, public procurement is used for specific services, studies and supplies essential for the implementation of SMP objectives, such as cost-benefit analyses, feasibility studies, the development of training materials, vaccine banks and the improvement of information management systems for official controls.

Other actions include various forms of financial support (e.g. contribution agreements with international organisations) needed to achieve the objectives of the programme, ensure a comprehensive and flexible approach to ensure food and feed safety, improve animal health, plant health and animal welfare across the EU.

The implementation of the Pillar 5 programme took place through several work programmes (2021, 2022 and 2023) adopted by the Commission in collaboration with and with the approval of the representatives of the Member States in the Standing Committee on Plants, Animals, Food and Feed (PAFF). Prior to its preparation, targeted consultations on specific topics, such as monitoring services and types of calls for proposals, are carried out.

In December 2022, the Commission announced that due to the unexpected financial need for emergency measures (HPAI, ASF outbreaks), the EU co-financing rates for veterinary and phytosanitary programmes and emergency measures would be reduced by 60%. This reduction, approved by the MSs representatives following comitology procedure, was implemented from the 2023 programmes. It aimed at ensuring that the high costs of multiple epidemics can still be covered within the available budget, while maintaining support for the planned activities, including programmes and future emergencies. Such adjustment of the EU co-financing rates for these measures, proposed due to the unprecedented scale of outbreaks, indicates a pragmatic response to ensure continued support for emergency measures. The Union's capacity to co-

finance the costs of emergency measures borne by Member States has been seriously tested due to the unprecedented outbreaks.

Nevertheless, all veterinary and phytosanitary measures assessed/evaluated have been successful so far (100%) and no eligible request from a Member State has been rejected. The total number of national veterinary programmes successfully implemented, in 2021 and 2022, 130 of the 138 work packages were completed, resulting in an implemented rate of 94.2%. In 2023, 131 of the 132 work packages, an implementation rate of 99% was achieved[494]. As the target rate has been set at 90%, the programme is on track to achieve its objectives.

As regards the number of successfully implemented national phytosanitary programmes, all 24 proposed programmes were successfully implemented in 2021 and 2022, reaching a success rate of 100%. All 25 national phytosanitary programmes proposed were successfully implemented in 2023, reaching a success rate of 100%[495]. Given that an implementation rate of 100% was achieved in 2021, 2022 and 2023, it appears that the programmes are on track to meet target implementation rate.

The Single Market Programme finances various actions to improve animal and plant health and welfare, ensure food and feed safety and promote sustainable food practices across the EU. These areas of funding include veterinary and phytosanitary programmes, emergency measures, vaccine banks, EU reference laboratories and EU reference centres, the BTSF programme, antimicrobial resistance, sustainable food initiatives, IT systems and other activities. The table below provides a detailed breakdown of the budget allocation for the areas of financing from 2021 to 2023, expressed in EUR.

**Table 59: Total budget allocated to each of the main funding areas in millions of euro**

| Funding area | 2021 | 2022 | 2023 | Total | % of the total budget (2021-2023) | Co-financing rate |
|---|---|---|---|---|---|---|
| Veterinary programmes | 107 | 107 | 35.2 | 249.2 | 32.2% | 50-75%* |
| Phytosanitary programmes | 20 | 20 | 8 | 48 | 6.4% | 50-75%* |
| Emergency measures - Animal health & Plant health | 19.3 | 92.8 | 118.6 | 230.7 | 30.7% | 50-75%* |
| Vaccines | 1.3 | 0.8 | 0.3 | 2.4 | 0.3% | 100% |
| EURL and EURC | 21 | 21 | 21 | 63 | 8.4% | 100% |
| BTSF | 10 | 8.5 | 9.4 | 27.8 | 3.7% | 100% |
| AMR[496] | 3 | 9.8 | 9.8 | 22.5 | 3% | 50-100% |
| Sustainable food (food waste etc.) | 18.1 | 11.8 | 4.3 | 34.1 | 4.5% | 50% |
| IT systems[497] | 15 | 20 | 17.3 | 52.3 | 7% | 100% |
| Other procurements | 4.1 | 3.3 | 0.9 | 8.2 | 1.1% | |
| Other Grants | 0.1 | 0 | 0.3 | 0.4 | <0.1% | |
| Other actions | 0.7 | 0.6 | 0.6 | 1.9 | 0.3% | |
| Contribution Agreements -Ind. Management | 1.2 | 4.1 | 5.9 | 11.2 | 1.5% | |
| **Total** | **220.7** | **299.6** | **231.3** | **751.6** | **100%** | |

*Source: DG SANTE budget figures based on WGs. 2023 figures have been adjusted to reflect reallocation of funds.*

494 Information from HaDEA.

495 Information provided by HaDEA.

496 In the AMR category are included 1) the Grants for the Implementation of the collection and reporting of data on sales and use of antimicrobials in animals and 2) Grants in Coordinated Control Plan for Antimicrobial Resistance (AMR) monitoring in commensal and zoonotic agents on samples of food and food-producing animals.

497 2021 IT system amount as per WP, 2022 as per follow-up table, 2023 amounts have been adjusted to include transfers of amounts within the different categories.

**The co-financing rates have been reduced by 60% from 2023 onwards as set in Implementing Decision (2022)3467.*

It has to be highlighted that veterinary and phytosanitary programmes together with emergency measures for animal and plant health received the highest share of the funding in the period 2021-2023 (69.3%).

## 3. EVALUATION FINDINGS (ANALYTICAL PART)

### 3.1 To what extent has the intervention been successful and why?

This section assesses the success of the SMP 5 programme in achieving or advancing its objectives in an effective, efficient and coherent manner.

#### 3.1.1 Effectiveness

##### *Specific objective I – Prevention, detection and eradication of animal diseases and plant pests, including through emergency measures*

***Veterinary programmes and emergency measures***

Veterinary programmes are essential for the protection of animal and human health by implementing measures such as the prevention, detection and eradication of animal diseases and zoonoses. Veterinary emergency measures are rapid response measures in the event of a significant outbreak of animal diseases. These measures aim to prevent the spread of infections by implementing measures such as quarantine, movement restrictions, killing or slaughtering and appropriate disposal of affected animals, and disinfection.

In DG SANTE veterinary work programmes 2021-2022 priorities set based on epidemiological landscape of the Union and the imminent risks. Work programmes focused on two main groups of animal diseases and zoonoses eligible for EU financial support:

- Group 1 includes diseases with significant impacts on animal and human health, trade and a high likelihood of introduction into the EU from third countries. The significant diseases in this category are ASF, HPAI, certain Salmonella strains infecting poultry populations and rabies.

- Group 2 covers diseases that have less health effects but are close to eradication in the EU. This group includes transmissible spongiform encephalopathies, bovine and ovine/caprine brucellosis, bovine tuberculosis, classical swine fever (CSF), lumpy skin disease, peste des petits ruminants and sheep and goat pox.

These classifications correspond to the Union's strategic focus on managing diseases according to their severity and eradication potential. In addition, a transitional measure allows to maintain EU funding for vaccination programmes against bluetongue, in line with EFSA's recommendations. This funding supports the objective of vaccinating 95% of all susceptible bovine and ovine animals for five consecutive years, with the aim of strengthening animal health and mitigating the spread of that disease, even if this aid was not intended to extend beyond the fifth year of compulsory vaccination in 2021.

These priorities illustrate a targeted approach to address the main veterinary challenges in the EU, contributing significantly to the achievement of the overall specific objectives of the SMP by focusing both on high-risk diseases and those close to eradication. The segmentation into two

groups allows for a nuanced allocation of resources, reflecting a concerted effort to effectively adapt the Union's financial support to the different levels of emergency and the possibilities to control or eradicate those diseases.

It has to be indicated that in 2022 the amendment of work programme 2023-2024 (Implementing Decision (2022)3467) was made through the Implementing Decisions C(2023)1133 of 20.2.2023 for 2023, and C(2023)2280 of 28.3.2023 for 2024 as regards the maximum Union contribution and the reduction of the co-financing rates of veterinary programmes and phytosanitary programmes. These amendments were necessary to reallocate funds to address the emergency situation caused by HPAI and ASF outbreaks. Following adoption of Implementing Decision C(2023)1133 of 20.2.2023, there was 60% reduction of the co-financing rate from 2023 programmes onwards. The amount for grants in 2023 veterinary and phytosanitary work programme was thereafter reduced from EUR 127 million to EUR 48.7 million. This reduction of co-financing rates put pressure on the national budgets of Member States, in particular for those facing numerous ASF and HPAI outbreaks. In order to prevent such significant reduction of the EU co-financing, in case of future needs, actual access to an emergency reserve fund would be of great help.

Emergency veterinary measures were implemented in response to outbreaks such as ASF and HPAI. Regarding ASF 8 Member States applied for EU funding in 2021, 7 Member States in 2022 and 11 Member States in 2023. For HPAI 16 Member States applied for EU funding for emergency measures in 2021, 17 in 2022 and 20 in 2023. The financing of these measures has been essential to limit the spread of these diseases and to reduce the impact on unaffected areas (in particular, the continuity of trade).

Overall, HPAI showed a downward trend of outbreaks in 2021 – 1847, 2022 – 2636, 2023 – 619 (poultry and captive birds), and between 2 December 2023 and 15 March 2024, outbreaks of HPAI A(H5) were reported in domestic (227) in 26 countries in Europe[498].

ASF experienced an increase in the number of outbreaks (1 810 in 2021, 377 in 2022 and 1 929 in 2023), and cases were reported in 3 new Member States in 2023 compared to the geographical spread in 2022. The number of reported outbreaks of ASF in domestic pigs in Member States was five times higher in 2023 than in 2022, which corresponds to the levels observed in 2019. These outbreaks were mainly attributed to new outbreaks in Croatia (1 124 outbreaks) and a resurgence in Romania (736 outbreaks), both contributing 96% of EU ASF outbreaks in 2023[499]. Despite the spread of ASF to previously unaffected countries and an increase in outbreaks, in particular in domestic pigs, the designated restricted zones across the EU have remained relatively constant.

Special ASF control measures and emergency measures for HPAI have been implemented and regularly reviewed to contain the spread of the disease while minimising the impact on non-affected regions.

Regarding some other disease, the situation varied depending on the specific disease. Some diseases, such as lumpy skin disease, peste des petits ruminants (in December 2023, present only in Bulgaria) and Classical swine fever (CSF) have been successfully eradicated or were not present in the EU[500].

The number of cases of bovine brucellosis (*Brucella abortus*) has steadily decreased, with 4

498 Information from ADNS/ADIS system.

499 Information from ADNS/ADIS system.

500Certified by WAHIS-WOAH: as well as on the following pages:// wahis.woah.org/#/event-management.

cases reported in 2021, 6 in 2022 and 2 cases in 2023. Similarly, cases of *Brucella melitensis* (affecting sheep and goats) decreased, with 11 cases reported in 2021, 4 in 2022 and 2 in 2023. These reductions highlight the effectiveness of monitoring, reporting by Member States and control measures. In addition, the number of Member States declared brucellosis-free has increased and has stabilised at 20 since 2021, compared to 19 in 2020, demonstrating sustained success in eradication efforts501.

The number of bovine tuberculosis cases has been stable over the period of 2021-2023 ranging between 130-150 outbreaks annually[502]. 17 EU countries are currently free from *Mycobacterium tuberculosis* complex (*Mycobacterium bovis, M. caprae and M.tuberculosis*) thanks to specific EU investments for many years, including under the SMP. Three EU countries have obtained this status in part of their territory[503]. This gradual reduction since 2020 is a sign of the effectiveness of eradication measures in controlling this disease across the EU. It has to be mentioned that in addition to SMP, funding national efforts have also played an important role.

In addition, after many years of EU support, EU co-financing for bovine tuberculosis and bovine, ovine and caprine brucellosis ceased as of 2023, after a gradual phase-out over several years.

Continued efforts to control classical bovine spongiform encephalopathy (C-BSE) have also proved effective. There were no cases of C-BSE in 2021 and 2022 (the last case of C-BSE in the EU was in 2016). The only few cases found were of atypical form which are considered as spontaneous (6 in 2021, 1 in 2022, 5 in 2023).

Efforts were made to reduce the number of index cases of classical scrapie in ovine and caprine animals, compared to the 2020 baseline of 132 cases. In 2021, the number of cases decreased to 110, but in 2022 it increased to 135[504]. Despite the slight increase in 2022, the overall programme remained on track and control measures were considered effective.

In addition, CSF in wild boar or domestic pigs was not reported in 2021, 2022 and 2023, which represents a significant step forward in the control of CSF. The absence of outbreaks reflects the continued success of surveillance programmes and preventive measures. In addition, the Commission organised a call for tenders for the establishment of a CSF vaccine bank for the EU (purchase, storage and delivery of live attenuated CSF vaccines). This initiative allows the emergency vaccination of pig populations in the event of occurrence of CSF outbreaks. This is important as vaccines in case of outbreaks will contribute to stop the spread of virus and improve effectiveness of control and eradication of the disease in the EU.

The EU's success in managing diseases is further underlined by its efforts to combat rabies. The number of infections with rabies virus decreased from 103 in 2021 to 45 in 2022 and to 36 in 2023[505].

In the event of an outbreak or suspicion of certain animal diseases, the Commission provided assistance to Member States and third countries through highly experienced veterinary expertise in epidemiology through the EU Veterinary Emergency Team. The EU emergency veterinary team was sent to the relevant hotspots within a very short period of time. As a result, it has helped shape the response to the specific animal health crisis and seeks to minimise the impact of diseases. These activities were funded by the Single Market Programme. The EU Veterinary

501 Information from ADNS/ADIS system.
502 Information from ADNS/ADIS system.
503 Bovine tuberculosis - European Commission (europa.eu).
504 EFSA The European Union summary report on surveillance for the presence of transmissible spongiform encephalopathies 2021, 2022.
505 Information from ADNS/ADIS system.

Emergency Team carried out 19 missions to Member States in the period 2021-2023 to address these outbreaks of diseases: ASF, HPAI, brucellosis, rabies, sheep and goat pox[506].

In addition, the transition from the old Animal Disease Notification System (ADNS) to the more advanced Animal Disease Information System (ADIS) demonstrates a significant improvement in the exchange of epidemiological data and veterinary control measures. Although not directly funded by the SMP, ADIS is part of the EU Information Management System for Official Controls (IMSOC), which has received SMP funding for the maintenance and upgrading of existing information systems. These measures collectively demonstrate the EU's comprehensive and coordinated approach to detect and ensure rapid communication of immediate and potential health threats in the veterinary field. Overall, the sustained implementation of surveillance programmes ensured that the disease remains well under control.

As regards **Salmonella programmes**, 24 Member States got veterinary programmes for Salmonella in poultry approved for EU co-financing (2021-2022 and 2023). The annual report of the Alert and Cooperation Network (2022) stated that in the course of 2022, out of the 234 notifications received under the Rapid Alert System for Food and Feed (RASFF), the most common food and feed hazard was Salmonella, which accounted for 44.9% of all notifications registered. This underlines the importance of proper implementation of Salmonella programmes.

The EFSA reports for 2021 and 2022[507] provide comprehensive information on the prevalence and management of non-typhoidal salmonellosis infections in humans in all EU Member States[508]. In 2022, all 27 Member States reported data on these infections, with varying levels of mandatory and voluntary reporting systems and surveillance coverage. In particular, in 2021, 60 050 cases of human salmonellosis were reported, which represents an increase compared to 52 690 cases in 2020. The number of human salmonellosis cases increased further in 2022 to 65 208, but the reporting rate in the EU remains stable at 15.3 cases per 100 000 inhabitants. However, hospitalisation rates increased from 51.5% of cases in 2021 to 44.5% in 2022, especially in countries such as Cyprus, Greece and Lithuania. The highest notification rates were observed in Czechia and Slovakia, while lower reporting rates were observed in Bulgaria, Greece, Italy and Portugal. Cases associated with travel within the EU increased from 72.8% in 2021 to 62.3% in 2022, with Spain and Italy being the most common countries of infection. These reports highlight the current difficulties in the management of salmonellosis across the EU and highlight the importance of continuous surveillance and public health interventions to mitigate its effects. It should be noted that the Salmonella outbreaks mentioned in the EFSA report refer to global outbreaks and these are not necessarily linked to poultry populations as a source of infection.

The prevalence of Salmonella in poultry populations in the EU fluctuated between 2020 and 2022, with different trends in the overall prevalence of Salmonella, EU target serovars in breeding and laying hens.

The overall prevalence of Salmonella in breeding flocks of *Gallus gallus* in 2021, Salmonella was detected in 348 flocks out of 13 983, representing an overall prevalence of 2.5% for all serovars. In 2022, the overall prevalence decreased to 2.1%, with 290 flocks out of 13 526 tested positive for Salmonella. For the five EU target serovars, the prevalence in breeding flocks of *Gallus gallus* was 0.52% in 2020. This increased to 0.58% in 2021 and 0.84% in 2022. However,

506 DG SANTE information Veterinary Emergency Team - European Commission (europa.eu).
507 European Food Safety Authority and European Centre for Disease Prevention and Control, The European Union One Health 2021 Zoonoses Report 2021.
508 Data for 2023 are not yet available in the EFSA reports.

these figures remained below the 1% target set by the EU to achieve the programme's objectives. For laying hens, where the EU target for Salmonella prevalence (for the two EU target serovars) is set at 2%, the situation was also favourable. Both in 2021 and 2022, the target was met, with prevalence rates of 1.3% in 2021 and 1.2% in 2022, thus keeping the prevalence of Salmonella below the 2% threshold.

During the evaluation period the prevalence of Salmonella in breeding and *Gallus gallus* layers is within EU limits and the targets set by the National Control Programmes (NCPs) have been achieved.

The prevalence of Salmonella in flocks of broilers of *Gallus gallus* positive for two target serovars remained stable, at 0.28% in 2021 and 0.25% in 2022, below the EU target of 1%. This demonstrates an effective management of Salmonella in broiler populations.

Similarly, in breeding flocks of turkeys, the prevalence was 0.49% in 2021 and decreased to 0.32% in 2022, well below the target of 1%, showing a continuous improvement in Salmonella control in breeding turkeys. In flocks of fattening turkeys, the prevalence also remained under control, with 0.31% in 2021 and a slight increase to 0.32% in 2022, which remains well below the EU target of 1%.

In addition, over 80% of poultry populations under EU co-financed Salmonella programmes were reported to have incidence below the EU target, with 83.3% in 2021 and 84.5% in 2022. These figures demonstrate a coherent and effective effort to reduce the prevalence of Salmonella in different poultry categories and therefore contributing to the wider success of national control programmes across the EU.

Overall, it has to be indicated that EU co-financed veterinary programmes had great impact on the single market. For instance, the number of HPAI outbreaks decreased in 2023, and by early 2024, detections in Europe reached their lowest levels since the 2019-2020 epidemiological year, avoiding significant financial losses[509]. Additionally, challenges like bovine tuberculosis and brucellosis required ongoing attention in the past years. However, due to low numbers of brucellosis and bovine tuberculosis outbreaks both diseases had been removed from the work programme 2023 and the following programmes. These are just some of the evidences regarding the effectiveness and enhanced animal health standards in the agri-food sector.

***Phytosanitary programmes and emergency measures***

DG SANTE Work Programmes for 2021 and 2022 set out structured priorities for phytosanitary programmes, underscoring the commitment to controlling pests within the Union's outermost regions and across its territories. According to the SMP Regulation, pests eligible for EU co-financing have been identified based on their potential impact and the immediate risks they pose, with specific measures earmarked for eradication, containment, and surveillance. Pest priority groups:

- Priority 1 encompasses priority pests, listed in the Annex of Commission Delegated Regulation (EU) 2019/1 702, which are not known to be present in the Union territory or are known to be present either in a limited part of that territory or for scarce, irregular, isolated and infrequent presences in it. Also their potential economic, environmental or social impact is the most severe with respect to the Union territory, and, thirdly, they are listed as priority pests. Pests under this category are addressed through three prioritised measures. First, eradication measures involve conducting surveys in areas where the

[509] EFSA report on HPAI: https://www.efsa.europa.eu/en/efsajournal/pub/8930.

presence of pests is confirmed or within areas officially demarcated according to Articles 17 and 19 of Regulation (EU) 2016/2031510, aligned with Article 18 of the same regulation. Second, survey measures are implemented in areas presumed pest-free, outside the demarcated zones, in accordance with Article 22 of Regulation (EU) 2016/2031 and Commission Implementing Regulation (EU) 2020/1231511. Lastly, containment measures are taken to manage pests within known or demarcated areas, following the stipulations of Article 28(2) of Regulation (EU) 2016/2031, with actions limited to those defined in the EU emergency measures under the same article.

- Priority 2 addresses pests subject to Union measures or listed in part B of Annex II of Regulation (EU) 2019/2072. The priority here is to execute both eradication and survey measures, particularly in and around demarcated areas, to prevent further spread.
- Priority 3 targets additional Union quarantine pests not covered in previous priorities but listed in Annex II of Commission Implementing Regulation (EU) 2019/2072. Member States are required to monitor these pests, up to 30 per state, as part of their multiannual surveillance programmes. Measures include proactive surveys in assumed pest-free areas and eradication efforts in areas where pests are known to exist.
- Priority 4 targets emerging pests not currently classified as Union quarantine pests but posing imminent risks for the Union territory. This includes 5 pests, such as A*rboridia kakogawana, Garella musculana, Crisicoccus pini, Gymnandrosoma aurantianum, Xylotrechus chinensis*. This priority highlights the necessity for a survey and potential eradication measures to tackle new and evolving threats.
- Priority 5 relates to pests identified under Priority 2, focusing specifically on containment measures to manage outbreaks within identified zones, particularly concerning buffer areas adjacent to infected zones.

The allocation of Union funding and resources is structured to prioritise these groups, reflecting the level of threat they pose and the relevance of the planned activities for each group. However, there is a particular emphasis on allocating the budget to groups 1 and 2, ensuring that the most critical risks are addressed promptly. This coherent and prioritised approach underscores the EU's dedication to strengthening its phytosanitary capacity, contributing significantly to the broader objectives of the SMP by safeguarding plant health across the Union and its outermost regions.

Similar to the veterinary programmes and due to the reallocation to the veterinary emergency measures, the co-funding rate for the phytosanitary programmes and emergency measures was significantly reduced by 60% as from 2023, which has impacted Member States capacity in this area and put additional pressure on their national budgets.

As regards emergency phytosanitary measures, four applications were implemented in 2021, two in 2022 and three in 2023[512]. However, it is important to mention that the number of applications depends on the new outbreaks for which Member States request co-financing. In the period 2021-2023, EU co-financing supported measures to eradicate *Xylella fastidiosa* outbreaks in France, Spain, Portugal and Italy. Portugal that received SMP co-funding has been able to eradicate the outbreak in the Algarve region in Tavira by applying the measures provided

[510] Regulation (EU) 2016/2031 of the European Parliament of the Council of 26 October 2016 on protective measures against pests of plants, amending Regulations (EU) No 228/2013, (EU) No 652/2014 and (EU) No 1143/2014 of the European Parliament and of the Council and repealing Council Directives 69/464/EEC, 74/647/EEC, 93/85/EEC, 98/57/EC, 2000/29/EC, 2006/91/EC and 2007/33/EC, OJ L 317, 23.11.2016, p. 4.
[511] Commission Implementing Regulation (EU) 2020/1231 of 27 August 2020 on the format and instructions for the annual reports on the results of the surveys and on the format of the multiannual survey programmes and the practical arrangements, respectively provided for in Articles 22 and 23 of Regulation (EU) 2016/2031 of the European Parliament and the Council, OJ L 280, 28.8.2020, p. 1.
512 DG SANTE information.

for in Implementing Regulation (EU) 2020/1201[513]. Several outbreaks of potato pests in the EU have also been eradicated. After continued EU financial support for several years, Germany and France have also been able to close several outbreaks of Asian longhorn beetle (*Anoplophora glabripennis*).

It has to be indicated that the applications for eradication measures are part of the phytosanitary programme, covering from the second year of the outbreak, and maintained consistent performance with the eradication/containment measures for 12 pests included in both 2021 and 2022, followed by a slight increase to 13 in 2023[514]. All these measures led to three countries completely eradicating at least one pest from their territory in 2021, according to EPPO reporting services. Austria and Finland eradicated *Anoplophora glabripennis*. However, as eradication is a complex and long-term process, no country has eradicated (officially declared: absent, the pest eradicated) any pest present in its territory in 2022 and 2023. However, where eradication was not possible, the spread in new countries was controlled. Nineteen of the twenty priority pests did not spread in new Member States in 2021 and no pests spread to new countries in 2022 and nineteen out of twenty again did not spread to new Member States in 2023.

Climate change has a significant impact on the movement and establishment of plant pests, making it difficult for the EU to manage these threats. Rising temperatures and changing precipitation patterns create favourable conditions for the extension of the range of harmful organisms and their reproductive rate. For example, warmer climates allow pests to spread more easily in southern Europe and even spread more in northern Europe, threatening crops such as olive trees. The interaction between climate change and pest dynamics complicates the effectiveness of current phytosanitary measures, which requires adaptation strategies.

It has to be indicated that the co-financing of phytosanitary programmes has contributed to the functioning of the single market and global agri-food competitiveness. For example, the EU co-funded 4 MS for the eradication or containment of *Anoplophora glabripennis* in 2021 and 3 MS in 2022[515]. This invasive pest attacks and destroys wide range of broadleaf trees, including economically important species like maple, birch, and poplar, creating massive destruction. It should be mentioned that 4 MS received co-funding for eradication or containment of *Xylella fastidiosa* in 2021 and the same number of MS in 2022. If *Xylella fastidiosa* were to fully spread across the EU, it could affect over 70% of the Union's production value of olive trees older than 30 years and 35% of younger trees. This could put nearly 300 000 jobs involved in olive, citrus, almond, and grape production at risk. The outbreak of priority pests would put agricultural exports at risk. This would also mean lower calorie, protein and fat supply[516]. The establishment and spread of (new) plant pests and diseases also puts additional pressure on food production. Therefore, it should be underlined that the successful implementation of the co-funded phytosanitary programmes is important - not only for preventing economic losses - but also for maintaining the viability and sustainability of Europe's single market and its competitive stance in the global agri-food sector.

The assessment of the available data indicates that that the specific objectives of the co-funded phytosanitary programmes and emergency measures have to a large extent been achieved, with the surveillance of the EU territory, the successful eradication and in cases, where eradication is not possible, containment, of several EU quarantine pests. From the assessment it is evident that

[513] Commission Implementing Regulation (EU) 2020/1201 of 14 August 2020 as regards measures to prevent the introduction into and the spread within the Union of Xylella fastidiosa, OJ L 269, 17.8.2020, p. 2.
514 Information provided by HaDEA.
515 Information provided by HaDEA.
[516] SWD_2023_4_1_EN_document_travail_service_part1_v2.pdf (europa.eu).

EU co-financing has been instrumental in the efforts to combat *Xylella fastidiosa* and to compensate to a certain extent for the significant economic losses.

However, the biology of the pests and the scale of the infestation in many cases poses challenges to the successful eradication or containment. In addition, to avoid significant reduction of EU co-funding in the phytosanitary area in the future, and in case of big phytosanitary crises, actual access to an emergency reserve fund would be useful.

### *Specific Objective II – Support for the improvement of animal welfare*

The World Organisation for Animal Health (WOAH) Animal Welfare Platform for Europe platform was set up in 2013 with the aim of improving animal welfare in the European WOAH region of 53 countries. It provides a sustainable collaboration mechanism for regional activities to support veterinary services to take action and implement WOAH animal welfare standards. The EU is the largest financial donor to this Animal Welfare Platform. The EU co-finances concrete activities under the three-year action plans of the WOAH Platform. The three priority themes for EU funding are welfare during transport, welfare at slaughter and management of the dog population. In addition, the EU co-finances the governance of the WOAH platform.

As regards the governance of the WOAH platform, the EU funds the organisation of its steering groups twice a year. In addition, the EU contributed to the latest evaluation of the WOAH platform, which was published in 2023[517]. This evaluation suggested to:

- Encourage to seek ways to reinforce its stakeholder engagement including with member countries,
- Explore ways of providing a more tailored approach to addressing the needs of the countries,
- Increase its target audience,
- Develop the Platform's capacity to evaluate achievements and visibility of impact,
- Boost the frequency of communication and information sharing on Platform activities, progress and on follow-up.

Overall, the 2019 evaluation recommendations were largely implemented under the Third Action Plan (2021-2023)[518], thus contributing to the effectiveness of the Platform. The advisory approach brought the Platform's activities into line with the evolving needs of members, which increased its relevance. Although a theory of change, a performance framework were created, limitations to the extent to which WOAH standards were met remain problematic. Key achievements include the Self-Assessment and Monitoring Tool for Dog Population Management (SAM4DPM tool) to improve compliance monitoring. To move forward, the Platform needs to improve learning, evidence-based improvements and impact assessment to further strengthen its role, especially as it participates in the 4th Action Plan. There is a need to focus more on best practices and assess the impact of activities on animal welfare to address the concerns of donors and stakeholders.

In the period 2021-2023, a total of 9 activities of the WOAH Regional Platform on Animal Welfare and 7 WOAH workshops were carried out[519]. For example, 'Whole Journey Scenario' multi-regional workshop on long-distance transport by land and sea between Europe, the Middle East and North Africa. Representatives of 15 WOAH members participated in this workshop, whose main objectives are to help countries improve animal welfare in long-distance and cross-

[517] External evaluation of the Platform on Animal Welfare for Europe - WOAH – Europe.
[518] 3rd_action_plan_oie_platform_animal_welfare_europe_adopted.pdf (woah.org).
519 Information provided by WOAH.

border transport in line with WOAH standards.

The Better Training for Safer Food programme played a crucial role in organising training sessions on animal welfare during transport (11 sessions from 2022 to 2024), mobilising more than 320 participants from the EU, the EEA and other countries, underlining the EU's commitment to improving animal welfare standards through education and collaboration.

The European Union Reference Centres for Animal Welfare (EURCAW) contribute to improving animal welfare by supporting MSs to implement animal welfare requirements.

The EURCAW of pigs focused on training and resources to support welfare monitoring across the EU. They produced a series of training videos covering a range of topics, from the preparation of inspections to communication on animal welfare, which are essential for inspectors and farm staff. The EURCAW of pigs also created 45 factsheets on indicators initially available in four languages and expanded translations into three additional languages to meet various language needs across the EU. In addition, their roadshows in different EU countries facilitate direct dialogue with inspectors, discussing relevant animal welfare issues and fostering a collaborative approach to animal welfare. Such demonstrations of good practice are an effective way of disseminating knowledge, exchanging ideas, harmonising assessments and fostering change in attitudes.

From 2021 to 2023, the EURCAW of pigs platform saw a steady increase in engagement and activity. In 2021, the platform recorded 21 297 pages viewed, reflecting its initial impact. In 2022, this number had increased considerably to 30 092 and in 2023 with 35 612 pages viewed, indicating an increase in user participation. In addition, in 2021, the platform recorded 19 114 downloads, which increased to 21 154 downloads in 2022, before falling back to 14 536 downloads in 2023. These figures show the increasing influence and use of the EURCAW Pigs platform over the years[520].

During period 2021-2023 the EURCAW Ruminants and Equidae have made significant progress in improving animal welfare education and resource dissemination. The main achievements in the period 2021-2023 include the production of a mini-review, a thematic factsheet and a factsheet on indicators on milk feed for dairy calves, with documents available in seven languages. In addition, they developed global environmental enrichment resources, including three reviews and five thematic factsheets covering various species such as cattle, sheep, equidae and goats, effectively broadening the scope and impact of their welfare initiatives. They also expanded their educational initiatives to include the production of three new training toolkits on calf feeding, pain management and horse confinement, in parallel with the organisation of three webinars and the preparation of the launch of five e-learning courses corresponding to these toolkits, further broadening the scope and impact of their well-being initiatives. In addition to these achievements, the EURCAW Ruminants and Equines website, launched in November 2022, further broadened the scope of their education and well-being initiatives. Between November 2022 and December 2023, the website attracted 4 213 active users and gathered a total of 15 603 views, reflecting a significant engagement with the platform's resources.

From 2021 to 2023, EURCAW Ruminants and Equines launched several key initiatives. In October 2022, the Training Needs Analysis Platform (TraNAP) was set up to collect and report on training needs. At the end of 2023, it had 134 users, including representatives of national authorities and opinion leaders from 17 European countries. In May 2023, EURCAW launched

520 Information provided in external evaluation study, pages 22-24.

toolkits for trainers, focusing on modules such as 'visual and tactile contact in individually housed calves' and 'Environmental enrichment for ruminants and equidae'[521].

EURCAW Poultry and other small farm animals actively addressed the needs of the competent authority by providing technical assistance through an increasing number of queries, reflecting an enhanced dialogue with stakeholders. They also focused on educational outcomes, developing detailed animal welfare factsheets for pullets and conducting rigorous scientific studies to validate and refine welfare indicators to be used in previously applied business environments for chickens and turkeys, thus improving the standardisation and effectiveness of welfare assessments in poultry farming.

The EURCAWs work contributes significantly to improving animal welfare in Europe. Nevertheless, EURCAW do not have concrete figures to measure their direct impact and monitor progress. It would be useful to have data and figures showing the level of animal welfare and its progress over the years. At the moment the EURCAWs results are useful, people attend their meetings, read their fact sheets and register on their platforms. They follow statistics such as newsletter recordings, social media followers and downloads of their factsheets, showing a steady increase. EURCAW also offer training through e-learning courses and toolkits for trainers, which are very popular and widely used.

DG SANTE in 2023 supported, within the framework of the SMP, the Eurobarometer on attitudes of Europeans towards animal welfare, where 84% of Europeans believe that the welfare of farm animals should be better protected in their country than today. A similar number (83%) support limiting the transport time of animals. Almost three quarters of respondents (74%) support better protection of pet animal welfare in their country, and 90% of Europeans believe that husbandry and husbandry practices should meet basic ethical requirements. The investigation also showed a high level of concern (88%) for animal welfare in slaughterhouses, for example by strengthening official controls, including the use of video cameras[522]. It is therefore necessary to step up efforts to improve animal welfare legislation, as well as to strengthen training and monitoring in order to ensure its effective implementation. In addition, there is a need to improve communication and dissemination of information to stakeholders beyond the EURCAW network and the National Reference Centres.

Overall, from the assessment it can be concluded that the specific activities of objective II have been attained by the SMP although some improvements and challenges remain (e.g. measuring impact of activities of EURCAW). All these activities funded by the SMP have contributed to improving animal welfare inside and outside the EU. These actions, in particular, enabled to increase awareness, improve cooperation with third countries on animal welfare and facilitate the exchange of information in case of incidents during transport and improve enforcement.

### *Specific Objective III – Fight against AMR*

From January 2024, all EU / EEA Member States will have to report their data on the volume of sales and use of antimicrobial medicinal products in animals to the European Medicines Agency (EMA) on an annual basis. EMA will publish the first annual report in March 2025. Specific activity through using SMP funds has been co-financed to enable MS to collect data on sales and use of antimicrobials in animals.

521 Information provided external evaluation study, pages 22-24.

522 Attitudes of Europeans towards animal welfare - October 2023 - - Eurobarometer survey (europa.eu).

The Commission adopted a Delegated Regulation (EU) 2021/578[523] on the requirements for the collection of data on the volume of sales and on the use of antimicrobial medicinal products in animals. In 2021, DG SANTE conducted a screening of AMR in various reports, including the European Semester Country Reports for 2019 and 2020, the State of Health in the EU, and the Technical Support Instrument 2021. Additionally, in January 2022, a preliminary screening of national recovery and resilience plans for the Recovery and Resilience Facility identified AMR-related measures in eight Member States. According to the AMR report by ECDC, 25 Member States have adopted an AMR action plan, while Poland and Estonia are still in progress or do not have one[524].

In the period 2022-2023, the Commission provided financial support to Member States in the form of pre-financing for setting up their national systems for data collection and reporting on antimicrobial sales and use in animals. Grant agreements were signed with 2 Member States in 2022 and 16 Member States in 2023. The allocated grants will contribute to a more harmonised monitoring of antimicrobial sales and use in animals and reporting by EU countries.

Commission Implementing Decision (EU) 2020/1729[525] lays down rules for this monitoring for the period 2021-2027. In accordance with Article 9 of Directive 2003/99/EC[526], the EFSA shall examine annually the submitted national reports of the MSs and publish a summary report on the trends and sources of zoonoses, zoonotic agents and AMR in the EU. These actions conducted by Member States allow to be informed on the development and spread of antimicrobial resistant bacteria and supports decision-making on AMR. Since 2021, Commission provided financial support to Member States in the form of co-financing for the monitoring of AMR in certain food and food-producing animals such as pigs, bovines and poultry (sampling and testing).

In the period 2021-2023 24 Member States applied for EU-funded coordinated control programmes to monitor AMR in certain food and food-producing animals in 2021, 26 for both 2022 and 2023. Coordinated control programmes cover several essential components aimed at harmonising the monitoring and reporting of AMR across EU Member States. These programmes start with sampling activities, where samples are collected from various points in the food production chain, including slaughterhouses, border control posts, and retail outlets. Samples from animals are a primary focus, and the costs for the staff involved in collecting these samples are reimbursed, ensuring that labour is adequately compensated. These samples are then subjected to laboratory testing, which includes antimicrobial susceptibility testing to identify resistance in bacteria such as Salmonella, Campylobacter, and E. coli. More advanced testing, such as whole genome sequencing, is also performed to provide a deeper understanding of resistance patterns. The costs for laboratory personnel, reagents, and testing kits are included in the financial reimbursement provided by the programme.

It is also important to mention the activities, referred in work programme and agreed with DG SANTE, that were performed by EU Reference Laboratory for Antimicrobial Resistance (EURL-AMR). From 2021 to 2023, EURL-AMR conducted 4 proficiency tests for the susceptibility testing of *Campylobacter, Salmonella, E. coli*, enterococci, and staphylococci for

[523] Commission Delegated Regulation (EU) 2021/578 of 29 January 2021 supplementing Regulation (EU) 2019/6 of the European Parliament and of the Council with regard to requirements for the collection of data on the volume of sales and on the use of antimicrobial medicinal products in animals, OJ L 123, 9.4.2021, p. 7.
[524] The AMR Report by ECDC: https://www.ecdc.europa.eu/en/publications-data/antimicrobial-resistance-surveillance-europe-2023-2021-data.
[525] Commission Implementing Decision (EU) 2020/1729 of 17 November 2020 on the monitoring and reporting of antimicrobial resistance in zoonotic and commensal bacteria and repealing Implementing Decision 2013/652/EU, OJ L 387, 19.11.2020, p. 8.
[526] Directive 2003/99/EC of the European Parliament and of the Council of 17 November 2003 on the monitoring of zoonoses and zoonotic agents, amending Council Decision 90/424/EEC and repealing Council Directive 92/117/EEC, OJ L 325, 12.12.2003, p. 31.

National Reference Laboratories (NRLs)[527]. Three Workshops were organised in the period 2021-2023 to support NRLs, alongside the dissemination of antimicrobial susceptibility testing methods to ensure consistent practices. The EURL-AMR also delivered training in 2021 on the topic '*Generating and using whole genome sequence data for AMR monitoring according to EU Decision 2020/1729/EU*'. The EURL also performed confirmatory testing on bacterial isolates deemed of particular relevance or as requested by the Commission.

Additionally, training and technical assistance were provided by EURL AMR to Member States' laboratories to ensure adherence to best practices in AMR testing. Workshops, training courses, and technical support help laboratories align with EU standards. These programmes also involve coordinated efforts and collaboration, with National Reference Laboratories (NRLs) playing a key role in overseeing testing and ensuring the quality of the results. Overall, the programmes are aimed at ensuring adequate implementation of the harmonised AMR monitoring and reporting by Member States.

BTSF training were also organised to support competent authorities to implement this Commission Implementing Decision (EU) 2020/1729.

It has to be taken into account that EFSA for its risk assessment mainly uses data from coordinated control plan for monitoring of AMR in certain food and food-producing animals. In 2024 EFSA published EU report on AMR in zoonotic and indicator bacteria from humas, animals and food 2021-2022[528]. According to EFSA the temporal trend analyses in both key outcome indicators (rate of complete susceptibility and prevalence of ESBL-/AmpC-producers in *E. coli*) showed an encouraging progress in reducing AMR in food-producing animals in several EU MSs over the last years. It is important to indicate that activity regarding coordinated control plan for monitoring of AMR in certain food and food-producing animals is effective in providing necessary harmonised data to risk assessment and risk management authorities especially to be informed on the development and spread of antimicrobial resistant bacteria and supporting decision-making on AMR.

It is important to note that SMP most action grants related to collecting data on sales and use of antimicrobials in animals were launched only in 2023. The evaluation of the effectiveness of these data collection systems is too early to perform.

Both funded activities (coordinated control programmes for AMR, collection of data on the sales and use of antimicrobials in animals) contribute to harmonised AMR monitoring and reporting, which ensures that all Member States follow consistent methods for collecting and testing AMR data. This uniformity allows the EU to compile and compare data effectively, informing EU-wide policies to combat AMR and take appropriate decisions.

Specific funded activities such as Coordinated Control Programmes for AMR and organisation of information and collection of data of sales and use of antimicrobials in animals contribute to harmonised AMR monitoring and reporting, which ensures that all Member States follow consistent methods for collecting and testing AMR data. This uniformity should allow the EU to compile and compare data effectively, informing EU-wide policies to combat AMR and take appropriate decisions.

### *Specific Objective IV – Developing sustainable food production and consumption*

As regards sustainable food practices, 3 calls for proposals for national competent authorities,

[527] Reports - EU Reference Laboratory – Antimicrobial Resistance (eurl-ar.eu).
[528] The European Union summary report on antimicrobial resistance in zoonotic and indicator bacteria from humans, animals and food in 2021–2022 | EFSA (europa.eu).

the European Food Banks Federation (FEBA) and stakeholders were launched in 2022 and 2023 to improve the measurement of food waste and contribute to the implementation of food waste prevention actions. The analysis of the role of these calls for proposals in terms of awareness raising is pending, as most of these projects had not been finalised at the moment of this evaluation and thus have not finalised their communication activities. Some results from the Member States and FEBA grants have been presented in meetings organised by the European Commission[529].

Commission launched grants in 2022 to help stakeholders measure food waste and implement prevention initiatives, targeting sectors such as food services and hospitality services, in particular SMEs, and in 2023, focusing on reducing consumer food waste. These actions are still in the implementation phase and the evaluation of results could be carried out as part of the next evaluation of the SMP.

At Member States' level, the grants awarded between 2021-2023 helped Member States in their efforts to measure and monitor food waste levels at different stages of the food supply chain. It is important to monitor the food waste reduction in MSs in order to see the progress made towards the Sustainable Development Goal Target 12.3. Beyond the requirement to reduce food waste at each stage of the food supply chain, monitor food waste levels and report back regarding progress made, the revised Waste Framework Directive adopted on 30 May 2018 also requires Member States to prepare food waste prevention programmes. Thus, the scope of the grants has been modified as of 2024 to cover actions to prevent food waste taken as part of national programmes. The target value for 2024, as reported in the 2021 report, is 27 (all EU Member States would have implemented strategies and programmes at national level), and the value for 2021 was 18 (66.6%). The 2022 report found that 23 countries (85.2%) had food waste prevention strategies in place; the same number of 23 countries was observed in 2023[530]. Each awarded grant contributed to Member States' reducing levels of food waste and/or strengthening monitoring of food waste levels to track progress towards the SDG Target 12.3.

FEBA grants support data collection and capacity building. These grants allowed FEBA to strengthen the activities of food banks in the Member States and to collect consistent and reliable data on a regular basis. The grant facilitated the creation and maintenance of a tailor-made online observatory for food donations, a platform where food banks can report data each year and continuously improve its user-friendliness. This platform allows FEBA to collect information on 99 indicators, including 10 Key Performance Indicators. These indicators cover basic parameters, such as the number of food banks and charitable organisations served, as well as specific operational details such as square metres of warehouses, number of vehicles, refrigerated vehicles and cold rooms. FEBA has expressed its interest in setting up small-scale funding programmes which would lead to less bureaucracy and effort in the application process and could encourage more food banks to apply. However, smaller subsidies would create unproportionate administrative burden for entities managing them (e.g. grants for HaDEA).

The mid-term evaluation study indicates that due to SMP funding national authorities were able to explore new areas of work and strengthen stakeholder collaborations. Initially launched with EU funding in one Member State, the programme became a national waste prevention initiative with additional national funding and corporate sponsorship. Some national authorities explained the lack of funding for its activity and that it managed to obtain funding through the SMP

[529] For example, in the context of the Food loss and waste monitoring sub-group meetings the Hungarian project was presented on 11 July 2024 and the FEBA project was presented on 11 October 2023. Hungarian and Swedish grant beneficiaries also presented their projects during a dedicated meeting to SMP funding opportunities for food waste prevention, organised by DG SANTE in collaboration with HaDEA on 30 April 2024.

530 Information from DG SANTE.

programme for three specific data collection periods instead of the usual two.

In addition, in 2023, DG SANTE funded, through the SMP, a supporting study for the development of minimum criteria for the sustainable purchase of food, catering services and vending machines; the project is still being implemented.

Regarding pesticides, in 2023, SMP funds were allocated to facilitate the availability of alternative pesticides through the funding of projects to collect information on micro-organism species used in plant protection (2 projects still ongoing), as well as grants to Member States to, inter alia, increase staff specialising in microorganisms (grants launched in 2024, allocated to 6 Member States covering pesticides and biocides). The reduction in the use of more hazardous pesticides can only occur if farmers have alternatives. Pesticides based on microorganisms are such alternatives. Thus, each action that supports to obtain alternative plant protection products contributes to reducing the use of hazardous pesticides. However, at this early stage it is difficult to see impact of these funded activities.

### *Specific Objective V – Stimulate the exchange of best practices among stakeholders*

Activities funded by SMP aiming at this objective focus on collaboration and standardisation of practices to ensure the health and safety of citizens, animals, plants, food and feed. Key initiatives include the Better Training for Safer Food (BTSF) programme, the activities of the European Union Reference Laboratories (EURLs) and the European Union Reference Centres (EURCs) and the development of databases and information management systems.

#### *EURL activities*

Throughout 2021 and 2022, EURLs organised 163 inter-laboratory proficiency tests for National Reference Laboratories (NRLs). Proficiency tests are a method for assessing the ability of a laboratory to carry out specific tests accurately and reliably. MS NRLs participating in an inter-laboratory proficiency test receive the same samples to be analysed. The results are then compared between these laboratories. In addition, 41 comparative tests were carried out. Comparative tests are similar to proficiency tests, but are generally more focused on comparing methods or evaluating new techniques. The aim is to see to what extent different methods compare each other to produce accurate and reliable results. In addition, EURLs facilitated 63 annual workshops and 37 meetings following these tests[531]. Data for 2023 remain open, as the reports on multiannual grants covering the period 2023-2024 will be submitted to HaDEA by March 2025.

In the period 2021-2023 the number of harmonised, effective and reliable (validated) methods in the EURLs for laboratory analysis, test or diagnosis increased from 495 in 2021 to 544 in 2022. Similarly, the number of diagnostic methods for which details and guidance are available on the EURL website also increased from 334 in 2021 to 342 in 2022. EURLs organise proficiency tests for each NRL in each Member State. The organisation of EURL proficiency tests for the NRLs of the Member States is financed by the SMP. The success rate of national reference laboratories in proficiency tests was particularly high, reaching 89% in 2021 and 85% in 2022[532]. In addition, the number of corrective actions taken as a result of proficiency tests and of discrepancies or performance issues in proficiency tests or comparative assessments increased from 185 in 2021 to 220 in 2022, reflecting the commitment to continuous improvement and adaptation of methods of different scope.

531 Information provided by HaDEA.
532 Information from DG SANTE.

Based on the results of the EURL survey[533] of the interim evaluation study the overall perception of the effectiveness of the coordination efforts undertaken by NRLs, the majority of respondents considered these efforts to be positive. These results, collected from a total of 34 respondents, indicate that most people perceive coordination between EURLs and NRLs as a success, with a strong focus on standardisation of methods, effectiveness of communication, responsiveness to NRLs' needs and overall management of collaborative processes.

According to the survey responses, many NRLs, in particular those in Eastern Europe, face significant financial constraints that hinder their ability to cover the costs of additional infrastructure, staff and accreditation requirements. These limitations extend to the ability to implement high-quality methods, participate in proficiency tests and acquire the necessary equipment such as polymerase chain reaction (PCR) platforms or sequencing technologies. Some NRLs struggle to meet the high standards set by the EURLs, especially in countries with lower budgets. As a result, these financial and resource challenges can have an impact on the overall effectiveness of collaboration between EURLs and NRLs.

Annual workshops are funded through SMP funds to improve exchange of information and collaboration, mainly following proficiency tests. As regards the effectiveness of collaboration between EURLs, the majority of EURLs representatives perceive collaboration in a positive or neutral way, with a significant part of respondents expressing concerns, highlighting areas for improvement in the EURLs' collaborative efforts. Nevertheless, feedback from the survey on collaboration between EURLs reveals important communication and collaboration challenges, in particular because the main communication is limited to annual meetings of the European Commission, which are insufficient for effective continuous collaboration on technical level. It was suggested that the organisation of technical meetings focusing on training and workshops could improve methodological exchanges (e.g. sequencing methods). In addition**,** the communication tends to be limited to EURLs in similar areas, with minimal interdisciplinary contacts, and regular exchanges are rare and occur among only a few EURLs during organised joint activities.

During the interviews[534], EURLs were considered essential to maintain quality standards across the EU. They play an important role in organising proficiency tests. In addition, in case of disease outbreaks, EURLs provide valuable support by offering diagnostic protocols and expert contacts. It is noted that EURLs disseminate information efficiently to NRLs to the competent authorities. NRLs have good channels of communication with EURLs, facilitating the dissemination of important information. This is particularly the case for comprehensive EURLs websites where they download their techniques, contact details and legislative responsibilities. NRLs benefit from collaboration with EURLs through their participation in training courses and inter-laboratory and comparative tests, as well as in annual workshops. This collaboration strengthens the capacity of NRLs to harmonise laboratory practices in the Member States and to improve diagnostic methods.

Communication between NRLs and EURLs is essential for the proper functioning of laboratory networks across the EU. NRLs use various communication methods, including emails, online meetings and annual workshops, to stay in touch with EURLs. These channels are essential for the dissemination of updates, guidelines and validation protocols, which contribute to maintaining high standards in laboratory practices. Regular feedback and personal contacts further enhance the effectiveness of this communication, making it continuous and responsive

533 External evaluation study report, pages 30-32 and Annex D.
534 External evaluation study report, pages 30-32 and Annex D.

to the needs of both sides.

***EURC activities***

Between 2021 and 2022 EURC on animal welfare (EURCAW) produced 3 scientific studies, 1 technical and scientific studies, 4 scientific documents and 8 reports. In addition, EURCAW initiatives produced 70 factsheets, with 42 updates of existing versions, as well as 13 comprehensive animal welfare reviews. On training and collaboration, 3 workshops, 28 meetings, 6 webinars, 5 training guides and 2 training toolkits were[535] developed, alongside multiple collaborative events with national and EU bodies[536]. The total number of requests for support and advice from national networks and authorities addressed to the three EURCAW amounted to 37 for the period 2021-2023. More specifically, EURCAW Ruminants & Equines answered 8 questions, EURCAW Pigs answered 10 questions, and EURCAW Poultry and small ruminants dealt with 19 questions. Within the limits of their resources, EURCAWs provided scientifically substantiated answers to the questions, thus ensuring the continuous improvement of animal welfare practices across the EU. Some other information on EURCAW activities is also mentioned in this chapter under sub-objective II – support for the improvement of animal welfare.

It has to be indicated that one additional EURCAW was introduced, as of January 2024. The Commission designated a fourth EURC for animal welfare focusing on the welfare of aquatic animals[537], reflecting the EC's commitment to animal welfare through the thematic priorities.

***Better Training for Safer Food***

The BTSF programme is funded by SMP and is aimed at training staff and increasing knowledge for officials from Member States and third countries. In that regard training activities are carried out in the area of animal health, plant health, food and feed safety, animal welfare and AMR.

It has to be indicated that BTSF Academy was introduced in May 2022 which allowed the broader audience to access the BTSF ACADEMY Library contents of over 120 thematic courses in the BTSF initiative. This expansion strengthened the commitment to reach out to more users on BTSF training material and in that regard increase knowledge of participants such as control officials in MS.

BTSF initiatives were evaluated in 2024 to determine their effectiveness through participant satisfaction rates, all of which (in terms of technical context, degree of relevance, theory-practice and ease of assistance), equating to a level of satisfaction of 89%. The range of marks between the different aspects of the training, the technical content using the teaching material ranged from 4.4 (degree of relevance and theoretical practice) to 4.6 (technical content) out of 5 maximum marks.

The effectiveness of training tools in improving the skills and knowledge of participating officials was assessed in the BTSF survey across three different methods: Workshops, E-learning in BTSF Academy, and Sustained Training Missions (STM). Workshops were perceived as the most effective, with 62.2% of respondents rating them as 'Highly effective' and 32.4% as 'Effective,' leaving only 2.7% viewing them as 'Somewhat effective' and another 2.7% unable to answer. E-learning in BTSF Academy was also well-regarded, with 13.2% of

[535] Training toolkits for CAs and support organisations to organise cascading courses in their respective Member State (factsheets, training programme, ppt presentations, video lessons, final evaluation test).
536 Information provided by HaDEA.
[537] Commission Implementing Decision 2024/266).' https://food.ec.europa.eu/animals/animal-welfare/eu-reference-centres-animal-welfare_en.

respondents finding it 'Highly effective' and 60.5% considering it 'Effective.' However, 15.8% rated it as only 'Somewhat effective,' and 10.5% did not have an opinion or could not answer. Sustained Training Missions (STM) received mixed feedback, with 25% of respondents rating them as 'Highly effective' and 44.4% as 'Effective.' Notably, 30.6% of respondents were unable to assess the effectiveness of STM[538].

The overall satisfaction rate among BTSF participants who attended face-to-face training on the BTSF shows that 42.1% considered the training to be 'Highly effective', while 55.3% considered it 'Effective', indicating a generally positive welcome. Continuous feedback from participants plays a key role in the continuous improvement of training programmes. The results of survey shows a positive trend to the satisfaction of participants, but additional qualitative feedback could provide more in-depth information on specific areas of strength and on those requiring improvements.

***Databases and information management systems***

The information management systems and databases supported through SMP are very important to facilitate implementation of DG SANTE policies, objectives. Information Management System for Official Controls (IMSOC) referred in Regulation (EU) 2017/625[539] is IT framework, which integrates systems such as TRACES and EU alert mechanisms such as RASFF and EUROPHYT. These information platforms are essential to manage risks, especially during crisis, and strengthen data analysis capacities across the MS. In particular, the IMSOC integration efforts since 2021 have streamlined border inspections and facilitated digital procedures. The established data system for the reporting of official controls and the publication of comprehensive EU-wide control data reflect a significant step towards unified and effective food safety practices.

In 2022, food-borne outbreaks, including a significant Salmonella epidemic linked to a chocolate brand, highlighted the effectiveness of these systems in enabling rapid communication and coordinated responses between the EU and third countries. The RASFF notification system has proven to be essential in the management of the multi-country Salmonella epidemic related to chocolate products, leading to a global recall of the products.

The 2022 Alert and Cooperation Network Report revealed a significant increase in suspicions of food fraud, with significant increases in cases of honey adulteration and illegal trade in pets. DG SANTE strengthened its communication strategy with third countries through the iRASFF platform, improving the efficiency and effectiveness of fraud prevention and crisis management.

The coordinated EU efforts, building on advanced IT tools and systems such as TRACES and the RASFF platform, have notably improved data sharing and transparency, helping to prevent crises and improve food and feed safety across Member States.

Overall, from the assessment it can be concluded that the specific activities of objective V have been attained by the SMP, although some improvements and challenges remain (e.g. cooperation amongst EURLs). Thus, SMP has contributed to a positive impact on the single market.

### 3.1.2 Efficiency

**Better Training for Safer Food**

538 Information from external evaluation study, pages 33-34.
539 OJ L 95, 7.4.2017, p. 1.

BTSF courses are looked at in detail for the cost-effectiveness analysis of this evaluation. The table below shows the unit costs per training and per participant. To be noted, the number of trainings and participants corresponds to all BTSF events (in-person and online). Unit costs represent averages for each year.

For this assessment, the period 2015-2019 is compared with the assessment period 2021-2023. In the previous period, the unit cost ranged from EUR 62 000 (2015) to EUR 124 000 (2019). The figures for 2020 could not be calculated due to the COVID-19 disruptions, which also partially affected the year 2021**.** However, unit costs per training for the period 2021-2023 are significantly lower than in the previous period. A similar trend is observed with regard to unit costs per BTSF participant. This positive trend can be attributed to the introduction of e-learning, which reduces costs per training significantly, as compared to face-to-face training.

In 2021 – due to the constraints imposed by the COVID-19 pandemic – 153 training sessions were organised in virtual classroom format. These sessions contributed to the training of 5 058 participants, of them more than 250 EU officials. The transition to virtual training made it possible to effectively continue the programme despite the challenges of the pandemic. The effectiveness can be illustrated by very high satisfaction rates among participants (ranging from 80% to 94%). In 2022 and 2023, combination of virtual and in-person training was held. Re-starting face-to-face trainings is also reflected in the unit costs (see years 2021 and 2022).

**Table 60: BTSF training unit costs (2015-2023)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Financing[540] BTSF training in millions of euro | 15.5 | 15.4 | 15.8 | 16.5 | 16.6 | 18.5 | 0.9 | 9.2 | 9.3 |
| Number of trainings organised | 250 | 150 | 150 | 150 | 134 | Disruption due to COVID-19 | 153 | 256 | 196 |
| Total number of participants per year | 5 814 | 6 100 | 6 000 | 5 500 | 6 000 | Disruption due to COVID-19 | 5 058 | 6 890 | 5 690 |
| Unit cost per training, in EUR | 62 000 | 102 433 | 105 000 | 110 000 | 124 254 | Disruption due to COVID-19 | 6 144 | 35 938 | 47 449 |
| Unit cost per participant, in EUR | 2 666 | 2 519 | 2 625 | 3 000 | 2 775 | Disruption due to COVID-19 | 186 | 1 335 | 1 634 |

*Source: Data provided by DG SANTE and HaDEA.*

To conclude, the cost-effectiveness analysis demonstrates a significant decrease in unit costs per training and per participant in the years 2021-2023 compared to 2015-2019. Although the reintroduction of in-person courses from 2022 led to an increase in unit costs, it still remains below pre-pandemic levels. According to data by HaDEA, the cost of virtual training for a participant is about half of that of in-person training. The combination of virtual and in-person formats allows to maintain the effectiveness while optimising use of funds.

[540] Please note that the figures do not correspond exactly to the budget figures indicated in step 1, the difference being due to the differences in the reports (commitments, appropriations and amounts actually paid).

**Response to HPAI**

The cost-effectiveness analysis performed by the external evaluation study[541].

Emergency measures related to outbreaks can be co-financed by the EU under the SMP programme, eligible costs are indicated in Regulation (EC) No 2021/690. Member States authorities interviewed[542] during external evaluation study that this support is very welcome and that they benefit from co-financing for almost all of the eligible costs.

Activities covered by SMP co-financing are:

- Under the veterinary programme:
  - Sampling of wild birds and domestic animals.
  - Testing poultry and wild birds.
- Under the emergency programme:
  - Slaughter of poultry, disposal, compensation and supervision.
  - Stamping-out, cleaning and disinfection.

The data below give an overview of the number of cases over three years.

- In 2021, 4 106 outbreaks were recorded (poultry, captive and wild birds).
- In 2022, this number increased to 5 618 (poultry, captive and wild birds).
- In 2023, it fell to 3 912 (poultry, captive and wild birds).
- In 2024 between 2 December 2023 and 15 March 2024, outbreaks of HPAI A(H5) were reported in domestic poultry (227) and wild birds (414) in 26 countries in Europe.

In the 2021-2022 epidemic season, Europe experienced the largest ever outbreak on the continent, affecting poultry, and also wild and captive birds. The widespread and severe nature of these outbreaks significantly aggravated the costs incurred (in addition to the inflation), putting pressure on the EU budget. This in the end resulted in a lower co-financing rate, to allow DG SANTE to deal with the situation within the limited EU budget.

In 2023, the situation, although slightly improved in terms of number of outbreaks, remained critical. The epidemic caused very high mortality in birds, requiring further costly measures.

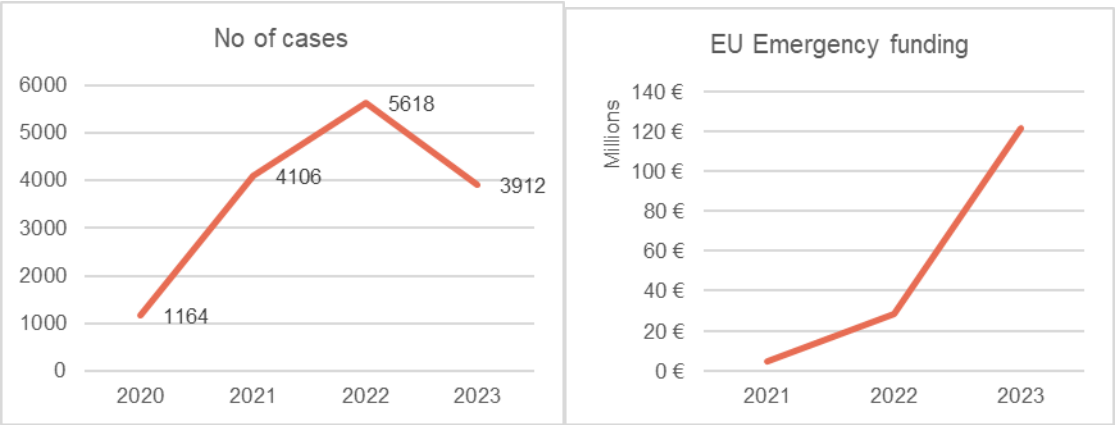
The figures examined above represent only the EU share of 50% of eligible costs (and 20% in 2023)[543], the remaining costs being covered by national funding. In addition, Member States may have implemented measures that do not receive EU funding. The authorities interviewed pointed out that affected operators rarely contribute to the financial burden of fighting epidemics. To be noted, Members States are obliged by the legislation to act on outbreaks even without EU co-financing.

**Figure 26: Number of HPAI cases and EU emergency funding**

541 External evaluation study report, Annex I.

[542] External evaluation study Annex D (Czechia, Hungary, France, Greece, Italy and Poland).

[543] The co-financing rate in 2021 and 2022 was 50% (and 75% in the case of cross-border activities or Member States whose GNI was below 90% of the EU average). In 2023, this rate was reduced to 20% (and to 30% in the exceptional cases mentioned above).




*Source: External evaluation report, based on analysis and budgetary data provided by DG SANTE.*

It is important to note that Member States respond to HPAI (as well as other emergencies) in the first instance and only later receive co-funding from the SMP. This implies that the co-funding received in, for example, 2023 was also in response to the outbreaks that occurred in 2022. Therefore, the EU co-financing amount cannot be entirely linked to the number of cases in the same year.

Due to the nature of the actions, one cannot assume a linear relationship between the costs incurred and the number of cases. The severity of the epidemic, the number of birds affected depend on several factors. One is the density of poultry. In high-density areas, the costs incurred are higher than in sparsely populated areas[544]. In addition, the same article stresses that early detection and rapid and coordinated response reduce the economic impact of outbreaks to a great extent.

In fact, a study on the 2015 HPAI epidemic in the United States compared two egg production operations with different detection and response times. The plant that started depopulation immediately after detecting the outbreak was able to repopulate the barns 37 days earlier than the one acting slower. This timely response saved USD 3.3 million due to shorter downtime and associated losses[545]. This example clearly illustrates the significance of quick action, through coordinated emergency actions.

The complexity of the subject and the limited data do not allow us to calculate the unit costs per case of HPAI treated[546]. However, as regards effectiveness and EU added value, we demonstrate that SMP co-funding – via alleviating national budgets – contributes to the effective management of HPAI epidemics. In addition, other areas of SMP funding, such as veterinary programmes, EURLs/EURCs and IT systems such as TRACES, support an elaborate system for early disease detection. This avoids significant losses to all stakeholders, including EU operators.

As demonstrated, the potential economic consequences of inaction can be significant and, in extreme cases, detrimental. For example, HPAI case study (external evaluation study, Annex I) provides the example of Czechia, where the costs associated with the country's response measures, including slaughter, destruction of eggs, disinfection and economic losses due to the

[544] Backer, van Roermund, Fischer, van Asseldonk, & BERGEVOET, 2015.
[545] Nezworski, J., Davies, P., Ssematimba, A., Wainwright, S., & Alonso, C. (2021). A retrospective study of the early or late detection of the virus and the spread of the virus following an outbreak of highly pathogenic avian influenza in the Middle West of the United States in 2015. Avian diseases, 65 (2), 185-194.
[546] Such a calculation requires not only granular case/outbreak data in EU countries and their regions, but also granular data on funding dedicated to fighting outbreaks. It is well known that funding comes not only from the SMP, but also from national resources. In order to calculate significant unit costs, other circumstantial effects must also be taken into account. Such as the density of the poultry population and the infrastructure available in the Member State/region of the Member State.

reduction of the bird population, amounted to EUR 17.6 million in the period 2021-2022. Of this amount, around EUR 5.5 million represented losses incurred by farmers, as a result of compulsory slaughtering and culling birds and destruction of eggs (compensated by the SMP in 75%). According to interviews with the national authorities[547], these costs, without EU support, would have had a heavy impact on national budgets (example of Czechia is provided in overview of costs and benefits identified in evaluation, Annex IV).

Given the considerable economic losses that could result from the lack of rapid response, effective surveillance and targeted interventions, it can be concluded that the financing of HPAI control under the SMP is significantly lower than the potential costs of non-action. Therefore, this funding is and remains justified.

**Response to *Xylella fastidiosa***

In the cost-effectiveness analysis, an effort is made to describe the value for money of the SMP response to Xylella. The overall response is described in case study in the external evaluation study[548].

Member States affected by *Xylella* (France, Italy, Portugal and Spain) received EU funding due to the major impact of *Xylella fastidiosa* outbreaks in recent years. The co-financing rate was 50% or 75%. Due to the reduction of the budget as from 2023, this rate was reduced to 20% or 30%[549]. Despite the reduction, respondents explained that the EU co-financing plays an important role together with national resources. Here as well it has to be mentioned that Member States are obliged by the legislation to act on outbreaks, even in the absence of EU co-financing.

The SMP-funded activities are:

- Under the phytosanitary programmes:
    - Surveys in pest-free areas, including visual examinations, sampling and laboratory tests.
    - Eradication and containment measures, including, where appropriate, visual examinations, collection of samples and laboratory tests, removal and destruction of plants and application of treatments.
- Emergency measures in case of outbreaks:
    - Eradication measures, monitoring of the presence of the pest (visual examinations, collection of samples and laboratory tests), removal and destruction of plants and application of treatments.

During the evaluation period only France and Portugal received emergency grants (both in 2021). In total, they declared more than 1 million euro of eligible costs, of which 50% were co-financed by the Single Market Programme.

In the phytosanitary programme of 2021[550], the French authorities indicated that *Xylella fastidiosa* is present and is contained. The risk areas identified in France are Paca, Occitanie and Nouvelle Aquitaine. For 2021 Portugal and Spain indicated that *Xylella fastidiosa* is transient in these countries and is in the process of eradication. In 2021, Italy reported that the pest is under containment.

[547] Czech, Hungarian, French, Greek, Italian and Polish authorities.
548 External evaluation study report, Annex I.
[549] Implementing Decision (2022)3467.
[550] Final FRANCE (interim) report on the European Union's financial contribution to the 2021 test survey programmes.

According to study *Xylella fastidiosa* in Spain may cause significant private costs in different provinces and crops[551]. The study estimated for irrigated land, the study estimated costs ranged between EUR 745 and EUR 5 193 per hectare, while for non-irrigated land costs were between EUR 136 and EUR 3 407 per hectare. The total costs of managing an outbreak were estimated to be up to EUR 600 000 for commercial exploitation of woody crops. Truffle-oak plantations incurred costs ranging from EUR 500 to EUR 90 000 per hectare. The literature confirms the considerable financial burden that *Xylella fastidiosa* outbreaks could place on agricultural operations.

The below table shows the importance of an even stronger response to Xylella outbreaks, part of which is funded by the SMP.

**Table 61: Economic loss caused by *Xylella fastidiosa* outbreaks**

| Economic loss[552] (accumulated data since the first detection of Xylella) | France | Portugal | Italy | Spain |
|---|---|---|---|---|
| Effect on employment (job losses)[553] | 1 763.6 | 17 707.2 | 82 563.1 | 100 525.5 |
| Maximum value of production losses (in EUR million)[554] | 38.3 | 117.8 | 2 228.6 | 2 220.8 |

*Source: Qlik dashboard on impact indicator for priority tests (I2P2) for Xylella fastidiosa[555].*

Although there is insufficient evidence of the cost-effectiveness of the programme to control *Xylella* outbreaks, the economic costs of outbreaks not managed are considerable (please refer to Annex I for a detailed case study of external evaluation study).

### General governance

Interviewees from the BTSF programme and National reference laboratories (NRLs) indicated the need for smaller grants with simplified application and reporting processes to promote participation, especially in projects addressing national challenges[556]. BTSF respondents argued this would encourage more engagement from stakeholders and help adapt to emerging issues like food safety threats and changing political priorities. Similarly, NGOs active in the fight against food insecurity and promoting reduction of food waste highlighted that smaller scale funding would be essential to support food donation and food security operations, allowing faster adaptation to emerging needs without heavy administrative burden. On the other hand, the administration of grants (regardless of size) imposes administrative burden on HaDEA. As a solution, where appropriate, multiannual actions have been introduced, allowing for grant agreements to cover two or more years.

### Other actions

By the complex nature of actions funded and the limited availability of granular activity data,

[551] Martínez Y, Palacio-Bielsa A (2019). Estimación del impacto económico de Xylella fastidiosa in Aragón. ITEA-Información Técnica Económica Agraria 115 (2): 175 – 191.
[552] Hosts considered: Olives (old and young), almonds, oranges, small citrus fruits, grapes, lemons/limes group, other citrus fruits (sour oranges, etc.), pomelos and grapefruit.
[553] Employment requirements differ depending on the farming or forestry activities and systems affected. The effect on employment is estimated in terms of reduced labour use per activity, for each individual host affected by a pest, which is linked to the extent of the impact of the pest on production. When measuring employment effects only the primary production or activity is taken into account. Also, only employment losses are considered and not potential additional labour needs related to control an eradication measure.
[554] Maximum value of production losses refers to the market value of the production reduction, plus the loss in market value of the production affected by quality loss due to damages caused by the pest during the outbreak in the potential area affected, as calculated in the scenario of maximum spread.
[555] The years covered by the data are not specified uniformly.
556 External evaluation study report, Annex D.

outputs and budget figures, we provide an overview of the presumed cost-effectiveness of the different other actions.

This analysis is based on the budgetary allocations for these actions, and on the outputs/results achieved, which are detailed in the effectiveness assessment. The analysis is based on the following assumptions:

- Actions demonstrating a stable or decreasing budget in line with the increase in outputs or results shall be considered as **improving cost-effectiveness** over the period covered by the current financing framework.
- Actions with a decreasing budget and a consistent level of outputs/results are also considered to be **improving cost-effectiveness** in the current period, provided that the objectives specified in the effectiveness assessment are achieved.
- For actions where the budget is increasing but where the outputs/results are stable, or where the results in terms of effectiveness are contradictory, the cost-effectiveness of the action cannot be confirmed.

Please note that with this approach conclusions can only be drawn in relation to the current funding framework. In order to complement this comparison between the allocated budget and the outputs/results achieved, we also provide the perceptions of the stakeholders, allowing better understanding of the potential cost-effectiveness of the actions. If available, we also provide the conclusions of the previous evaluation (mid-term evaluation of the CFF). Important to highlight that long-term trends are not available, as the previous evaluation did not address the issue of cost-effectiveness in a quantitative manner. Instead, they discussed the actions and their qualitative effectiveness by providing the views of stakeholders.

**Table 62: Allocated budget in relation to outputs/results of actions under Pillar 5 of the Single Market Programme**

| Action | Budget allocated (as planned in work programmes) | Outputs/Results reached (as per discussion in the effectiveness section) |
|---|---|---|
| Coordinated Control Plan for AMR monitoring in commensal and zoonotic agents on samples of food and food-producing animals. | Allocated budget did not change between 2021-2023 (EUR 3 million annually). | The number of coordinated control programmes to fight against AMR launched grew from 24 to 26. |
| Activities of the EU reference laboratories and EU reference centres | Allocated budget did not change between 2021-2023 (EUR 21 million annually). | As the result of this action multiple outputs were achieved; however the effectiveness analysis indicated a rather stable number of outcomes and results between 2021 and 2023. |
| Implementation of veterinary programmes for animal diseases and zoonoses for 2021-2022[557]. | Allocated budget did not change between 2021-2022 (EUR 107 million). | Successfully implemented national veterinary programmes were at 94%, which was deemed as an achieved indicator, the result was stable between 2021 and 2022.<br>The results for specific priority diseases were in most cases deemed achieved or partially achieved. |
| Implementation of Phytosanitary programmes for 2021-2022[558]. | Allocated budget did not change between 2021-2022 | All phytosanitary programmes were implemented successfully. |

[557] Veterinary programmes were not a part of 2023 WP.
[558] Phytosanitary programmes were not a part of 2023 WP.

| | | |
|---|---|---|
| | (EUR 20 million). | At least one Union quarantine pest eradicated was eradicated in 3 countries in 2021.<br>Where eradication is no longer possible, number of the Union quarantine pests not spreading were 9 in 2021, 10 in 2022 and 9 in 2023. |
| Implementation of Emergency measures to combat certain animal diseases and plant pests | Allocated budget in 2021 EUR 19.3 million, in 2022 EUR 92.8 million and 2023 EUR 118.6 million. | Number of veterinary emergency measures successfully implemented by MSs increased from 24 (in 2021) to 37 (in 2023).<br>Number of phytosanitary emergency measures successfully implemented by MSs fluctuated from 2 to 3 to 4 between 2021 and 2023. |
| Grants for Stakeholders to improve measurement of food waste and help implement food waste prevention in their operations and organisations | Budget increased: in 2021 it was allocated EUR 2.25 million and in 2023 EUR 3 million. | The effectiveness of this action is difficult to assess as implementation of grants is still ongoing. |
| Animal Welfare improvement activities | Budget distributed in 2021 was at EUR 1.3 million, in 2022 at EUR 160 thousand and in 2023 at EUR 2 million. | The effectiveness analysis show that the awareness and approximation with the Union's animal health, animal welfare and veterinary public health policy is increasing. Number of activities of WOAH increased from 2 in 2020 to 4 in 2023 and workshops from 2 to 4. |

*Source: SMP Pillar 5 work programmes (2021-2023), effectiveness analysis.*

*Coordinated control plan for the surveillance of antimicrobial resistance in pathogens and zoonotic agents on samples of food and food-producing animals*

Given the stability of the budget and the increasing number of coordinated programmes, the action can be considered as **increasing cost-effectiveness**. On average, a coordinated control programme cost the SMP programme EUR 125 000 in 2021, compared to EUR 115 000 in 2023. Respondents did not have strong views on the cost-effectiveness of AMR actions. The AMR actions were not subject to the mid-term evaluation of the CFF.

*Activities of EU reference laboratories and EU reference centres*

With a stable budget and consistent outputs and results, the action **might be considered cost-effective**. During the interviews, representatives of EURCs and EURLs expressed concerns about **rising costs of consumables, labour and other expenditure**. Despite these cost increases, **effectiveness was maintained** throughout the assessment period. Although the mid-term evaluation of the CFF did not directly address the cost-effectiveness of EURLs and EURCs, it showed that 85% of competent authorities and other stakeholders considered EURLs to be fully or somewhat effective.

*Implementation of veterinary programmes for animal diseases and zoonoses for the period 2021-2022*

With a stable budget and a consistent number of outputs and results, the action **might be considered cost-effective** during this period. A national competent authority (NCA) interviewed with veterinary grants explained that, unlike the previous programme, which was divided into smaller ones (e.g. Salmonella programme, HPAI programme), these programmes are now merged. This change **improves the efficiency by reducing the administrative burden**, and also increases the need for better coordination between national services. The mid-term evaluation of the CFF also showed the effectiveness of veterinary programmes, with more than 90% of stakeholders agreeing that resources were used efficiently.

*Implementation of the phytosanitary programmes*

With a stable budget and consistent outputs and results, the action **might be considered cost-effective**. The NCAs concerned found significant improvements compared to the previous programme. For example, respondents stressed that documents are now easier to complete, that unit sampling costs have been standardised. The mid-term evaluation of the CFF also suggested the efficiency of the programme; it demonstrated that the majority of respondents were satisfied with the success of the programme with regard to the early detection of pests, with around 80% considering it to be somewhat or very efficient.

*Implementation of emergency measures to combat certain animal diseases and plant pests*

It is difficult to measure the overall cost-effectiveness of all emergency measures co-financed by the Single Market Programme, as such analysis would require very detailed data on each case, including the funding allocated to specific diseases and outbreaks at a granular level. However, two case studies carried out (on HPAI and *Xylella*) showed that EU co-financing was well justified in view of the potential considerable economic costs that these outbreaks could entail. The findings indicate that costs incurred and EU co-financed under the SMP in case of emergency situations are significantly lower than the potential costs of uncontrolled outbreaks. Although the mid-term evaluation of the CFF did not directly assess the value for money of these measures, it showed that stakeholders considered them efficient.

*Grants to stakeholders and national competent authorities to improve the measurement of food waste and to contribute to the implementation of food waste prevention in their activities and organisations*

The cost-effectiveness of these (ongoing) projects remains to be proven. However, NCAs implementing food waste monitoring actions reported significant progress, building on previous work and experience. For example, Croatia has made substantial progress in reducing food waste, with EU funding complementing existing national efforts. National initiatives have reduced food waste from 400.000 tonnes in 2013 to 288.600 tonnes in 2023, thus highlighting importance of measuring and understanding the causes of food waste and taking appropriate actions to reduce it.

*Activities to improve animal welfare*

The analysis of the animal welfare budget shows that substantial funding is dedicated to contributions to the World Organisation for Animal Health. Analysis of effectiveness shows that awareness of and approximation to relevant EU policies is becoming increasing. The WOAH Platform has helped to strengthen the capacity of veterinary services in the European region (53 countries) and to improve the implementation of the WOAH's international animal welfare standards.

*Overall assessment*

Pillar 5 initiatives **provide indications on cost-effectiveness**. However, it remains essential to maintain a structured monitoring of the indicators described in the section on effectiveness in order to monitor these trends over time, ensuring an overall understanding of the long-term cost-effectiveness of these actions.

**Evaluation of financial procedures ensuring rapid decision-making and rapid implementation of interventions**

*Timely delivery of key results and outputs*

The main timeliness indicators, namely time to pay and time-to-grant, did not reveal inefficiency in the grant award process. As regards the payment deadline, 99% of the payments of grants and contracts related to Pillar 5 of the SMP were made on time, thus achieving HaDEA's target of 98% in 2022. Due to the legislative deadlines for the award of grants, negotiations are generally limited, with projects with a positive assessment being accepted without modification[559]. According to HaDEA's Annual Activity Report 2021, the signature of grant agreements for calls launched in 2021 has been rescheduled for the beginning of 2022, and the time to grant deadline is not available for 2021[560]. For the year 2022, HaDEA's approach to calculating the time limit for commitment includes only calls with a deadline set in the reference year, excluding actions of identified beneficiaries actions (IBA) and projects on the reserve list. As all grant agreements signed under the SMP Food Programme were classified as IBA in 2022, the time for gran was not available either.

**Table 63: Time to pay and time-to-award of grants for actions under Pillar 5 of the Single Market Programme**

| | 2021 | 2022 |
|---|---|---|
| Time-to-pay | 100% within targeted time | 99% within the targeted time |
| Time-to-grant | NA | NA[561] |

*Source: HaDEA Annual Activity Reports.*

During the interviews[562], grant-beneficiary organisations (NCAs) explained that the time needed to sign grant agreements was relatively long, delaying the start dates of the project or forcing stakeholders to start their activities before receiving pre-financing. In addition, some critical feedback was provided by the EU Reference Centres, as they sometimes sign grant agreements months after the start of the works, leading to uncertainties in planning work.

*Financial risk management*

Pillar 5 of the SMP was subject to supervision and risk management by DG SANTE and HaDEA. These activities were subject to extensive *ex ante* controls, on the basis of which the error rate was conservatively estimated at 2%. DG SANTE carries out *ex post* checks on a selection of payments to Member States, assessing their legality through cost claims focusing on the overall risk at closure, influenced by the detected error rates and corrective actions. If sufficient data were to be available in the coming years, DG SANTE would update this estimate accordingly. Measures such as the adoption of unit costs and lump sums have brought the error rate below the 2% threshold, reflecting the efficiency of the financial procedures in place. They should also lead to a major simplification of the financial management of grants by reducing documentary controls and *ex post* audits and transferring controls to *ex ante* cost assessment.

For the reference years 2021 and 2022, HaDEA has provided reasonable assurance on the delegated budget it manages on behalf of DG SANTE. HaDEA did not report any significant control issues and did not have any reservations on the implementation of the Single Market Programme. The risk at closure for veterinary programmes decreased from 0.5% to 0.38% and for laboratories (EURL and EURC), AMR and phytosanitary activities decreased from 1.2% to 0.26% between 2021 and 2022[563][564].

[559] HaDEA Annual Activity Report 2022, p. 12.
[560] HaDEA Annual Activity Report 2021, p. 23.
[561] methodology for calculating time-to-grant excludes grants resulting from Identified Beneficiary Actions (IBAs) and reserve list projects. All the grant agreements signed in 2022 under the SMP Food Programme were IBAs.
562 External evaluation study report, Annex D.
[563] HaDEA Annual Activity Report 2012, p. 115.
[564] HaDEA Annual Activity Report 2022, p. 94.

*Administrative measures*

The actions of the SMP Food programme have been integrated into the corporate eGrant IT tool. This shift also placed the burden of preparing the proposals from the awarding institution to the beneficiary. This integration reveals the potential to automate grant management processes, improve efficiency and rationalise operations.

However, concerns were raised about the limited applicability of the eGrant system for the identified beneficiary actions. This tool targets grant management with competitive elements, but it does not take into account the specific nature of IBAs, creating administrative burdens through unnecessary measures. As almost all grants under Pillar 5 IBAs, beneficiaries and Commission services face an additional administrative burden by providing information that does not benefit the process. The complexity and limited user-friendliness of the tool is also a concern. However, the stakeholders interviewed welcomed the overall efforts to move from the physical submission of grant applications. A process for IBA excluding unnecessary steps for designed specifically for non-competitive grants, was mentioned as a potential solution.

Several grant beneficiaries also indicated that the preparation of grant proposals was very limited in time. This was further aggravated by the fact that it fell in a period when many staff members were on holiday.

In addition, respondents considered the reporting requirements to be burdensome, Representatives of NCAs and EURLs indicated that better communication and more detailed guidelines adapted to specific types of projects would be useful. The EURLs interviewed explained that there has been an increase in administrative burden in recent years, with significant changes in reporting procedures that have not been communicated in a clear or consistent manner.

Nevertheless, the first years following the transition to the eGrants tool were difficult for all parties involved. HaDEA provided personal support to beneficiaries and organised information days to cushion the burden of the new tool. According to HaDEA officials, requests for such support have now fallen exponentially, suggesting that beneficiaries have become familiar with the tool.

**The extent to which the conditions of participation safeguard the financial interests of the EU**

*Programme governance and management*

The Multiannual Financial Framework 2021-2027 introduced important changes in the way DG SANTE's financial programmes are delegated. In 2021, most of the implementation of Pillar 5 actions of the SMP was transferred to HaDEA's responsibility. Although control mechanisms have been put in place and the necessary updates have been reflected in the notes and standard operating procedures, the comprehensive control strategy document still needs to be consolidated and formally updated. It should be finalised in 2024 to take into account the organisational reshuffle of 2022 as well as the recent institutional guidance on the establishment of a control strategy for financial operations focused on enhancing efficiency and governance[565].

HaDEA has concluded biannual grant agreements to cover the veterinary and phytosanitary programmes and the activities of the European Reference Laboratories and Centres. It also managed other calls for proposals and calls for tenders[566]. The approach of multiannual grant

[565] DG SANTE Annual Activity Report 2022, p. 61.
[566] HaDEA Annual Activity Report 2022, p. 19.

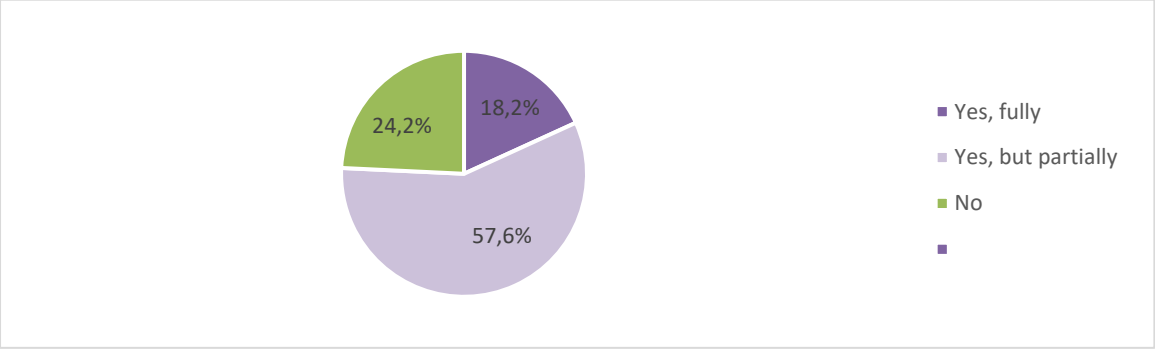
agreements were extended to almost all grants in 2023 and 2024. These changes help streamline funding and ensure continuity, providing a predictable framework to key actions such as antimicrobial resistance, the EURLs, EURCs and food waste[567]. More importantly, the change leads to efficiency gains for both the Commission and grant beneficiaries, as HaDEA and beneficiaries are not obliged to follow the same heavy process every year (see above on the burden of applying for a grant). Instead, annual updates to adapt the work to the changing context (i.e. disease and pest risk) are sufficient.

*Budget management, unit cost revision and lump sum*

The shift to the use of unit costs and lump sums reflects a strategic approach aimed at reducing the administrative burden on Member States and the Commission, streamlining the payment process and minimising the error rate in financial management. By this, the measures allow for a more efficient allocation of resources, reducing the need for desk reviews and *ex post* audits and focusing on *ex ante* cost assessments instead. This protects the EU's financial interests, and also promotes a more effective disbursement of funds[568].

As regards the sufficiency of EU funding, more than half of the responding EURLs claimed that EU funding was partially sufficient. Respondents highlighted the lack of funds to cover essential costs such as travel and laboratory equipment. In addition, several Member States noted that due to increased inflation and operational costs there were difficulties in maintaining staff and covering training and equipment costs.

**Figure 27: Is EU funding sufficient to cover the availability of supplies and equipment and to ensure that competent and professional staff are subsequently hired and supported by training programmes?**




*Source: External evaluation study*

Other stakeholders referred to unit costs, in particular those intended to cover travel costs. Although stakeholders agree that the shift to travel unit costs simplified the calculations, it introduced problems for, for example, workshop participants. Unit costs often do not cover actual expenditure, which exacerbates these problems. The inflexibility of unit costs could also threaten engagement, discouraging officials from participating if they have to cover direct costs. This rigidity also affects collaboration and participation, especially for partners from countries with diverse needs and economic conditions. To address these challenges, stakeholders suggest providing better information, potentially increasing unit costs for certain trips and activities, and involving stakeholders in the development of these systems to ensure appropriate support.

To be noted, the above analysis concerns the period 2021-2023. Since then, changes have been made to the funding of Pillar 5 beneficiaries. The use of unit costs for travel, accommodation

[567] Commission Implementing Decision C (2024) 2098 (and annexes).
[568] DG SANTE Annual Activity Report 2022, p. 50.

and subsistence costs are based on Commission Decision C(2021)35 and its amendment of C(2023)4928. The amendment of C(2023)4928 increased the unit costs for travel by 25%. In addition, the next work programme (2025-2027) foresees an increased budget for EURLs (EUR 0.7mln annually).

*Planning process and financial management*

By providing guidance on eligibility, procedural aspects and cost management, and by requiring detailed and timely reporting, the Commission ensures that Member States are properly informed. These measures enable Member States to manage EU funds efficiently and in accordance with established regulations and standards. Applications submitted by Member States are subject to thorough technical and financial checks by the competent officials. This ensures that the proposed measures are adequate and that cost estimates are reasonable, thus promoting efficient fund management and compliance with standards[569].

### 3.1.3 Coherence

#### *Internal Coherence*

The intervention logic of Pillar 5 details a policy framework where the overall objective, specific objectives and inputs are aligned in a harmonious manner to achieve the general objectives in the food and feed safety, animal and plant health, animal welfare and other sectors. This coherence is a key aspect of the design of the intervention, which ensures that all components are coherent and contribute synergically to the achievement of the desired results.

The general objective of Pillar 5 is preserving a high level of human, animal and plant health throughout the food chain and is a cornerstone of the specific objectives. This general objective is directly supported by targeted actions and contributions to address major food security challenges, indicating a clear alignment in the intervention logic. This is confirmed by the participants in the survey of EURLs and BTSF national contact points (see sub-Annex I), highlighting the evidential alignment of Pillar 5 objectives with their respective mandates, underlining the strategic coherence of these objectives with the wider EU health and safety objectives.

The coherent structure of Pillar 5 also aligns with broader EU priorities, such as those set out in the European Green Deal and the Farm to Fork Strategy. This alignment demonstrates the role of Pillar 5 as a complement and integral part of the EU's efforts to enhance food safety and sustainability across the Union.

The results of the survey responses indicate that, although there is a general consistency of objectives, there are gaps in collaboration between EURLs in sharing best practices, research and information on their areas of competence. Better communication and more frequent technical meetings could improve communication and collaboration between EURLs. During the surveys, BTSF national contact points confirmed the alignment of these programmes with broader EU regulations, such as Regulation (EU) 2017/625 on official controls.

The general objectives, specific objectives and inputs of the SMP Pillar 5 are well aligned and coherent, but it is difficult to find synergies between other pillars of the SMP. It has to be indicated that the SMP provides flexibility to redirect budget allocations across other SMP pillars allowing for reallocation of resources where necessary without compromising the overall

[569] DG SANTE Annual Activity Report 2022, p. 79.

objectives of the programme[570].

The feedback from NCPs and representatives of national authorities suggests that enhanced technical meetings between DG SANTE and DG AGRI regarding IT functionality, especially monitoring mechanisms, could be useful (e.g. address differences between IT systems used in specific sectors, such as plant health and food safety which sometimes result in fragmented approaches). Other respondents responsible for IT platforms from MS indicated that harmonisation of IT platforms across directorates, such as the integration of TRACES systems, could facilitate better information sharing and cooperation (see sub-Annex I, synopsis of the interview with RASFF contact points, AAC, ADIS, EUROPHYT and TRACES involved in the use of databases and IT systems such as IMSOC).

### *External coherence*

The Pillar 5 of the SMP spending is well aligned with the policy priorities on food safety, animal health and plant health, contributing to broader EU policy initiatives. This ensures that EU-funded activities are responsive, inclusive and strategically aligned with wider international priorities.

Pillar 5 activities are strategically targeted, using grants, procurement and contribution agreements to focus on specific areas such as disease and pest control, antimicrobial resistance, animal welfare, food safety and improving sustainable food production. These targeted activities contribute to broader EU policy initiatives such as the EU4Health, European Green Deal and the Farm to Fork Strategy.

Between 2021 and 2023, significant efforts were directed towards combating AMR under the SMP. These initiatives included:

- **Coordinated Control Plan for AMR Monitoring (2022):** This plan focused on zoonotic and commensal agents sampled from food and food-producing animals, with an allocated budget of EUR 3 million. It supported Member States in implementing harmonised monitoring and reporting to EFSA, which provided scientific analyses critical for assessing trends in AMR.
- **Collection of data on antimicrobial sales and use (2022-2027):** With a total budget of EUR 17.65 million EUR, this initiative helped Member States set up or improve their national systems for the data collection required by Regulation (EU) 2019/6. These systems are instrumental to monitor progress towards Farm to Fork Strategy target of a 50% reduction in antimicrobial sales for farmed animals by 2030, even though they do not contribute directly to that reduction.
- **AMR-related support to international initiatives (2022)**: The EU provided funding to the AMR Multi-Partner Trust Fund (MPTF) and supported Quadripartite Multi-stakeholder Platform for Action against AMR (hosted by the FAO) - to promote a One Health approach against AMR, contributing to global health security.

EU4Health notably complemented SMP actions with targeted AMR activities. In the 2021-2023 period, EU4Health allocated EUR 76.14 million for crisis preparedness related to AMR under three key areas:

- **Crisis preparedness – AMR:** Focusing on awareness campaigns and training healthcare professionals on prudent antibiotic use.

[570] Article 4 of Commission Implementing Decision on the financing of the Programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European Statistics and the adoption of the work programme.

- **Crisis preparedness – HERA Decisions and AMR Communication**: Strengthening cross-border collaboration for health threat management.
- **Crisis preparedness – One Health:** Addressing AMR through integrated strategies across human, animal, and environmental health.

AMR is a key priority addressed under both SMP Pillar 5 and EU4Health. AMR has been a central priority for both SMP Pillar 5 and EU4Health, with each programme contributing in distinct yet complementary ways. SMP Pillar 5 funds actions like setting up national systems for monitoring antimicrobial use in animals and training sessions for farmers and veterinarians on prudent antimicrobial use in animals in line with EU strategies such as the Farm to Fork Strategy. Meanwhile, EU4Health focuses on addressing AMR in human healthcare, supporting the prudent use of antimicrobials, access to antimicrobials and other AMR medical countermeasures, and enhancing cross-border health system resilience.

For example, SMP Pillar 5 implements veterinary surveillance programmes like the Coordinated Control Plan for AMR Monitoring, which tracks antimicrobial use and resistance in farmed animals. This effort directly contributes to reducing AMR in the food chain. On the other hand, EU4Health complements these efforts by promoting prudent antimicrobial use in clinical settings and supporting Member States for the implementation of their AMR National Action Plans.

While both programmes engage in awareness campaigns, their target audiences differ: SMP Pillar 5 focuses on veterinarians and agricultural stakeholders, whereas EU4Health addresses healthcare professionals and policymakers. This well-defined division of responsibilities ensures that the two programmes not only complement each other but also align seamlessly with the European One Health Action Plan against AMR[571]. This alignment avoids duplication of efforts and maximises the impact of EU-funded interventions.

Through the responses to the surveys of EURLs and BTSF, NCPs it can be confirmed that Pillar 5 activities are perceived as being highly in line with EU priorities. Respondents noted that Pillar 5 objectives, such as the prevention and eradication of animal diseases and plant pests, the promotion of animal welfare, the fight against antimicrobial resistance and the promotion of sustainable food production, are key to achieving the objectives of the Farm to Fork Strategy to make European food systems fair, healthy and environmentally friendly.

**Table 64: Examples of alignment with wider EU objectives**

| SMP Pillar Objectives | EU priorities |
|---|---|
| **To prevent, detect and eradicate animal diseases and plant pests, including by means of emergency measures** | **Relevant EU Priority**: The Farm to Fork Strategy under the European Green Deal.<br>**Alignment:** The Farm to Fork Strategy specifically addresses the need for sustainable food systems that are resilient to pests and diseases. One of the Pillar 5 objectives is to contribute to the Farm to Fork Strategy through its actions and interventions. |
| **Support the improvement of the welfare of animals;** | **Relevant EU Priority:** Animal welfare proposals and Communication adopted by the Commission on 7 December 2023<br>**Alignment:** Pillar 5 complements these recent proposals and communications by the Commission on enhancing animal welfare through its focus on food safety and the harmonisation of standards across the EU. |
| **Fight against antimicrobial resistance (AMR)** | **Relevant EU Priority:** Recommendation on stepping up EU actions to combat antimicrobial resistance in a One Health approach<br>The European One Health Action Plan against AMR.<br>The Farm to Fork Strategy under the European Green Deal sets a target to reduce overall EU sales of antimicrobials for farmed animals and in aquaculture by 50% by 2030. |

[571] https://health.ec.europa.eu/document/download/353f40d1-f114-4c41-9755-c7e3f1da5378_en?filename=amr_2017_action-plan.pdf.

| | |
|---|---|
| | **Alignment:** In July 2022, the Commission and the Member States identified AMR as one of the top three priority health threats. Pillar 5 has specific actions in place, such as the Coordinated Control Programmes and the Organisation of Information and data collection on the human side. The monitoring of AMR in food and farmed animals by the Member States, as indicated in the SANTE Work Programme 2023, is important for shaping and guiding future policy on fighting the development and spread of antimicrobial resistant bacteria.<br>Furthermore, SMP Pillar 5 combats AMR through coordinated surveillance in the food chain (e.g. Coordinated Control Plan for AMR Monitoring) and awareness campaigns on prudent antibiotic use. EU4Health complements this by addressing AMR in human healthcare through cross-border preparedness, training, and digital health tools. |
| **Develop sustainable food production and consumption** | **Relevant EU Priority:** The Farm to Fork Strategy under the European Green Deal.<br>**Alignment:** This priority is at the heart of the Farm to Fork Strategy, which seeks to make Europe's food system fair, healthy, and environmentally friendly. The strategy includes initiatives to promote sustainable agricultural practices, reduce dependency on pesticides and use of antimicrobials in animals, and ensure food security and nutrition in the face of climate change and biodiversity loss. One of the Pillar 5 objectives is to contribute to the Farm to Fork Strategy through its actions and interventions. |
| **To stimulate the exchange of best practices between stakeholders in those fields** | **Relevant EU Priority:** Common Agricultural Policy(CAP)<br>The CAP Strategic Plans. Specifically, the EU CAP Network<br>**Alignment:** The EU CAP Network serves as a pivotal forum for National CAP Networks, organisations, administrations, researchers, entrepreneurs, and practitioners to share knowledge and information about agriculture and rural policy. Its establishment by the European Commission, under the Regulation of the European Parliament and of the Council, underscores its critical role in supporting the design and implementation of CAP strategic plans (CAPs), fostering innovation and knowledge exchange, and aiding in the evaluation and monitoring of the CAP.<br>*Note: the alignment is very minimal and is based on the similar commitment to promoting sustainable agricultural practices and ensuring the health of both animals and humans*[572]. |

*Source: External evaluation report.*

The EU[573] has been instrumental in shaping the 2030 Agenda for Sustainable Development. The EU and its member countries are fully committed to implementing the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs)[574] in EU policies. Actions to increase the capacity of the European Federation of Food Banks (FEBA) to redistribute food that would otherwise be wasted supports the objectives of the Farm to Fork Strategy and is in line with SDG 12.3, which aims to reduce food waste.

Sustainability goes beyond the SDGs, and there are several sustainable development priorities and initiatives to which Pillar 5 contributes through its targeted activities and actions.

Alignment with the objectives of the World Organisation for Animal Health (WOAH) and the Food and Agriculture Organisation of the United Nations (FAO) and the contribution of Pillar 5 to the objectives of these organisations are essential for sustainability. DG SANTE promotes animal health, animal welfare and public veterinary health policies by funding WOAH events, capacity building activities and maintaining information systems. For example, SMP provides funding to the WOAH's World Animal Health Information System, ensuring interoperability with EU systems such as ADIS, while supporting FAO-led efforts through the AMR Multi-Partner Trust Fund and plant health initiatives under the IPPC. These efforts promote global harmonisation in animal and plant health measures, benefiting both trade and sustainability.

Cooperation with FAO, IPPC and EPPO on plant health and antimicrobial resistance, including the establishment of a multi-stakeholder platform and support to food and mouth disease activities, strengthens global One Health systems. These partnerships reflect a clear alignment with the United Nations' broader agenda for sustainability and health security. By promoting

[572] The SANTE Work Programmes for 2022-2024.
[573] the website of the European Union.
[574] Sustainable Development Goals - European Commission (europa.eu).

sustainable practices through One Health initiatives, the EU ensures that its policies contribute to global efforts in mitigating environmental and public health risks.

These efforts strengthen preparedness and risk management and ensure the integration of sustainable practices throughout the food chain, reinforcing the broad objectives of Pillar 5.

SMP Pillar 5 ensures consistency with the World Trade Organisation's (WTO) Sanitary and Phytosanitary (SPS) Agreement through its science-based food safety, animal, and plant health measures:

- **Harmonisation with Codex Alimentarius Standards:** By aligning food safety practices with Codex guidelines (co-developed by FAO and WHO), SMP ensures that EU standards facilitate trade and comply with international benchmarks. For example, BTSF training programmes integrate Codex principles, improving cross-border food safety harmonisation[575].
- **Facilitating transparent trade:** Surveillance programmes, like the AMR monitoring systems co-funded under SMP, demonstrate compliance with WTO SPS rules by providing transparent and science-driven data on food safety risks. These programmes strengthen confidence in EU agricultural exports while mitigating trade disputes[576].

The table below gives an overview of the coherence of Pillar 5 with these priorities.

**Table 65: Examples of alignment with Sustainable Development Goal priorities**

| Priorities | Pillar 5 alignment and contribution |
|---|---|
| **Sustainable Development Goals** | **Work Programme for 2023-2024** refers to contributions to SDGs, specifically relating to the efforts to i**ncrease the capacity of the European Food Banks Federation (FEBA)** to redistribute food that would otherwise be wasted but also to support stakeholders and Member States in measurement and reporting on food waste and implementation of related actions. This initiative contributes to the objectives of the Farm to Fork Strategy and aligns with **SDG 12.3**, which targets halving per capita global food waste at the retail and consumer levels and reducing food losses along production and supply chains. |
| **European Green Deal** | The SANTE Work Programme 2024 refers to sustainable food production and consumption as part of its objectives and activities. This includes efforts related to food waste prevention, contributing to the circular economy, and food fraud prevention activities. **Pillar 5 contribution to the climate and biodiversity mainstreaming aligns with the Commission Communication the European Green Deal'.** It includes actions regarding reducing food waste, reducing sales of antimicrobials for farmed animals and in aquaculture, combating animal diseases and plant pests, supporting EURLs and EURCs of animal welfare. Pillar 5 initiatives focus on minimising the environmental footprint of food production and processing. This includes reducing the use of harmful pesticides and promoting integrated pest management (IPM) practices, as outlined in the SANTE Strategic Plan 2020-2024, to ensure that food production systems are more environmentally sustainable. |
| **Farm to Fork Strategy** | The alignment of SMP-funded activities, like those under calls such as **SMP-FOOD-2022-FWStakeholders-AG**, with the Farm to Fork Strategy's goals is a clear indication of EU spending consistency with political priorities. By aiming to improve food waste measurement and support the implementation of food waste prevention strategies, these |

[575] Codex Alimentarius Commission (2022) Codex Alimentarius Annual Report 2022. Rome: FAO and WHO. Available at: https://www.fao.org/fao-who-codexalimentarius. European Commission (2022) Commission Implementing Decision on the financing of the Programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed and European statistics and the adoption of the work programme for 2022. C(2022) 724 final, Brussels, 17 February 2022.
[576] European Union (2019) Regulation (EU) 2019/6 of the European Parliament and of the Council of 11 December 2018 on veterinary medicinal products and repealing Directive 2001/82/EC. Official Journal of the European Union, L 4, 7 January 2019, pp. 43-167. World Trade Organisation (1994) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). Geneva: WTO.

| | |
|---|---|
| | activities directly contribute to making food systems fair, healthy, and environmentally friendly. The food waste reduction actions **actively supports the Farm to Fork Strategy's objectives, indicating clear complementarities between SMP Pillar 5 and the Farm to Fork Strategy's goals.** |
| **WOAH** | The work programmes show that alignment with WOAH is notable through several targeted efforts to improve animal health and welfare. The EU supports WOAH by funding events such as global or regional conferences, seminars and workshops, and capacity building activities, including developing online training materials. These activities are essential to promote EU policies on animal health, animal welfare and veterinary public health. In addition, the Action Plan includes the ongoing maintenance of WOAH's information systems, in particular the World Animal Health Information System (WAHIS), with a priority on ensuring interoperability with the EU's Animal Disease Information System (ADIS). This will improve the exchange and management of data between WOAH and EU systems. In addition, the EU has been a major donor to the WOAH Animal Welfare Platform for Europe since its inception in 2013, supporting its three-year action plans and other regional workshops and training initiatives. This continued support contributes significantly to raising animal welfare standards in the EU and its neighbouring regions, and promotes a more coherent approach to animal health and welfare globally. |
| **Food and Agriculture Organisation (FAO)** | The SMP is also aligned with the objectives of the FAO, particularly in areas related to plant health and AMR. The EU is working closely with FAO and other key partners, including WHO and WOAH, to strengthen and operationalise One Health systems globally, focusing on AMR. This collaboration includes establishing a multi-stakeholder partnership platform to build consensus and concrete action on AMR across sectors and regions. In addition, as can be seen from the work programmes (e.g. 2024) the EU provides financial contributions to FAO-led activities aimed at controlling foot-and-mouth disease (FMD), particularly in regions neighbouring the EU. These activities include training, contingency planning and the development of decision support tools for disease control, which are essential to improve preparedness and reduce the risk of the disease entering the EU. The EU also supports implementing the International Plant Protection Convention (IPPC) Strategic Framework 2020-2030. This support includes the funding of events, capacity building and other related activities aimed at improving global plant health standards and ensuring that EU plant health policies are shared and adopted internationally. |
| **Horizon Europe** | Pillar 5 contributes to and complements Horizon Europe's Cluster 6 by aligning its objectives and activities with the cluster's focus areas, including sustainable agriculture, combating AMR, and fostering sustainable food systems. Looking at the Pillar 5 Intervention Logic and Cluster 6 2023-2024 Work Programme, we identified the following potential complementarities:<br>• **Sustainable Agriculture and Pest Management:** Pillar 5's objectives include the prevention, detection, and eradication of animal diseases and plant pests, which align with Cluster 6's focus on sustainable agriculture and integrated pest management (IPM). Horizon Europe supports research and innovation to develop biodiversity-friendly practices in agriculture, such as breeding for IPM, which Pillar 5 could complement by contributing to the knowledge base and best practices for pest and disease management in agricultural systems.<br>• **Combating AMR:** Both Pillar 5 and Horizon Europe's Cluster 6 address antimicrobial resistance (AMR). Pillar 5's interventions for fighting AMR, through monitoring and reducing the use of antimicrobials in farmed animals, align with Cluster 6's initiatives to ensure food and nutrition security within planetary boundaries. This includes the transition to production methods that reduce dependence on pesticides and antimicrobials, demonstrating a shared objective of fostering sustainable, resilient, and inclusive food systems.<br>**Sustainable Food Systems and Bioeconomy**: Pillar 5's focus on developing sustainable food production and consumption directly complements Cluster 6's goals related to the bioeconomy and sustainable food systems. Horizon Europe encourages innovation in food systems to enhance sustainability, resilience, and food security from Farm to Fork, aligning with Pillar 5's efforts. |

| | |
|---|---|
| **Common Agricultural Policy (CAP)** | By providing crucial data and insights on food safety, animal health, and plant protection, Pillar 5 *indirectly* aids in the design and implementation of CAP measures that enhance the sustainability of agricultural practices. This includes promoting the use of environmentally friendly farming techniques and supporting the transition to organic farming, which can help reduce the environmental impact of agriculture and improve biodiversity. |
| **World Trade Organisation (WTO)** | SMP ensures consistency with the WTO's SPS Agreement by aligning with science-based measures for food safety, animal, and plant health:<br>**Harmonisation with Codex Alimentarius Standards:** BTSF training programmes integrate Codex principles to enhance cross-border food safety harmonisation.<br>**Mitigating trade-related AMR risks**: The EU's Regulation (EU) 2019/6 reduces antimicrobial usage in livestock, aligning with trade obligations while addressing AMR challenges. |

*Source: External evaluation report.*

Regarding consistency of EU spending it should be highlighted the importance of vaccines in the EU strategy to maintain animal health and prevent the spread of animal diseases. The focus on vaccines supports the general and specific objectives of Pillar 5 by addressing key aspects of animal disease prevention and control. Funding for vaccine development and deployment ensures that EU spending on animal health measures is in line with policy priorities and contributes to a robust and resilient agri-food security framework.

During the surveys and interviews[577] of BTSF, EURLs and NCPs it has been confirmed that EU spending is well aligned with the policy priorities set out in Articles 168 to 169 TFEU and is consistent with global policy priorities (e.g. fight against antimicrobial resistance and the promotion of sustainable agricultural practices).

Overall, the analysis of Pillar 5 of the external coherence of the SMP indicates that EU spending is well aligned with the wider EU policy priorities and international objectives in the areas of food safety, animal health and plant health.

### 3.2 How did the EU intervention make a difference and to whom?

EU added value describes the additional value resulting from EU-supported measures, compared to what would have been achieved by Member States acting individually. In that regard DG SANTE's annual activity reports for 2021, 2022 and 2023, EU financial support for food and feed measures provided significant added value beyond what could have been achieved by Member States acting independently[578][579][580].

Experience shows that EU added value in the food chain area goes beyond what individual Member States could achieve by implementing national measures without EU support. Member States benefit from the prioritised and targeted implementation of SMP co-funded activities. The financial solidarity provided by the EU support enable Member States to take the required actions to protect both own, and wider EU interests.

The table below is used to categorise and analyse the EU added value. Each column of the table matches a specific EU added value type (i.e. addressing pan-European or global challenges, pooling of critical mass of resources, etc.). The table below presents the extent to which types of EU added values are achieved and ranks them across the funding instruments (veterinary programmes, phytosanitary programmes, AMR programmes, EURLs and EURCs, 'Farm to Fork' support activities, BTSF).

[577] External evaluation report, Chapter 6 and Annex D.
[578] European Commission, DG SANTE Annual Activity Report 2021, pp. 16-17.
[579] European Commission, DG SANTE Annual Activity Report 2022, pp. 16-17.
[580] European Commission, DG SANTE Annual Activity Report 2023, pp. 16-17.

**Table 66: Illustration of EU added value types with SMP funding areas in food and feed measures, animal health, plant health, and animal welfare**

| | VETERINARY, PHYTOSANITARY PROGRAMMES | AMR PROGRAMMES | EURL AND EURC | SUSTAINABILITY ACTIVITIES | BTSF |
|---|---|---|---|---|---|
| Addressing pan-European or global challenges | +++ | +++ | + | ++ | + |
| Pooling of critical mass of resources | + | + | ++ | ++ | ++ |
| Economies of scale and scope | + | + | + | + | +++ |
| Pooling of excellence, skills or knowledge | + | + | ++ | + | +++ |
| Dissemination/training of skills to a wide constituency | + | + | ++ | + | +++ |
| Coordination of national food safety and sustainability policies, as well as animal health, plant health, and animal welfare | + | + | + | +++ | + |
| Strengthening of national food safety and sustainability capabilities as well as animal health, plant health, and animal welfare | +++ | + | + | +++ | + |

*Source: External evaluation report.*

The following Pillar 5 actions indicate the economy of scale:

- Centralised EU Reference Laboratories support various Member States in testing, analysis, and research, avoiding redundancy in each Member State's infrastructure;
- Establishment of vaccine banks at the EU level eliminated the need for each Member State to have such banks;
- Coordinated responses to animal disease outbreaks and plant pests, such as through the EU Veterinary Emergency Teams, enable shared resources and expertise. This reduces the costs compared to fragmented national responses;
- Development of databases and traceability systems (e.g. IMSOC, TRACES) with shared access across Member States spreads development and maintenance costs, benefiting all participants through economies of scale.

Some interviewed stakeholders (e.g. NRLs) mentioned that the availability of vaccines, sourced from EU-funded antigen and vaccine banks, has been very important in managing large-scale outbreaks, particularly for diseases like HPAI. They highlighted that these resources enabled rapid deployment of vaccines during emergencies. These stakeholders emphasised that EU co-financing for vaccination campaigns within the veterinary programmes was essential. This funding facilitated access to the vaccines and allowed for their timely deployment, effectively preventing a far worse crisis by ensuring swift containment of the outbreak.

***Veterinary and phytosanitary programmes and emergency measures***

The animal and plant health status of the EU is only as strong as the weakest link. Therefore all Member States play their part in ensuring that there is a high level of animal health and plant health protection and of preparedness to deal with outbreaks. The achievement of a higher animal and plant health status in the EU is possible due to the technical and financial support provided by the EU to the Member States.

The variety of measures to be implemented to eradicate and contain animal diseases and plant pests requires a centralised management system in order to properly coordinate and organise the implementation of specific actions in the Member States. This lack of coordination and action could lead to delays or disparities in the management of outbreaks, which could increase the risk of crises spreading across the EU. In such situations overall EU interests should be safeguarded.

It has to be indicated that under EU legal requirements any affected Member State shall be responsible for implementing the relevant measures through national budgets. Compliance with EU legislation remains mandatory regardless of the availability of co-financing. The costs related to these necessary actions can be subject to EU co-financing, if these costs are eligible for reimbursement. Such expenditure may be reimbursed through a grant agreement between DG SANTE (emergency measures) or HaDEA (programmes) and the Member State concerned, provided that the budget is available. However, national budgets of Members States alone, especially of those struggling with economic crisis or other constraints, have difficulties to secure appropriate financial resources to respond to the combination of present and potential challenges. This requires a centralised approach to ensure the necessary oversight and a high level of overall ambition in combating diseases and pests.

All measures aimed to prevent crises and ensure timely and adequately reaction to animal disease and plant pest outbreaks are in the interest of all Member States. A good example of this solidarity is the EU system of vaccine banks (e.g. classical swine fever, foot-and-mouth disease), as its stocks are immediately available in the event of an animal health crisis occurring in any of the Member States.

The co-financing is considered as an added value as it provides relief to the national budgets and ensures quick and comprehensive implementation of the required measures. The degree of dependence of Member States on the co-financing of the SMP seems to be influenced by two main factors:

(1) the financial capacity of Member States, and

(2) the extent to which they are affected by outbreaks.

Both are important to define the importance of EU co-financing.

**Figure 28: Livestock population in EU 2022, Source EUROSTAT**

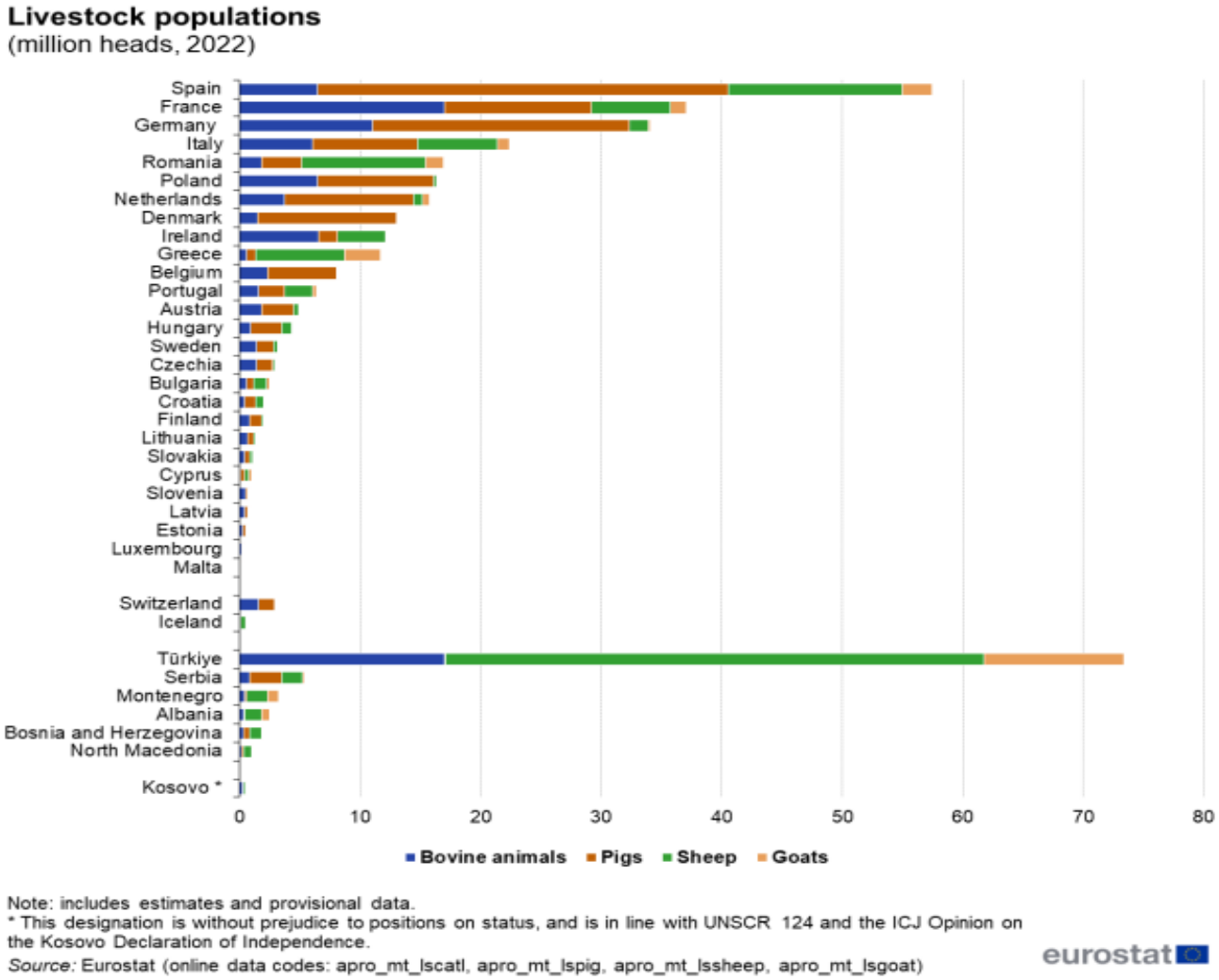



Figure above provides evidence for 2022 about the dispersed character of EU animal production. Animal production is important in all MS, but MS may have different priorities and needs in terms of preserving their health status and animal populations (e.g. Greece has predominantly sheep and goats populations, Denmark pigs population). The heterogeneity between Member States may imply that preserving a high health status with respect to specific diseases may be of different importance for different Member States, which can easily create a divergence between the individual interest of a Member State (specific eradication, control and surveillance programmes) and the EU common interest.

For plant production, the situation is similar in that production of crops is spread over Member States, while at the same time the distribution of production over the Member States and EU territory can be very unequal. The importance of specific crops (e.g. seed potatoes) differs often within Member States.

All these examples lead to differences in the way Member States individually benefit from disease and pest control and eradication actions. In this situation the EU added value of the SMP is that it provides a financial incentive mechanism to support Member States that are facing low net expected benefits and still take action and apply measures, and by that contribute to a high EU-wide animal and plant health status.

Without the availability of adequate governance including funding mechanism, individual Member States may neglect the efforts of the others as their individual interest may

insufficiently take into account the common EU interest. SMP funding scheme is very important which contributes to improved health status for all MS.

During the interviews[581], with the RASFF, AAC, ADIS, EUROPHYT and TRACES contact points involved in the use of databases and IT systems highlighted the added value of EU coordination and real-time data exchange facilitated by veterinary and phytosanitary programmes. Integration and standardisation across the EU ensure a uniform management of health risks, thus preventing fragmented and ineffective responses to epidemics. The national competent authority representatives indicated that in the absence of EU co-financing, key activities investigations would have been significantly reduced or would not have been carried out at all with national resources only. This is an example of how EU support strengthens national capacities by providing the necessary financial resources and technical guidance.

In addition, interviews[582] with NCAs highlighted a diverse landscape of funding capacities between Member States. While some Member States may have the necessary financial resources to manage epidemics or health crises independently, EU co-financing plays a crucial role in ensuring a coordinated approach to disease and pest management in all Member States. Even if a country can react alone to an epidemic, the interconnected nature of the EU means that a crisis in one Member State could still pose a risk to other Member States. Therefore, EU co-financing contributes to maintaining a consistent level of protection across the region. The national authorities managing *Xylella fastidiosa* and HPAI in the respective Member States highlighted the potential consequence of withdrawing EU co-financing. Respondents noted that in the absence of co-financing, responses to epidemics or crises could vary considerably from one Member State to another, thus increasing the risk of a crisis spreading across borders.

All the above highlights the EU added value and importance of SMP co-financing to alleviate the financial burden on Member States for the implementation of emergency measures for veterinary and phytosanitary outbreaks. The absence of contributions under the SMP could have an impact on the overall effectiveness and efficiency of the management of epidemics and related activities. Without the SMP co-funded actions there would be greater risk of spread of animal diseases and plant pests that would negatively impact agri-food production, trade and jobs.

***Fight against antimicrobial resistance (AMR)***

AMR is a critical global health issue driven by antibiotic misuse and overuse in various sectors, leading to the emergence of resistant microorganisms. AMR requires substantial coordination at international level and EU level. The SMP funds the Coordinated Control Programmes for AMR and the setting up of national systems for collection of data on sales and use of antimicrobials in animals which contribute to harmonised monitoring and reporting. Obtaining such data at EU level is paramount for evaluating AMR trends and supports further decision-making processes at EU level. Without such funding it would be impossible to obtain coherent, standardised data and keep all MS involved in tackling AMR challenges.

During the interviews[583], the national reference laboratories representatives stressed the importance of standardised measures and coordinated efforts to combat AMR. The integrated approach facilitated by EU co-financing enables Member States to implement coherent and effective strategies to monitor and reduce the risks of AMR across the region. For example, AMR programmes allow real-time data exchange and collaboration between Member States,

[581] External evaluation study report, Chapter 7 and Annex D.
[582] External evaluation study report, Chapter 7 and Annex D.
[583] External evaluation study report, Chapter 7 and Annex D.

which are essential to rapidly detect and manage AMR threats. In addition, the financial support provided under these programmes ensures that even financially weaker Member States can participate in and benefit from comprehensive AMR monitoring and prevention initiatives. This collective effort strengthens the EU's capacity to address the global challenge of antimicrobial resistance, ensuring health and safety standards in all Member States.

***EURLs and EURCs***

The EU added value provided by the EURLs and EURCs activities is linked to the nature of their activities. The network of EURLs, EURCs, NRLs and national control bodies ensures that all EU Member States work within a consistent and uniform regulatory framework. This contribution towards the harmonisation of rules at Union level and the sharing of knowledge and expertise in the food chain and related areas is a concrete example of positive interaction within the EU, which could not be achieved through isolated efforts at national level and without the EU financial support. These entities are profound in their scientific excellence and have strong tools for scientific collaboration and standardisation, improving the quality and consistency of laboratory methods and animal welfare and animal breeding standards.

EURLs and EURCs make a substantial contribution to pooling resources and excellence, skills and knowledge across the EU. This is demonstrated through scientific publications, scientific and technical advice, developed and harmonised laboratory methods (supporting data provided in Effectiveness Part 3.1.1). All these scientific advice and innovations in latest laboratory techniques are distributed among the MS authorities and laboratories. In this regard significant human and financial resources are saved as this prevents each MS establishing their own methods, scientific studies which are very costly. Also according to internation standards (e.g. ISO 17025) laboratories must participate in proficiency tests. In this respect EURLs support other laboratories in MS meeting this requirement and avoids unnecessary testing elsewhere in other countries. EURLs also engage with neighbouring countries and allow such countries (e.g. EU candidate countries, potential candidate countries) to take part in proficiency testing. Such collaboration provides EU with valuable insight in performance of laboratories of these countries and promotes the use of EU laboratory methods in those countries.

During the interviews and surveys[584], stakeholders indicated that Member States alone could find it difficult to maintain the high standards and collaborative efforts needed to effectively implement food safety and health standards and practices without EU co-financing and support. Therefore, while EURLs and EURCs play an important role in strengthening research and expertise across the EU, their continued success depends heavily on collaborative funding efforts between the EU and Member States. The EURL and NRLs collaboration and standardisation in the SMP framework influenced the development and improvement of national food safety standards through developed laboratory methods. According to a survey of EURLs, 75.8% of respondents indicated that, if NRLs could carry out high-quality and uniform tests comparable to those provided for in the EURL guidelines, to achieve this, NRLs would have to bear significant additional costs.

During interviews with NRLs[585] representatives they highlighted the benefits of the work provided by EURLs, as EURLs activities contribute to harmonising national standards with EU standards. In order to align their work with the EURL standards, the NRLs collect all necessary information and follow closely the recommendations made by the EURLs. As indicated during the interviews conducted by the representatives of the NRLs, this cooperation and compliance with the guidelines helps NRLs to maintain a high level of quality and reliability in their

[584] External evaluation study report, Chapter 7 and Annex D.
585 External evaluation study report, Chapter 7 and Annex D.

laboratory operations. In addition, respondents to the interview consider that EURLs have helped to improve communication, knowledge and experience of NRLs and that activities of the EURLs were useful, as the funds provide the necessary resources to ensure harmonisation by facilitating export and import, supporting sustainable food production, ensuring consistent consumer safety and enabling NRLs to fulfil their responsibilities at the highest level.

Without EU support to EURLs and EURCs national authorities and laboratories would have to seek expertise within MS which could be very costly. In some MS such expertise might not even be available especially in smaller MS. Ultimately standards of laboratory methods would eventually decrease jeopardising confidence in MS ability to ensure food safety and this could negatively impact on intra-EU trade (due to MS taking unilateral decisions to safeguard public health).

***BTSF***

The BTSF programme also contributes to the harmonisation of food safety measures and ensures that all EU Member States work within a consistent and uniform manner. Centralised approach to BTSF training helps to avoid duplication, reduce overall training costs and ensure that all Member States can benefit from the highest standards of food safety training. BTSF programme demonstrates great value in contributing to economies of scale and scope, pooling expertise, skills or knowledge and disseminating/training skills in a large constituency.

BTSF is the only initiative bringing together experts and stakeholders from all Member States to share knowledge and best practices. Moreover, EU standards through BTSF events are being distributed in third countries. This collaboration between experts in specific field is very valuable asset which facilitates exchange of views and supports establishing different expert networks between BTSF participants. Such international environment fosters collaboration and sharing of ideas, bringing added value beyond national training.

According to the interviews and surveys[586], BTSF National Contact Points 71.1% of participants consider that BTSF training to a large extent promotes a harmonised approach to the functioning of the control systems of the Union and the Member States. In addition, 89.5% of respondents to the survey agree that BTSF training significantly improves networking and collaboration between competent authorities in different Member States. These training courses offer valuable opportunities and information at EU level, which 76.3% of participants consider extremely valuable compared to national training. Interviews with BTSF participants and contractors also demonstrate the BTSF's role in harmonising food safety and plant health and animal health standards between Member States. More specifically, participants appreciate networking opportunities, which help to create strong networks for the exchange of information and best practices. Participants were satisfied with access to qualified experts and numerous training materials, which improved their learning experience.

In addition, respondents to the consultation of third countries indicated that they benefit from the application of the same import rules, thus enriching the overall experience. Unlike national programmes, which often lack resources and opportunities for extensive training and collaboration, the BTSF contractors and participants stressed that BTSF sessions contribute to facilitating the exchange of knowledge across borders and fostering collaboration between experts from different countries and sectors. This pooling of excellence and skills leads to greater integration and a higher level of food safety practices across the EU. In addition, the BTSF's extensive educational initiatives target a wide range of stakeholders, including national authorities and food business operators. This wide dissemination of knowledge encourages

[586] External evaluation study report, Chapter 7 and Annex D.

continuous improvement of food security measures beyond what national programmes alone can achieve.

In has to be indicated that without SMP-funded BTST national authorities would have to organise trainings at national level thus duplicating efforts across MS. The costs for each training at national level would increase and more importantly national experts would not benefit from the highest standards of food safety training and networking possibilities.

***Developing sustainable food production and consumption***

Food waste prevention actions contribute to the objective of developing sustainable food systems. Due to SMP funding, national authorities were able to monitor food waste levels at national level at various stages of the food supply chain, which is a crucial step in understanding the issue and taking appropriate actions to tackle food waste. These grants also supported national authorities in their reporting obligations on food waste levels to the European Statistical Office. Without SMP funds, MS would probably have not carried out in-depth monitoring at certain stages of the food supply chain, as food waste measurement is quite resource intensive and expensive. Furthermore, the stakeholder grants from 2022 targeted SMEs from the food services and hospitality sector, that would otherwise would not have found the resources to run such projects at their level.

**Potential consequences of abolishing SMP co-financing**

During the interviews and surveys[587], representatives of NRLs, RASFF, AAC, ADIS, EUROPHYT and TRACES contact points involved in the use of databases and IT systems, members of Food Systems Sustainability Advisory Groups, representatives of national competent authorities responsible for food waste prevention from a sample of Member States and NCAs provided examples on consequences of abolishing EU funding:

- Increased difficulties in disease and pest management
- Loss of effectiveness of border controls and internal processes
- Uneven health standards across Member States
- Reduction or disentanglement of activities

During interviews it was indicated that IT systems provide significant added value by facilitating the effectiveness of border controls and internal processes, with functionalities such as real-time data exchange and electronic signature. Without the Single Market Programme, these functionalities would not be possible, as national systems do not have the necessary co-financing to support them.

The table below is summary from different stakeholders.

**Table 67: Stakeholders' views on the potential consequences of withdrawing EU co-financing**

| Stakeholder | Findings |
|---|---|
| **NRLs** | Without collaboration and standardisation at the SMP level, tackling issues such as AMR would become **difficult due to ineffective comparisons and a fragmented approach at the individual country level.** Tackling the emerging threats of AMR requires coordination and collaboration, and without standardised measures across MS, tackling AMR would be much more difficult. |

[587] External evaluation study report, Chapter 7 and Annex D.

| | |
|---|---|
| **Members of the advisory groups on the sustainability of food systems** | EU co-financing is crucial for maintaining equitable health standards across MS, particularly in addressing the challenges of animals and plants. The potential loss of funding **would hamper the ability of some MS to manage crises**, potentially threatening the integrity of the single market and the overall effectiveness of health initiatives. |
| **Representatives from the National Competent Authorities in charge of food waste prevention from a sample of MS** | Without SMP funding, essential activities, such as the household food waste survey, would have been **significantly scaled down or not conducted at all**. For instance, in one of the MS, the survey was entirely funded under the SMP co-financing, underscoring the support it provided to the project execution and expansion. |
| **NCAs** | While some MS might be able to manage crises without co-financing, **disease management would have been much more difficult** as the harmonised approach across MS is vital due to the interconnected nature of trade and health risks. |

*Source: External evaluation report.*

### 3.3 Is the intervention still relevant?

The policy interventions covered by the SMP address current and expected future needs for a high level of health for humans, animals and plants along the food chain and in related areas. SMP co-funded measures are linked to needs at different stages of agri-food supply chains and also to the final users of products from EU agriculture, including EU and non-EU consumers and users.

The primary objective of the SMP was to strengthen the single market by ensuring the free movement of goods, services, capital and persons. This was to be achieved by supporting businesses through initiatives to improve their competitiveness and facilitate their participation in the single market. In addition, the SMP underlines the importance of ensuring a high level of food and feed safety across the EU, with a view to preventing, detecting and eradicating animal diseases and plant pests, thereby safeguarding public health and ensuring the proper functioning of the single market.

SMP Pillar 5 work programme actions regarding reducing food waste, reducing the sales of antimicrobials for farmed animals and in aquaculture, combating animal diseases and plant pests, supporting EURLs and EURCs of animal welfare contribute to the climate and biodiversity dimension in line with Commission Communication 'The European Green Deal'. Emergency measures to combat certain animal diseases and plant pests directly contribute to halting biodiversity decline. Antimicrobial use could affect microbial diversity and potentially threaten the health of ecosystems. In line with the Green Deal and the Farm to Fork Strategy, the EU is taking action to ensure prudent use of antimicrobials in food-producing animals. This contributes to the transition towards more sustainable food systems which are key for adapting to climate change and combating environmental degradation. Supporting development of better laboratory methods and animal welfare studies also contribute to biodiversity mainstreaming.

***Veterinary and phytosanitary programmes, emergency measures and animal welfare***

Pillar 5 veterinary programmes, phytosanitary programmes and emergency measures are essential for preventing and managing epidemics which have significant economic and health impacts. The costs incurred by Member States for the implementation of those measures may be eligible for grants, including personnel costs, the costs of equipment and materials, the compensation of owners of destroyed plants and slaughtered or killed animals, as well as the costs of cleaning and disinfection. The overview of the main outbreaks of veterinary diseases by country between 2021 and 2023, with a focus on ASF in domestic pigs and wild boar, as well as on HPAI in poultry is provided in sub-Annex II. It highlights the significant and persistent challenges posed by these diseases in several EU Member States.

Outbreaks of epizootic diseases or plant pest in Member States may have negative effects and additional costs on intra-EU trade and trigger trade-restrictive measures internationally (e.g. export bans to third countries, additional certification requirements). Trade in animal products is especially vulnerable, and trade restrictions can have major repercussions for the agri-food industry. Also, there might be large social costs of diseases, especially if they become negative in the view of the public (examples like large-scale foot-and-mouth disease outbreaks, bovine spongiform encephalopathy). The costs of different outbreaks can be much higher than direct losses, especially in the case of major disease and pest outbreaks. In addition to losses for farmers, other producers in agri-food chain suffer losses.

For example, the spread of ASF[588] across Europe has led to significant economic losses and impacts on food security, which required measures such as elimination, enhanced surveillance, movement restrictions and biosecurity protocols. Similarly, outbreaks of HPAI pose risks to poultry holdings and can shift and potentially spread to humans, requiring surveillance, vaccination programmes and emergency response measures. In addition, outbreaks of food-borne diseases due to contaminants such as E. coli or Salmonella highlight the need to improve food safety standards and traceability in the food chain[589].

It has to be indicated that diseases and pests are prioritised for co-funding. The EU co-financing strategy, which prioritises group 1 animal diseases with higher co-financing rates, ensures that resources are allocated to the most pressing threats to animal health, trade and public safety (e.g. ASF, HPAI). Co-financing of priority plant pests under the SMP is an integral part of the EU strategy to protect plant health and ensure the safety of the food supply chain. EU co-funded phytosanitary programmes aim to eradicate and contain priority pests, such as *Xylella fastidiosa*, longhorn beetles, pinewood nematode, *Bactrocera dorsalis* etc., which pose significant threats to European agriculture. According to the work programme for the SMP (2021), co-financing is mainly allocated on the basis of the priority given to pests, with 50% of the budget for eradication and containment measures. It remains important to continue prioritise co-funded diseases and pests since budget is limited and there is not enough to co-fund all animal diseases and zoonose listed in Annex III of the SMP regulation, and all plant pests present in the EU. The example of this is the reduction of co-funding rates by 60% in 2022 due to high number of unexpected outbreaks (e.g. HPAI, ASF) which consumed significant amount of the budget.

It is important to indicate that prevention and surveillance efforts within veterinary and phytosanitary programmes are important to prevent outbreaks in the first place. Over the years, the focus has been on improving surveillance systems, early detection and preparedness. This strategic orientation aims to mitigate the impact of epidemics and outbreaks through timely interventions and robust monitoring systems. Establishing vaccine banks is also important element of crisis preparedness, allowing swift vaccination campaigns (e.g. lumpy skin disease) in cases of need. These measures are essential to prevent widespread outbreaks that may harm both animal populations and public health. In the area of plant health, the Regulation (EU) 2016/2031 introduces requirements for enhanced surveillance, specifically targeting the early detection of plant pest outbreaks. Half of the budget for phytosanitary programmes is dedicated to surveillance, demonstrating its importance in preventing the spread of plant pests.

However, co-funding of emergency measures is paramount in supporting MS to act urgently to eradicate and contain highly contagious diseases or pests. This in turn helps to eliminate and limit the health and economic damage within MS and wider EU.

It is important to indicate that funding provided under the SMP not only supports immediate

[588] as well as on the following pages:// food.ec.europa.eu/animals/animal-diseases/diseases-and-control-measures/african-swine-fever_en.
[589] as well as on the following pages:// www.efsa.europa.eu/en/topics/topic/monitoring-foodborne-diseases.

crisis management, but also facilitates the long-term improvement of health standards. This double focus on short and long-term objectives is essential to maintain high levels of animal and plant health across the EU. Chapter 3.1.1 provides detailed examination of how the SMP has put in place strategically adapted funding mechanisms to address emerging challenges through emergency measures.

The control of zoonotic Salmonella in poultry and the eradication of rabies have always been prioritised in the veterinary work programmes. The focus on Salmonella reaffirms its importance for public health and food safety, aligning with the EU's prevalence reduction targets[590]. As a zoonotic pathogen, Salmonella can be transmitted from animals to humans, mainly via contaminated food. The eradication of rabies in wild animals, in particular in high-risk areas, prevents the transmission of the virus to domestic animals and humans. The EU programmes provide for widespread vaccination against wildlife, in particular oral rabies vaccines, to maintain rabies free status and prevent reintroduction from endemic areas.

During the interviews NCAs affirmed the importance of rabies vaccination programmes. They stressed that continuous monitoring, adaptable strategies and training of EURLs and BTSF are essential for maintaining rabies free status. The stakeholders of the NRLs interviewed[591] stressed the need for continuous vigilance and adaptable strategies to address possible reintroductions, calling for continuous monitoring and rapid response measures.

The financing of bovine tuberculosis was phased out and stopped at the end of 2022, reflecting effective control and a shift of resources towards more urgent issues. This transition indicates a strategic reallocation of resources to address more effectively emerging and persistent threats. The stakeholders consulted acknowledged the relevance of the SMP's focus on tuberculosis, in particular in previous work programmes. The progressing phasing out of tuberculosis which stopped eventually by the end of 2022 was considered as a strategic decision reflecting the success of control measures. While the strategic reallocation of resources following successful bovine tuberculosis control was generally welcomed, some stakeholders suggested maintaining a flexible funding mechanism to deal with any resurgence or new strain of the disease. Stakeholders of NRL suggested that maintaining an emergency fund or flexible support mechanism would be beneficial for unforeseen epidemics or new challenges.

Similarly, as set out in the 2023-2024 work programme, in the area of plant health, the eradication of certain priority pests and the containment of other pests were effectively implemented under the SMP, resulting in the reallocation of resources to emerging plant health challenges. The strategic focus on these pest control measures underlines the importance of maintaining plant health and preventing significant agricultural losses. The phytosanitary work programmes highlight the need to continue to be vigilant and flexible in managing possible reintroductions of pests or the emergence of new phytosanitary threats.

The replies to the interviews and surveys[592] showed that Member States consider this co-financing to be essential. For example, a NRL official indicated that EU financial support was essential to manage the increasing cost of plant pest detection and laboratory diagnostics, indicating that without such co-financing, national budgets would find it difficult to cope effectively with epidemics. However, the need to disburse funds in a timely manner was highlighted, as funding delays can hamper rapid responses, which are essential to tackle the spread of harmful organisms. The NRLs suggested that flexibility in the application of funds could be better aligned with regional pest priorities, as some pests, such as those specific to

590 as well as on the following pages:// www.ecdc.europa.eu/en/infectious-diseases-and-public-health/salmonellosis/threats-and-outbreaks.
591 External evaluation study report, Chapter 8 and Annex D.
592 External evaluation study report, Chapter 8 and Annex D.

Mediterranean climates, are more relevant for southern Member States than for others. This targeted approach would ensure that co-financing remains highly relevant and effective in addressing specific threats in various regions of the EU.

The consultation activities, through interviews and surveys, reaffirmed the relevance of emergency measures to address emerging problems. The NCA representatives indicated that EU co-financing is essential to enable them to manage epidemics quickly and effectively. The financial support provided by the SMP enables the implementation of the necessary emergency measures without delay. The results of interviews with selected grant beneficiaries and stakeholders participating in the EURL survey suggest the need for sustained efforts against ASF and HPAI.

IT systems aligned with the SMP include the European Union Animal Diseases Information System (ADIS), which facilitates the real-time notification and monitoring of animal disease outbreaks, developed in cooperation with the WOAH. Respondents to different NRLs stressed the importance of strengthening detection capabilities and sharing real-time data facilitated by systems such as ADIS. Representative of the NRL indicated in an interview that ADIS's real-time information and monitoring capacities have significantly improved their ability to respond quickly to epidemics, ensuring that interventions are rapid and effective.

In addition, cooperation with international organisations such as the WOAH has played a key role in improving monitoring and preparedness. Respondents to the survey indicated that the alignment of SMP strategies with international standards and practices has increased the overall effectiveness of disease surveillance and response systems, demonstrating the continued relevance of Pillar 5 activities.

The results of interviews and surveys further underline the importance of this financial support to facilitate critical national initiatives, in particular as regards operational improvements and capacity building. Overall, the balanced approach of the SMP, which combines constant funding for priority diseases and strategic reductions in less critical areas, ensures that EU animal health and plant health policies remain relevant to address current and emerging threats.

Regarding animal welfare this remains a primary ethical concern. It is important to ensure appropriate living conditions, humane treatment, and health and welfare considerations for animals. The EU's commitment to this cause is reflected in its pursuit of stricter welfare standards and updated legislation. Numerous activities implemented using SMP funding in relation to animal welfare. WOAH Regional Platform on Animal Welfare for Europe funded through SMP plays important role increasing awareness and improved cooperation with non-EU countries on animal welfare. These activities within WOAH facilitate quick exchange of information in case of incidents during international transport of animals and support enforcement efforts. Support of international WOAH allows EU to shape international standards and promote EU values in wide international arena. Such activities ensure that EU animal welfare policies remain relevant.

***Fighting antimicrobial resistance***

AMR is increasingly becoming a health problem, both in the EU and globally. In line with the Green Deal and the Farm to Fork Strategy, the EU is taking action to ensure prudent use of antimicrobials in food-producing animals. The collection and sharing of data on antimicrobial resistance in zoonotic bacteria and in food and animals kept on farms by EU nations provides crucial information on the development and spread of antimicrobial resistant bacteria. This information helps to make informed decisions on AMR management.

The 2021 SMP work programme laid the foundations for the fight against AMR through coordinated control plans for the surveillance of antimicrobial resistance in adverse and zoonotic agents in food and food-producing animals. The 2024 SMP work programme included forward-looking AMR measures, indicating plans for a coordinated control plan for AMR monitoring for the period 2024-2027. This highlights a long-term commitment to the fight against AMR, underlining the importance of continuity of surveillance and action plans to effectively manage and reduce the risks of AMR.

The transition to more detailed and long-term AMR surveillance and control strategies as prescribed in the work programmes of the SMP, indicates that the evolution of these challenges has been seen as adapting to the actions funded by the SMP. This adaptive approach is essential to address the dynamic nature of AMR and ensure the continued relevance of the objectives of the SMP.

This is reaffirmed by the contributions of the consultation activities. Feedback from stakeholders[593] highlights the crucial role of SMP in tackling AMR while ensuring access to veterinary medicinal products. The focus on balanced policies, integrated approaches and effective crisis management is in line with EU priorities and underlines the relevance of SMP market interventions to address veterinary and phytosanitary issues. The well-received training programmes, including the BTSF programme, on AMR further underline the importance of continuous education and stakeholder support to effectively tackle AMR. The relevance of training programmes focusing on AMR was well received by stakeholders, in particular farmers and veterinarians, as noted by representatives from the NCAs.

***EURLs and EURCs***

EURLs play a crucial role in the development and dissemination of methodological standards, providing scientific and technical assistance and ensuring the reliability of analyses of contaminants, residues and biological hazards. Their work supports the enforcement of EU rules and contributes to the safety and integrity of the food chain. As regards the work programmes from 2020 to 2024 there is an evolution of activities, ranging from fundamental efforts focused on developing and harmonising analytical methods, providing technical assistance and ensuring the quality of laboratory analyses across the EU to more advanced tasks. This includes the adoption of new technologies (e.g. sequencing laboratory techniques), a stronger focus on tackling new food safety and animal health challenges, improved training and capacity building and facilitating international collaboration. For example, compared to the 2022 work programme, the 2023-2024 work programmes actions focus on integrating new technological advances, such as advanced analytical techniques, to improve food safety and animal health.

There are no significant changes in the activities of the EURLs and EURCs already designated from one year to the next. Instead, each year's activities build on the work done in previous years. This shows that these organisations are constantly improving and adapting their efforts to address new challenges in areas such as food safety, animal health, plant health and animal welfare standards. It should be noted that due to political priorities and new risks, additional EURLs and EURCs were designated in the period 2021-2023. The most recent amendment concerns the designated additional EURLs, EURCs (EURL Rift Valley fever, EURC endangered animal breeds, EURCAW ruminants/equidea and aquatic animals). As the aquaculture sector grows and society's animal welfare concerns increase, there is a demand for improved standards and practices. The EURCAW of aquatic animals aims to consolidate expertise, support EU Member States in implementing welfare standards and fill knowledge

593 External evaluation study report, Chapter 8 and Annex D.

gaps, ensuring that aquatic animals are treated in a way that reflects the EU's commitment to animal welfare.

Stakeholder feedback[594] reaffirms the key role of EURLs and EURCs in maintaining high standards of food safety, animal health and plant health across the EU. Their scientific and technical expertise, their effective coordination with the NRLs and their alignment with EU standards are considered important assets. Interviews with stakeholders, including representatives of NCAs have consistently highlighted the crucial role of EURLs and EURCs in providing scientific and technical expertise. EURCs play a key role in developing welfare indicators, conducting training and disseminating research results. Effective cooperation between NRLs and EURLs is essential for maintaining high standards and compliance with EU rules.

It is clear from the responses to the survey that the scientific and technical support provided by EURLs and EURCs is essential and relevant in maintaining the quality and safety standards for food chain across the EU.

***Better Training for Safer Food***

BTSF training programmes are considered to be very relevant to meet the needs of national authorities and stakeholders in the areas of food safety, animal health, animal welfare and plant health. In particular, it should be mentioned that from 2021, important training sessions were organised in the virtual classrooms. The transition to virtual training allowed the programme to continue to function efficiently and achieve very high satisfaction rates among participants (between 80% and 94%).

The BTSF training overall is considered relevant by the stakeholders interviewed[595]. According to the survey results, BTSF training is widely considered highly relevant by respondents. A significant proportion (85%) confirmed that the BTSF provides training on key topics related to food safety. This underlines the alignment of BTSF training with the main concerns and requirements of food safety professionals. The geographical distribution of respondents further confirms the broad acceptance and perceived importance of training in the different countries. Nevertheless, some stakeholders expressed wish to have trainings in specific sectors such as handling certain types of products such as nuts and citrus fruits or specific types of feed.

***Sustainability of production and consumption***

The contributions of the SMP through Pillar 5 activities, such as food waste, demonstrate a strategic and evolving commitment to sustainable food systems. Reducing food waste has enormous potential for reducing the resources we use to produce the food we eat. Being more efficient will safe food for human consumption, save money and lower the environmental impact of food production and consumption.

Food has embedded environmental consequences because of the energy, natural resources use and associated emissions generated throughout its life cycle. Food consumption is the main contributor to the environmental impacts and biodiversity footprint of EU consumption. When food is discarded, all the embedded energy and resources and their environmental consequences, such as greenhouse gas emissions – that accumulate along the food chain – still materialise with no benefit for human nutrition. In the EU, over 58 million tonnes of food waste are generated

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annually (Eurostat, 2024), accounting for about 16% of the total greenhouse gas emissions from the EU food system as provided in JRC report[596].

Food waste reduction is expected to have a series of significant positive environmental impacts. The most significant environmental benefits linked to food waste prevention are the reduction of greenhouse gas emissions, land use, water use and marine eutrophication. As regards biodiversity, reducing food waste can also bring significant improvements by helping to address pressures related to land use, climate change and ecotoxicity.

Pillar 5 through SMP-funded activities seek to support both Member States and stakeholders in improving food waste measurement and implementing actions to reduce food waste, notably in the context of the Commission's legislative proposal setting food waste reduction targets to be achieved by Member States by 2030 (COM(2023) 420 final). While targets are set at the level of Member States, national authorities will need to mobilise all players in order to significantly reduce food waste; in particular, reducing food waste at consumption (the key hotspot for food waste generation) requires coordinated efforts involving multiple players from both public and private sectors. FEBA also will contribute to these objectives as its aim is to enhance the capacity of FEBA and its members to recover surplus food from the food supply chain that would otherwise be discarded and redistribute it to those in need.

Feedback[597] from members of the Advisory Group on the Sustainability of Food Systems highlighted the crucial importance of integrating sustainability into food production and security measures. This is not an emerging need, but rather a permanent priority that has been systematically addressed in the SMP activities. These efforts are in line with the European Green Deal and the Farm to Fork Strategy, which promotes environmentally friendly practices and the reduction of food waste. Beneficiaries of food waste grants also underlined the importance of EU funding to enable initiatives, such as the data collection project, to improve their operational efficiency and their capacity to address emerging challenges such as food insecurity and surplus food redistribution.

Based on the analysis, the objectives of the SMP remain highly valid and relevant to the evolving needs of the EU food chain. The significant budgetary allocations and the successful implementation of the programmes underline the continued priority of food and feed safety. The alignment with the European Green Deal and the integration of sustainability objectives into the SMP Agenda underline that the focus remains on sustainable food systems.

## 4. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 4.1 Conclusions

This evaluation made the best use of available information to evaluate the success, EU added value and relevance of the SMP Pillar 5 in the period 2021-2023.

It can be concluded that targets for the SMP Pillar 5 objectives were reached or in certain cases are in the process of being reached by 2027. However, this is supported by the indicators that mostly capture output and only allow limited conclusions on results and impacts. It has to be mentioned, that the monitoring system of the Programme has limitations (lack of indicators and qualitative data for cost-efficiency analysis). In addition, for the qualitative assessment, the fact

596 https://publications.jrc.ec.europa.eu/repository/handle/JRC129245.
597 External evaluation study report, Chapter 8 and Annex D.

that mainly stakeholders benefiting from the Programme has been interviewed shall also be taken into account.

Regarding veterinary and phytosanitary programmes, as well as for emergency measures, there are strong indications, mainly based on Member States and stakeholders feedback, that SMP funds contributed to effectively eradicate and contain animal diseases and plant pests outbreaks. However, evidence based on quantitative data is unfortunately missing to confirm the extent to which the SMP contributed to these positive results. Significant progress has been made in the control and eradication of animal diseases such as ASF, HPAI. The number of cases of Salmonella in poultry populations, bovine, ovine and caprine brucellosis and rabies had also decreased in recent years. The phasing out of funding for certain diseases such as bovine, ovine and caprine brucellosis and bovine tuberculosis allowed to shift strategic reorientation of resources towards priority diseases (e.g. ASF, HPAI). No C-BSE cases were found since 2016 and the only few cases found were of atypical form (considered as spontaneous). In addition, SMP co-financed measures in the area of plant health have helped Member States to eradicate or contain outbreaks of plant pests (e.g. *Xylella fastidiosa*, *Anoplophora glabripennis*, pinewood nematode, potato pests).

The flexibility provided for in the veterinary and phytosanitary work programmes has contributed to their effectiveness, which has made it possible to focus on urgent challenges (e.g. prioritising the co-financing of costs incurred by the MSs dealing with large amounts of outbreaks of HPAI). The reduction of co-financing by 60% showed a proactive approach through reallocation of funds in response to evolving needs. This flexibility in the work programmes was important in addressing unforeseen events, such as disease outbreaks. However, the reduction of co-financing rates has put pressure on Member States competent authorities, in particular for those facing numerous epidemics. The cost-effectiveness analysis of EU co-funded responses to HPAI and *Xylella fastidiosa* have shown that SMP co-financing still played an important role in alleviating the impact of the outbreaks on national budgets, thereby contributing to mitigating the potentially huge economic losses that these diseases could cause to farmers and businesses.

As regards animal welfare, the SMP is a major donor to the WOAH Animal Welfare Platform for Europe. The SMP co-financed the WOAH Platform's action plans, which prioritised key areas such as animal welfare during transport, slaughter and dog population management. This financial support has helped to support the implementation of WOAH international animal welfare standards in 53 countries of the European region and facilitated increase of information exchange and enforcement efforts.

The activities of the EU reference laboratories (EURLs) and EU reference centres (EURCs) have helped to promote the exchange of best practices that add value in improving the quality, coherence, harmonisation and knowledge of laboratory, animal welfare and breeding standards across the EU. These institutions are EU scientific excellence centres, contributing when it comes to pooling critical resources, expertise, and scientific knowledge. The activities of the EURLs have had a positive impact in food and feed safety, animal health and plant health areas through improvements in laboratory techniques, while the EURCs for animal welfare have contributed to knowledge and sharing of expertise and experience to implement high animal welfare standards. EU financial support under the SMP has significantly contributed to the initiatives of the EURLs and EURCs, thus strengthening the capacity of Member States and stakeholders to participate effectively in the exchange of best practices. However, areas of improvement have been identified for these EURLs and EURCs, in particular, in strengthening communication and cooperation on technical level between EURLs and improving direct impact and monitoring progress through indicators for activities of EURCs of animal welfare.

With regard to antimicrobial resistance (AMR), Member States have increasingly promoted the fight against AMR. Through the SMP, the EU has actively supported Member States in strengthening national systems for data collection and reporting on the sale and use of antimicrobials in animals and implementing coordinated control programmes to monitor antimicrobial resistance in certain food and food-producing animals. Both supported activities contribute to the harmonisation of AMR monitoring and reporting, ensuring that all Member States apply uniform methodologies for the collection and testing of AMR data. This consistency should allow the EU to efficiently collect and compare data (including through the European Medicines Agency and EFSA) to feed into EU AMR policy and take appropriate policy decisions. It should be noted that the SMP measures related to the recording of sales and use of antimicrobial veterinary medicinal products only started in 2023 and therefore effectiveness of this data collection system is too early to be assessed. Also the monitoring of the data collection system is recommended.

In order to reduce food waste and contribute to food systems' sustainability, SMP funds were made available to national competent authorities, stakeholders and the European Food Banks Federation in the form of grants. In the case of the latter, the grant has contributed to the redistribution of surplus food, by strengthening the coordination of food banks' activities and their efforts to monitor donated foods through an IT portal. This was a timely support in the context of COVID-19 pandemic and geopolitical tensions, when there was an increase in food demand across the EU. At Member States' level, the grants awarded between 2021-2023 helped Member States in their efforts to measure and monitor food waste levels at different stages of the food supply chain. This support helped refine measurement methodologies and improve data collection (e.g. through development of IT tools), often in collaboration with stakeholders. Measurement is crucial in order to understand the size of the issue and take appropriate actions. The scope of the grants for Member States was widened as of 2024, to cover food waste reduction actions and their evaluation. This will allow national competent authorities to go beyond food waste measurement and address the identified issues through concrete reduction actions. The grants to help stakeholders measure food waste and implement prevention initiatives are still in the implementation phase and the evaluation of results could be carried out as part of the final evaluation of the SMP.

The Better Training for Safer Food programme has played an important role in improving the skills of control staff in the Member States through extensive training and seminars. The centralised approach of this programme reduces training costs, avoids duplication of work and ensures that high training standards are applied in all Member States. Also, the BTSF training has proven to be an added value, especially in countries where there are few experts in specific areas and provides these professionals with a unique opportunity to meet and work together**.** The effectiveness of the BTSF initiatives in the areas of animal and plant health, food and feed safety and animal welfare was assessed on the basis of a satisfaction rate amongst the participants (89%) which was very high. In the past three years, the participants considered the programme remained effective thanks to various tools and methods such as workshops, sustained training missions, e-learning, and improved dissemination possibilities using the multilingual training material within the BTSF Academy. BTSF initiatives have improved inspection protocols and compliance with food safety standards, with 71.1% of respondents acknowledging their contribution to the harmonisation of control systems across the EU. It should be noted that the BTSF recorded a significant decrease in unit costs per training and per participant in 2021-2023, mainly due to the transition to virtual formats. Financial management and operational efficiency were generally in line with expectations, with a high rate of timely payments and efficient use of the budget. The main up-to-date indicators, i.e. the payment deadline and the award period, show that the procedure for awarding grants under HaDEA is

functioning effectively. Nevertheless, it is considered that the deadline for signing grant agreements was relatively long.

The integration of the eGrant institutional IT tool into the SMP Food programme is a step towards an increased digital transformation and efficiency. While the transition to digital process of grant management is considered useful, concerns remain about the limited applicability of the eGrants to the Identified Beneficiaries actions (i.e. to Member States), resulting in an administrative burden for applicants. The programme management has made significant efforts towards simplification, including the acceptance of unit costs, lump sums and multi-annual grant agreements. The transition to unit costs and lump sums aims to reduce the administrative burden, streamline payment procedures and minimise error rates. These measures promote an efficient allocation of resources by reducing the need for *ex post* controls and by focusing on *ex ante* cost estimates. However, concerns were raised about the appropriateness of EU funding to cover essential costs (e.g. travel costs not fully covered, the allocations for activities are static despite rising living costs).

The Single Market Programme has shown a high degree of internal and external coherence. Objectives, targets and contributions are well aligned and are in line with the objectives of food safety, animal welfare, animal health and plant health. The strategic framework clearly aligns the targeted actions with the overall objectives of the Single Market Programme. EU spending under Pillar 5 of the Single Market Programme is well aligned with the overall EU policy priorities, including European Green Deal and the Farm to Fork Strategy. An example of this are the actions on reducing food waste.

In 2021-2023, DG SANTE attached great importance to the development of information management systems and databases, in particular the Information Management System for Official Controls (IMSOC). The integration of IT platforms highlights the continued need for robust systems supporting implementation efforts. Nevertheless, issues were noted to improve IT functionality between policy areas, in particular between DG SANTE and DG AGRI, in order to better address common issues affecting both directorates (e.g. IT systems in plant health, food safety which currently show fragmented approaches)**.**

SMP Pillar 5 objectives remain highly relevant to the evolving needs of the food chain in the EU. These objectives cover important issues and activities such as emerging diseases, antimicrobial resistance, food safety, animal welfare, and sustainable practices. The focus on improving surveillance systems, early detection and preparedness was a strategic priority to mitigate the impact of epidemics through timely interventions and robust surveillance systems. The activities aimed at strengthened laboratory controls and increased harmonisation of official controls demonstrate the commitment to maintain high food safety and animal health standards through disease detection and management. Supporting sustainable food production and reducing antimicrobial resistance is in line with the broader EU policy on sustainability and public health.

The basic thematic needs identified during the adoption of the Single Market Programme remain relevant, in particular in areas such as food and feed safety, sustainable food systems and the promotion of EU food safety standards. The main objective of the Single Market Programme was to strengthen the single market by ensuring the free movement of goods, services, capital and people, while supporting businesses. Measures promoting this included preventing, detecting and eradicating animal diseases and plant pests, improving animal health and welfare, and promoting sustainable food production and consumption.

The SMP remains, as demonstrated by stakeholder feedback, crucial in many areas, and aligned with the European Green Deal and the Farm to Fork Strategy. The strategic focus of the Single Market Programme on sustainability, food safety and public health remains relevant, with initiatives addressing new challenges such as fostering the green and digital transitions.

### 4.2 Lessons learned

Overall, the evaluation points to positive results for Pillar 5 in 2021-2023. Nevertheless, challenges and lessons learned remain to further improve activities.

At this interim evaluation stage, the analysis is supported by the indicators that mostly capture outputs and in limited cases refers to results and impacts. The monitoring framework has limitations, for example, lack of impact indicators and limited data for cost-efficiency analysis. It is difficult to evaluate results and impacts for certain actions since these have started recently and are still ongoing (e.g. food waste, AMR). The situation will improve towards the end of 2027 as many ongoing actions will be fully implemented by that time. Nevertheless, there is scope to further improve the monitoring framework of the programme by setting up relevant indicators to better assess the effectiveness and efficiency of the programme.

SMP funds contributed to effectively eradicate and contain animal diseases and plant pests outbreaks. Nevertheless, big number of animal disease outbreaks such as ASF, HPAI have shown weakness of the programme to adequately co-fund eradication measures. As a result of large-scale outbreaks and limited budget the co-funding rates had to be reduced by 60%. In order to improve the flexible financing mechanisms for possible resurgences or new strains of animal diseases and new plant pests, actual access to an emergency reserve fund could be introduced. This would allow Member States to have access to immediate financial support where necessary and to support more effective monitoring, eradication or containment of animal diseases and plant pests, without needing to reduce drastically the co-financing rates.

The eGrant IT tool within the SMP Food programme is considered a step towards an increased digital transformation and efficiency. Nevertheless, during interviews and surveys the stakeholders using eGrant tool expressed views that tool for direct grant beneficiaries (e.g. Member States authorities) is burdensome. Therefore, measures may be considered improving the eGrant system to be user-friendly, less burdensome and better suited to non-competitive grants.

Overall, the communication and knowledge sharing between different stakeholders is satisfactory, nevertheless, it can be further improved. In particular, improvements can be implemented in the area of EURLs by strengthening cooperation on technical level between EURLs (e.g. new laboratory methods). The Better Training for Safer Food programme played an important role in improving the skills of control staff in the Member States through extensive training and seminars. In the period 2021-2023 the BTSF recorded a significant decrease in unit costs per training and per participant, mainly due to the transition to virtual formats without negative impacts on training quality. This experience could be further explored by introducing such tools for meetings, workshops, missions in other domains of SMP.

Improving digital tools and advanced infrastructure is important to effectively implement priorities set by SMP. It is envisaged to continue further integration of IT platforms which supports SMP implementation efforts and could improve data efficiency and availability in order to make informed decisions and analysis.

The above-mentioned challenges will be further addressed in the short to medium term and the next MFF (expected by the end of 2027).

## Synopsis of consultation activities

The pillar 5 consisted of targeted interviews and survey programmes.

## Interview programme feedback to Pillar 5

### National Competent Authorities (NCAs)

*Effectiveness*

The Single Market Programme (SMP) grants have been implemented with varying degrees of effectiveness across different National Competent Authorities (NCAs). One NCA highlighted its focus on data collection related to antimicrobials and the implementation of veterinary regulations as a key achievement. SMP funding enabled the hiring of additional staff, which was crucial for meeting the requirements of the new veterinary medicines regulation. This level of EU support was seen as indispensable for achieving the programme's objectives.

Another NCA underscored the effectiveness of SMP funding in enhancing animal health programmes, which are directly linked to EU legislation. The grants facilitated the implementation of monitoring and surveillance systems essential for maintaining disease-free status in animal populations. A third NCA reported successful outcomes in its Phytosanitary Programme, including early detection and control of pest outbreaks, establishment of a specialised team for plant health surveys, and comprehensive awareness campaigns involving growers and stakeholders. The programme's success was evidenced by effective management of outbreaks and containment measures, as well as the development of contingency plans and training programmes.

*Efficiency*

Efficiency issues were raised across various NCAs, primarily concerning the administrative burden and the use of the eGrants IT tool. One NCA experienced significant challenges during the grant preparation phase, constrained by tight timelines and vacation periods, which made communication and feedback collection difficult. The eGrants system was described as not user-friendly, leading to delays and requiring multiple revisions of submitted reports. This lack of an intuitive interface was a recurring problem noted across different NCAs, where the need for better training and support from HaDEA was highlighted.

In another instance, the administrative procedures were seen as overly complex, with a strong recommendation for consolidating reporting systems to reduce redundancy and improve accuracy. Another NCA echoed similar sentiments, suggesting that integrating database systems could help eliminate the manual entry of information, thus reducing errors and administrative workload. The inefficiencies in reporting and data management were identified as areas needing improvement to streamline operations and make better use of resources.

*Coherence*

The coherence of the SMP activities with national and EU priorities was generally well aligned. One NCA noted that its work on antimicrobial resistance fit both national and EU priorities, indicating strong coherence in policy objectives. Another NCA recognised the alignment of SMP co-financing with national priorities in animal health, emphasising that this coherence is

essential for maintaining disease control standards across the EU. A third NCA highlighted how the SMP-supported Phytosanitary Programme aligns with national priorities for early pest detection and management despite facing challenges due to last-minute changes in guidelines and requirements by HaDEA.

*EU added value*

The added value of EU funding was a common theme among the NCAs. In one instance, the absence of national funding options for implementing veterinary regulations underscored the critical role of EU support. The SMP funding allowed for the establishment of necessary positions and infrastructure, which would have been challenging to accomplish independently. Another NCA justified EU-level intervention by the need for coordinated disease management across member states, essential for preventing cross-border disease transmission.

Another NCA highlighted that EU funding was crucial for ensuring comprehensive pest control measures that benefit not just individual countries but the EU as a whole, given the transboundary nature of pest and disease threats. A similar perspective was shared by yet another NCA, emphasising that without EU co-financing, national approaches would vary significantly, leading to inconsistency in disease management practices across member states. The EU's role in providing a harmonised framework for addressing pan-European challenges was seen as a significant benefit of SMP funding.

*Relevance*

The relevance of SMP activities was widely recognised, particularly in supporting national priorities and addressing cross-border challenges. One NCA stressed that SMP funding was vital for enhancing the country's capacity to regulate veterinary medicines and manage antimicrobial resistance, aligning with both EU and national health priorities. Another NCA's emphasis on the importance of co-financing for animal health programmes highlighted the relevance of SMP in safeguarding public and animal health across the EU.

Further relevance was illustrated by an NCA involved in plant health initiatives. The programme's focus on early pest detection, surveillance, and contingency planning was considered highly relevant to maintaining agricultural productivity and protecting biodiversity. Another NCA's participation in the SMP for veterinary health and antimicrobial resistance management also aligned with both national and EU health objectives, underscoring the programme's strategic importance.

**National Competent Authorities in charge of food waste prevention from a sample of Member States, Members of the Advisory Group on Sustainability of Food Systems (AGSFS, COPA-COGECA, UECBV, etc.), European Food Banks Federation (FEBA), International organisations**

*Effectiveness*

Food waste prevention initiatives undertaken by various National Competent Authorities (NCAs) have shown substantial effectiveness, particularly those supported by the Single Market Programme (SMP). The FEBA grant supported initiative centred on food donation and food bank activities, which came in very timely to help respond to crises such as the COVID-19 pandemic and the conflict in Ukraine. These initiatives demonstrated their ability to rapidly scale operations, redistribute surplus food efficiently, and support vulnerable populations.

*Efficiency*

Data collection initiatives have also improved operational efficiency by enabling better monitoring of food waste patterns and infrastructure needs. For instance, an online platform used by food banks across Europe helps track food donations, warehouse capacities, and other key metrics, allowing for more informed decision-making and resource allocation. These tools facilitate transparency and continuous improvement, ensuring that resources are used optimally to reduce food waste and enhance food security. In the case of Member States, the grants supported data collection at specific stages of the food supply chain, providing a clearer picture of food waste levels and in some cases, their causes.

*Coherence*

Coherence between national food waste reduction efforts and EU policies is reinforced through active participation in EU platforms and adherence to EU legislative requirements. Projects supported by SMP funding have aligned their objectives with EU sustainability goals, such as the Farm to Fork strategy and the Sustainable Development Goals (SDGs). This alignment has fostered consistent approaches to food waste prevention across member states, promoting a unified response to shared challenges.

Engagement with EU Platforms on Food Losses and Food Waste has also facilitated the exchange of best practices and policy updates, ensuring that national programmes remain aligned with evolving EU priorities. Direct collaboration with EU institutions has enabled these projects to access funding opportunities, stay informed about policy developments, and influence EU-level discussions on food waste prevention.

*EU added value*

The relevance of these initiatives is underscored by their flexibility to adapt to current and emerging challenges in food waste prevention. The projects align with global sustainability goals, such as reducing food waste at consumption level by 50% as outlined in SDG 12.3, and reflect EU priorities like the Green Deal. By addressing both food safety and food waste reduction, these programmes contribute to a balanced approach that supports sustainable consumption without compromising health standards.

The grants supported food donation activities both at EU and national levels, which have proven particularly relevant in times of crisis, offering critical support to vulnerable populations affected by economic disruptions. The ability to quickly adapt operations to changing circumstances, such as the influx of refugees or shifts in food supply due to the pandemic, underscores the ongoing relevance and importance of these initiatives in maintaining food security and supporting social sustainability.

*Relevance*

The added value of EU funding through the SMP is evident in the expanded scope and scale of food waste prevention initiatives. EU support has enabled national competent authorities and stakeholders to conduct data collection, implement innovative food recovery models, and enhance their outreach efforts. Without this funding, many activities, such as regular household food waste surveys and educational campaigns, would have been conducted on a smaller scale or not at all.

EU funding has also facilitated the harmonisation of food waste measurement methodologies, enhancing the comparability of data across member states. This standardisation supports more effective monitoring and evaluation of food waste reduction targets, a legislative proposal which is currently negotiated in trilogues.

**Contact points from RASFF, AAC, ADIS, EUROPHYT, and TRACES networks involved in the use of databases and IT systems such as IMSOC**

*Effectiveness*

The use of the Rapid Alert System for Food and Feed (RASFF), the Administrative Assistance and Cooperation System (AAC), and other related IT systems such as TRACES and IMSOC have significantly enhanced the effectiveness of food and feed safety monitoring across various member states. These systems enable real-time sharing of critical information about non-compliance and potential risks, which has been crucial in preventing large-scale food safety incidents. Examples include managing crises like the Fipronil egg scandal and ethylene oxide contamination, where swift information exchange helped contain these issues before they escalated into widespread problems.

Moreover, specialised networks for food fraud, plant health, and animal health have been established, adapting the systems to emerging threats. The integration of these networks facilitates immediate response and coordination among member states, thus improving the prevention and control of food safety risks. For instance, the ability to quickly share information about rejected consignments through TRACES has been particularly effective in preventing non-compliant products from entering the market via alternative routes.

*Efficiency*

Efforts to improve the efficiency of these IT systems have included the development of automated data catalogues and advanced data analysis tools such as ClickSense and ClickView, which streamline data processing and enhance the clarity of information presented to stakeholders. These tools allow for efficient data analysis, reducing the time needed to detect and respond to potential food safety risks.

Despite these advancements, challenges remain. Technical system failures and inconsistent use of these platforms across different authorities have been identified as significant obstacles. Issues such as downtime and system malfunctions disrupt the smooth functioning of these networks. Member states have called for more consistent technical support and clearer operational guidelines from the European Commission to enhance system reliability and user compliance.

*Coherence*

The coherence of food and feed safety measures across the EU has been significantly bolstered by these IT systems. The legal frameworks, standard operating procedures, and shared guidelines developed collaboratively by member states and the European Commission ensure harmonised approaches to food and feed safety. This harmonisation is vital for the functionality of the single market, as it ensures that safety measures are uniformly applied across all member states, thereby maintaining consistent standards.

However, there is still room for improvement. For example, better integration between various directorates within the European Commission, such as DG SANTE and DG AGRI, could enhance coherence. The differences in IT systems used for specific sectors, such as plant health versus food safety, sometimes result in fragmented approaches. Calls for greater integration and communication between these systems suggest a need for more unified oversight and cross-sector collaboration.

*EU added value*

The primary added value of these IT systems lies in their ability to provide a harmonised approach to food and feed safety that would be challenging to achieve with national systems alone. The capability for immediate action across all 27 EU member states upon detection of non-compliance ensures a robust defence against food safety risks. The systems also offer legal security for businesses operating across different member states by ensuring they adhere to the same regulatory standards.

This harmonised approach not only helps in managing food and feed safety risks more effectively but also supports the functioning of the single market by facilitating consistent enforcement of food safety regulations. The inclusion of third countries in the RASFF window further extends the benefits of this system, promoting a global standard for food safety that aligns with EU regulations.

*Relevance*

The relevance of these systems is underscored by their adaptability to evolving threats in food safety, plant health, and animal health. The use of systems like TRACES, which have expanded to include electronic certification and better monitoring of consignments, demonstrates a proactive approach to meeting new challenges. These systems not only align with the objectives of the Single Market Programme but also enhance the ability of member states to respond effectively to emerging threats.

Furthermore, the transition to digital processes, such as the use of digital phytosanitary certificates in TRACES, has increased efficiency and reduced the potential for fraud, demonstrating the ongoing relevance of these systems in modern regulatory environments. The collaborative aspect of these platforms fosters better communication and cooperation among member states, making them crucial tools for maintaining high standards of food and feed safety across the EU.

**EU Reference Centres (EURCs)**

*Effectiveness*

The EU Reference Centres (EURCs) for Animal Welfare have demonstrated substantial effectiveness in enhancing animal welfare standards across various categories, including pigs, ruminants, and equines. By conducting training sessions, workshops, webinars, and disseminating scientific information, the EURCs have bridged the gap between varying levels of expertise and experience among EU member states. These initiatives have ensured a better understanding and enforcement of animal welfare legislation, evidenced by the high participation rates in training programmes and annual meetings. Moreover, the increasing visits to the EURCs' websites and the widespread use of training materials highlight the valuable role these centres play in supporting member states. The diverse communication strategies, such as podcasts and local-language workshops, further bolster their effectiveness by making the information accessible and relevant to inspectors and other stakeholders.

In addition to training and communication, the EURCs' involvement in scientific research and the continuous updating of welfare practices based on emerging scientific findings also contribute to their effectiveness. These activities ensure that animal welfare standards are not only maintained but are progressively enhanced to meet new challenges.

*Efficiency*

The EURCs operate efficiently by leveraging the unique strengths and expertise of their member

organisations. For instance, the centres have effectively divided responsibilities based on institutional strengths–such as training, scientific research, and policy guidance. Despite the overlap in expertise among participating institutions, this division of labour ensures that each centre can focus on its core competencies, optimising resource use and reducing duplication of efforts.

However, efficiency is hampered by significant administrative burdens. The transition to new administrative systems (e.g. HaDEA) and the use of unit cost rules have introduced complexities that delay processes and increase workload. The need for contract amendments and rigid reporting requirements further strain resources. While improvements have been made, such as better alignment with grant frequencies, these administrative challenges highlight areas where efficiency could be further enhanced.

*Coherence*

Coherence is a strong feature of the EURCs' work, facilitated by structured coordination and communication mechanisms. Regular meetings with DG SANTE and internal communication among the centres ensure alignment of objectives and actions. The presence of designated scientific officers and frequent exchanges with DG SANTE have helped maintain a clear and coordinated approach, which is crucial given the complex regulatory environment in which the centres operate.

The EURCs also maintain coherence by standardising methodologies and practices across member states. For example, studies on animal consciousness after stunning and other welfare indicators are conducted consistently across different countries, ensuring comparable and reliable data. The centres' efforts to translate materials into multiple languages and tailor them to regional contexts further support coherence in applying welfare standards across diverse EU member states.

*EU added value*

The EURCs' contributions under the Single Market Programme (SMP) have significantly enhanced national standards for animal welfare by fostering collaboration, sharing expertise, and standardising practices across the EU. This collaborative framework has enabled member states to achieve improvements in animal welfare that would be challenging to attain independently. The EURCs play a crucial role in disseminating best practices, providing technical support, and conducting scientific research, all of which strengthen the capacity of member states to implement and enforce welfare standards.

The added value of the EURCs is particularly evident in their responsiveness to new welfare challenges and legislative updates. By staying at the forefront of scientific research and policy development, the EURCs ensure that member states are well-equipped to handle emerging issues, thereby enhancing the overall welfare landscape within the EU. This proactive approach not only supports the current needs of the member states but also anticipates future challenges, ensuring sustained progress in animal welfare.

*Relevance*

The activities of the EURCs are closely aligned with the current priorities in animal welfare at both the national and EU levels, ensuring their continued relevance. By focusing on key areas such as the welfare of pigs, ruminants, and equines, the EURCs support the EU's broader objectives of safeguarding animal health and welfare. This alignment is crucial for promoting sustainable and ethical animal production practices, which are increasingly demanded by both

policymakers and the public.

The EURCs' capacity to adapt their initiatives to address emerging welfare issues further underscores their relevance. By tailoring their training programmes and scientific research to the specific needs of different farming systems and regional contexts, the EURCs effectively respond to the diverse challenges faced by member states. This adaptability ensures that the EURCs remain a critical component in the EU's strategy to enhance animal welfare, making their work not only relevant but essential to achieving long-term welfare goals.

**National Reference Laboratories (NRL)**

*Effectiveness*

The effectiveness of the National Reference Laboratories (NRLs) in collaboration with European Union Reference Laboratories (EURLs) is evident across multiple domains. In most countries, such as Cyprus, Denmark, and Austria, the NRLs actively participate in proficiency tests, engage in training sessions, and adhere to strict guidelines provided by the EURLs. These efforts ensure that the NRLs are equipped to handle critical situations, such as disease outbreaks and compliance with food safety standards. The hands-on training and continuous communication channels keep NRLs prepared and responsive, leading to successful management of public health threats.

In larger member states like Germany, where multiple NRLs operate, the role of EURLs becomes even more critical in coordinating efforts and ensuring consistency. While some challenges remain, such as the need for additional EURLs for specific diseases, the overall system is effective. The collective expertise and support provided by EURLs help NRLs achieve high standards in diagnostics and analysis, significantly contributing to the effectiveness of the European Union's health and safety framework.

*Efficiency*

Efficiency within NRLs is primarily achieved through streamlined communication with EURLs and other national laboratories. Countries like Cyprus and Denmark maintain efficient operations by relying on regular email exchanges, annual workshops, and established communication networks that include both formal meetings and informal, direct interactions. These mechanisms allow for rapid information dissemination and quick responses to emergencies, ensuring that the NRLs can maintain high operational standards even under pressure.

However, a common issue across several NRLs is the challenge of staffing shortages. While the budget often supports necessary equipment and operational needs, the lack of sufficient personnel requires NRLs to adopt flexible staffing solutions. By reallocating and retraining staff as necessary, NRLs manage to address crises effectively. For instance, in Denmark, the rotation of personnel and clear contingency planning have proven effective in maintaining readiness and managing workloads efficiently.

*Coherence*

Coherence among NRLs and with EURLs is achieved through strict adherence to standardised guidelines and effective coordination mechanisms. In member states with multiple NRLs, such as Germany and Denmark, regular joint meetings and workshops ensure that laboratories operate under a consistent set of standards, reducing variability and enhancing the overall quality of laboratory practices. This coordinated approach is critical for maintaining high standards

across various fields, from animal health to food safety.

In smaller countries, like Cyprus, the integration between different laboratory sectors, such as the State General Laboratory and the NRLs, ensures that there is a unified approach to handling public health issues. This coherence is maintained through regular joint training, proficiency tests, and clear communication pathways. The effective collaboration between different laboratory entities within a country ensures that health measures are consistently applied, contributing to the overall public health goals of the EU.

*EU added value*

The collaboration under the Single Market Programme (SMP) significantly enhances the value provided by EU standardisation and harmonisation efforts. The SMP's emphasis on aligning national standards with EU directives ensures that all member states follow uniform procedures in areas such as food safety, animal health, and plant health. This uniformity supports sustainable food production, facilitates trade within the EU, and ensures consistent consumer safety standards.

NRLs benefit from the resource-sharing and knowledge exchange facilitated by the SMP. For example, the integration of advanced technologies and training opportunities provided under the SMP framework allows NRLs to improve their practices and capabilities beyond what would be achievable at the national level alone. This collective approach helps NRLs address complex health threats effectively and contributes to the EU's overarching public health goals.

*Relevance*

The relevance of NRLs is closely aligned with the current priorities of both national governments and the EU, particularly in areas of food safety, animal health, and plant health. NRLs ensure that their operations are up-to-date and effective by adhering to the latest guidelines and participating in proficiency tests organised by EURLs. This relevance is further reinforced through the dissemination of research findings and regulatory updates to competent authorities, ensuring that the insights from NRLs are effectively utilised.

NRLs play a crucial role in implementing health and safety measures by maintaining close cooperation with national authorities. This partnership guarantees that relevant data and research findings are communicated effectively, supporting the implementation of policies that protect public health and ensure consumer confidence. The relevance of NRLs is thus cemented through their ongoing efforts to align with both national and EU-level priorities, making them indispensable in the EU's health and safety landscape.

**BTSF (contractors, participants, survey follow-up)**

*Effectiveness*

The BTSF training programmes are recognised as effective tools for enhancing participants' understanding of EU regulations and best practices, particularly in specialised areas such as border control points (BCPs), animal byproducts, and plant health. Participants from various countries highlighted that these programmes effectively maintain a high level of consumer protection and promote a harmonised approach to food safety across the EU. The use of diverse training formats, including in-person workshops and e-learning modules, allows participants to choose the most suitable format for their needs, although face-to-face interactions are generally preferred for deeper engagement and knowledge exchange. Tools such as the BTSF Library provide valuable resources, although discrepancies between pre-training materials and actual

presentations have been noted, indicating room for improvement in consistency.

Participants have successfully applied the knowledge gained from BTSF training in their daily work, leading to improved regulatory compliance and operational efficiency. Examples include better handling of specific regulations such as those concerning animal health, food hygiene, and plant protection. The training has also facilitated greater confidence among officials in making regulatory decisions and implementing safety measures. However, areas needing more focused training content were identified, such as specific feed regulations and the handling of certain imported goods.

*Efficiency*

The planning and execution of BTSF training programmes are generally efficient, utilising available resources effectively. Expert facilitators and comprehensive training materials are highly regarded. However, challenges related to budget constraints and administrative complexity have been noted, particularly post-COVID, when increased costs and limited budgets impacted the ability to maintain training standards. The feedback mechanism through post-training surveys and periodic meetings helps monitor and improve training efficiency, although there is a call for better follow-up and ongoing support, such as questions and answers sessions, to enhance the retention and application of knowledge.

Participants from non-EU countries, highlighted the effectiveness of face-to-face training compared to e-learning, emphasising the importance of direct interaction and networking for knowledge dissemination. The complexity of managing BTSF administrative tasks and the lack of sufficient slots for training due to budget limitations have been raised as concerns affecting the overall efficiency of the programme.

*Coherence*

BTSF training promotes coherence by standardising knowledge and practices across member states, aligning them with EU regulations. This harmonisation is achieved through well-structured training programmes that bring together officials from different countries, fostering a unified approach to food safety and control systems. The interaction among participants during training sessions facilitates the exchange of best practices and lessons learned, contributing to a more uniform application of EU laws.

While BTSF training complements national and regional programmes, it stands out due to its specific focus on EU regulations and its capacity to bring together a diverse group of participants from various member states and beyond. Contractors managing the training ensure that content is tailored to meet the diverse needs of participants while maintaining alignment with EU directives. However, the effectiveness of knowledge dissemination post-training varies, with some countries facing challenges in internal communication and training application due to organisational limitations.

*EU added value*

The involvement of the EU in BTSF training is crucial in ensuring consistent food safety standards across member states, contributing significantly to the harmonisation of practices related to food safety, animal health, and plant protection. The EU's role in organising and funding these training programmes helps achieve objectives that individual member states might struggle to accomplish independently. Participants benefit from access to a network of experts, high-quality training materials, and the opportunity to engage with peers from other countries, which enhances their understanding and application of EU regulations.

The BTSF training also supports fair trade practices by equipping officials with the knowledge needed to implement and enforce regulations uniformly, thereby facilitating trade both within the EU and with third countries. The programmes' added value is evident in the increased competence and confidence of participants in handling complex regulatory issues, as well as in the establishment of long-lasting professional networks that continue to provide support and information exchange beyond the training sessions.

*Relevance*

The BTSF training programmes are highly relevant to the needs of participants, particularly in areas where specific EU regulations and standards apply. The focus on EU laws and harmonised control systems ensures that the training is directly applicable to the participants' daily responsibilities. However, some areas for improvement were noted, such as the need for more specialised content tailored to specific roles or sectors, like feed management at BCPs or handling particular types of imports.

Participants appreciate the flexibility of training formats and the comprehensive coverage of topics, although more effort could be made to update and expand content to reflect emerging issues and new regulations. The relevance of training materials is also enhanced by the incorporation of practical exercises and real-world examples, which help bridge the gap between theoretical knowledge and practical application.

**EU Reference Laboratories (EURLs) survey follow-up**

Challenges with Administrative Processes

A recurring theme in the experiences shared by various European Union Reference Laboratories (EURLs) is the complexity and inefficiency of administrative processes, particularly following the shift of responsibilities to HaDEA (European Health and Digital Executive Agency). This transition from DG SANTE to HaDEA has introduced significant administrative burdens, with unclear and inconsistent reporting deadlines, making it difficult for EURLs to plan and execute their work effectively. The introduction of an online tool for managing reports and budgets was initially problematic, with users facing unreliable support and vague responses from HaDEA, often leading to delays in communication and action.

The rigidity of the administrative structure, especially concerning financial reporting, has not accommodated the long-term nature of EURL activities, which rely on continuous collaboration and evolving requirements. This has caused frustration among EURLs, who now face increased workloads to meet administrative demands rather than focusing solely on their technical and scientific responsibilities.

Funding and Financial Constraints

Financial management and the sufficiency of grants are major concerns highlighted in the follow-up survey. EURLs have noted a significant rise in costs, particularly in staffing and equipment, since 2019. Inflation has outpaced the allocated budgets, causing strains on financial resources. The lump-sum grant model, while streamlined, is dependent on evidence of completed work, leading to further complications when projects span multiple years and costs vary unpredictably.

Additionally, new travel unit cost rules have introduced further complications. The unit cost approach, designed to simplify calculations, often results in inadequate coverage for travel expenses, especially for participants travelling from remote locations or less economically

robust regions. These rules have occasionally led to reduced participation in essential workshops and training sessions, limiting the capacity of EURLs to engage comprehensively with their networks.

Technical and Operational Concerns

Despite the administrative and financial challenges, technical collaboration between EURLs and the European Commission is noted to be effective, with quick responses and clear communication from technical staff. However, the transition to HaDEA for administrative tasks has not mirrored this efficiency, indicating a disconnect between the technical and administrative sides of EURL operations.

Moreover, the suggestion to develop performance indicators for EURLs has raised concerns about the appropriateness and applicability of such measures. Given the diversity of tasks and challenges across different EURLs, standardised indicators may not accurately reflect the complexities of their work. For example, a single method developed for controlling multiple substances across various matrices cannot be equated to a method for a single substance, illustrating the difficulty in using uniform metrics to evaluate performance effectively.

Flexibility and Adaptability Needs

A significant concern for EURLs is the need for flexibility in their work programmes to address emerging issues and ad hoc requests from the European Commission or EFSA. The current structure often limits the ability of EURLs to quickly adapt and respond to urgent matters such as food safety crises or new health threats. Incorporating more flexibility in budget allocations and work planning would allow EURLs to better fulfil their roles as reference labs, providing essential scientific advice and support without being hindered by rigid administrative constraints.

Importance of Training and Data Sharing

The need for increased training programmes and enhanced data sharing capabilities is highlighted as essential for EURLs to remain effective. With the growing complexity of issues such as pesticide residues and the presence of multiple analytes, structured and accessible data repositories are critical. Expanding research into new food safety technologies and improving data sharing mechanisms will help EURLs stay ahead of emerging food safety challenges, ensuring that laboratories across Europe can collaborate effectively.

**Member State authorities (overseeing Xylella fastidiosa and HPAI financing)**

**Interviews regarding HPAI management**

Multiple member states have implemented measures to manage and control HPAI, with co-funding support from the Single Market Programme (SMP). These measures include surveillance of wild birds and domestic poultry, testing (such as polymerase chain reaction tests for H5 and H7 strains), and emergency measures during outbreaks, including culling, compensation for animal owners, and disinfection procedures. For instance, one member state reported that between 2021 and 2023, EU co-funding covered 75% of costs in earlier years, but this dropped to 30% in 2023. The reduction in co-funding has led to increased reliance on national budgets and has raised concerns about the sustainability of these critical surveillance and control measures.

The decrease in co-financing rates has pressured national budgets significantly. Some authorities expressed that without EU support, managing HPAI would become financially unsustainable, potentially compromising the effectiveness of their response efforts. Although these countries have national funds to support emergency measures, the reduced EU co-financing has meant that additional funds had to be sourced domestically to maintain current levels of surveillance and control. Authorities emphasised the importance of timely EU financial support, highlighting delays in receiving funds as a critical issue affecting planning and resource allocation.

EU co-financing is seen as vital for enabling member states to carry out mandatory surveillance and control programmes effectively. However, the procedural complexity and administrative burden associated with accessing these funds have been problematic. Officials noted the inefficiencies in using the Funding and Tender Portal and other reporting platforms, which are not user-friendly and require significant administrative effort. Despite these challenges, EU funding remains crucial, especially for emergency preparedness and response. The financial backing from the EU provides legitimacy and additional authority for enforcing stringent biosecurity measures and justifying culling actions during outbreaks.

Some member states highlighted the need for enhanced biosecurity measures and targeted vaccination trials to better manage HPAI outbreaks. The integration of vaccination programmes as a preventive measure was noted, with one member state being the first to implement vaccination against HPAI. There were also calls for more flexible financial mechanisms to accommodate the varying costs and requirements associated with emergency responses, including compensation for lost production and additional containment measures. Authorities suggested that earlier disbursement of EU funds would improve response times and planning efficacy.

**Interviews regarding Xylella fastidiosa management**

Several member states have been actively engaged in managing Xylella fastidiosa through measures co-funded by the SMP. These include regular surveillance, sampling, laboratory testing, and the removal and destruction of infected plants. EU funding plays a critical role in supporting these activities, particularly in pest-free areas and during outbreaks. For example, co-funding rates for Xylella-related activities ranged from 50% in earlier years to 80% in more recent years. This co-financing has enabled national authorities to maintain rigorous monitoring and swift response capabilities.

EU support has been instrumental in enhancing the ability of member states to manage Xylella outbreaks effectively. The financial assistance has facilitated early detection and rapid response, which are crucial for containing the spread of the disease. Without this support, national authorities would face significant financial and logistical challenges, potentially delaying response actions and allowing the pest to spread more widely. However, member states highlighted the need for additional resources, such as funding to support local authorities and professional operators in managing outbreaks on private property.

Authorities have pointed out that despite the substantial support provided by the EU, there are still unmet needs, particularly regarding non-co-financeable activities like vehicle rentals for surveillance and the costs of compliance monitoring at ports and airports. Member states also face challenges in updating cost estimates for certain activities to reflect current market prices accurately. The ongoing need for modernised equipment and resources to improve biosecurity and containment measures is evident. Moreover, some authorities are exploring ways to share

the financial burden more equitably among various stakeholders, including local governments and private sector operator

**Other DGs/agencies and EU institutions such as SANTE, HaDEA**

Xylella fastidiosa Management

The management of Xylella fastidiosa, a serious plant pathogen affecting crops like olive and almond trees, is supported by the Single Market Programme (SMP) through two primary funding mechanisms: emergency measures and phytosanitary programmes. Emergency measures are intended for the initial outbreak year, covering costs such as personnel, equipment rental, sampling, laboratory analysis, and the removal of infected plants. Phytosanitary programmes, which apply to ongoing outbreaks, include similar activities and emphasise early detection and routine surveillance in pest-free areas.

EU co-financing is essential for managing Xylella outbreaks effectively, especially in countries heavily impacted, such as Spain, France, Italy, and Portugal. These countries rely on EU support to implement comprehensive surveillance and eradication measures. Co-funding covers significant portions of the expenses, which include compensation for farmers whose valuable crops are destroyed. Without this financial assistance, member states might reduce the intensity and frequency of their surveys, potentially delaying the detection of new outbreaks and hampering efforts to contain the spread of Xylella.

Despite the availability of EU co-financing, the reduction in funding rates – from 50-75% to as low as 20-30% – has created financial challenges for member states. These reductions have led to increased national expenditures and have strained the ability of authorities to maintain robust surveillance and response capabilities. There is also a need for better coordination between SMP funding and other EU programmes to support long-term solutions, such as transitioning to resistant crops. Additionally, timely and flexible financial support is necessary to manage outbreaks efficiently and prevent the spread of Xylella.

HPAI Management

For HPAI, the SMP co-funds emergency measures, such as culling, disinfection, and carcass disposal, as well as ongoing veterinary programmes focusing on surveillance of both wild and domestic birds. These measures are designed to detect and respond quickly to outbreaks, ensuring that the spread of HPAI is contained. The funding typically involves a co-financing approach, where member states cover a portion of the costs, supplemented by EU contributions.

EU co-financing plays a critical role in enabling member states to fulfil mandatory surveillance and emergency response obligations. Without this support, the financial burden on national budgets would be significantly higher, making it challenging to sustain comprehensive disease control measures. EU funding also provides credibility and authority to enforce biosecurity measures, which is vital for compliance from the farming community and other stakeholders.

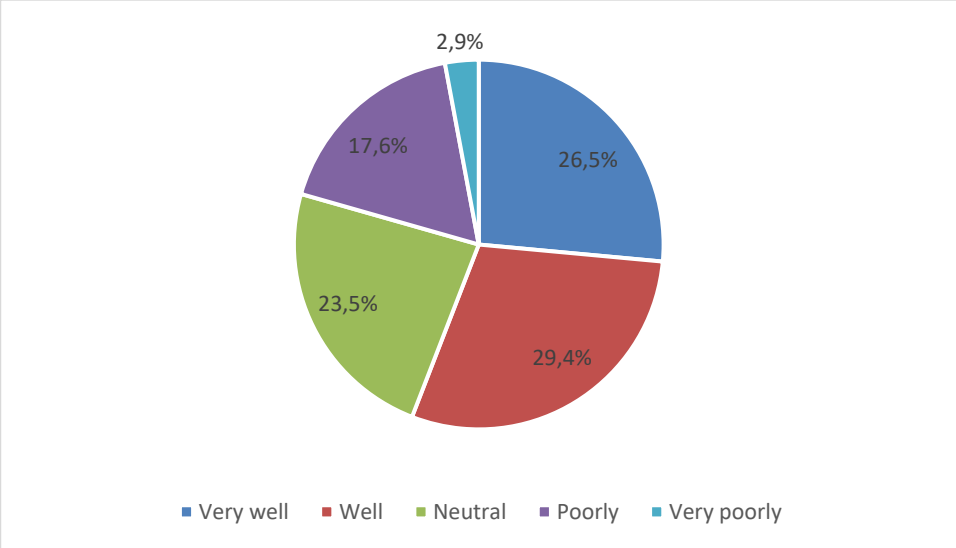
Similar to Xylella, the reduction in co-funding rates for HPAI from around 75% to as low as 30% has forced member states to allocate more national funds to cover essential disease management activities. While most member states have managed to find alternative budgetary solutions, the financial strain is evident, particularly in areas with high poultry density and frequent HPAI outbreaks. Despite these challenges, the commitment to maintaining rigorous disease control measures remains strong, underscoring the critical role of EU co-financing in supporting these efforts.

## SUB-ANNEX II. COMPLEMENTARY ANALYSIS TO EVALUATION CRITERIA

This sub-Annex is an addition to the primary analysis of evaluation criteria. It complements the findings.

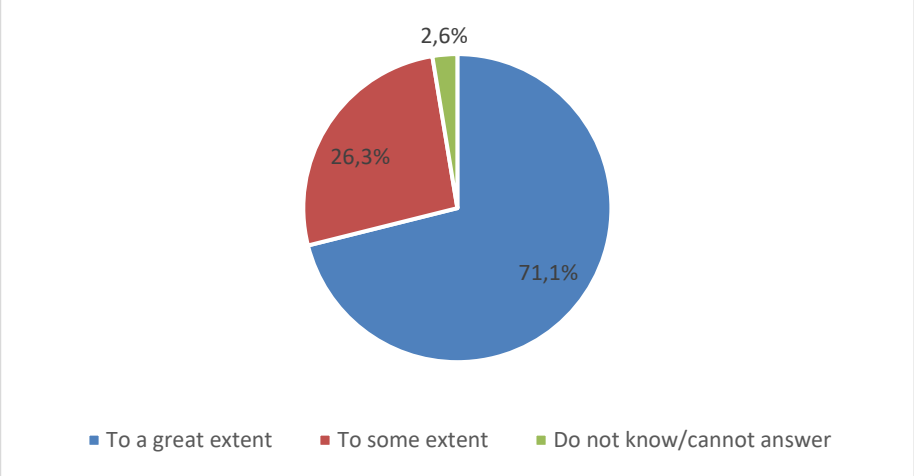
Complementary figures to support analysis of EURLs and BTSF activities:

**EURLs collaboration quality among themselves in sharing best practices, research and information relevant to their areas of competence**



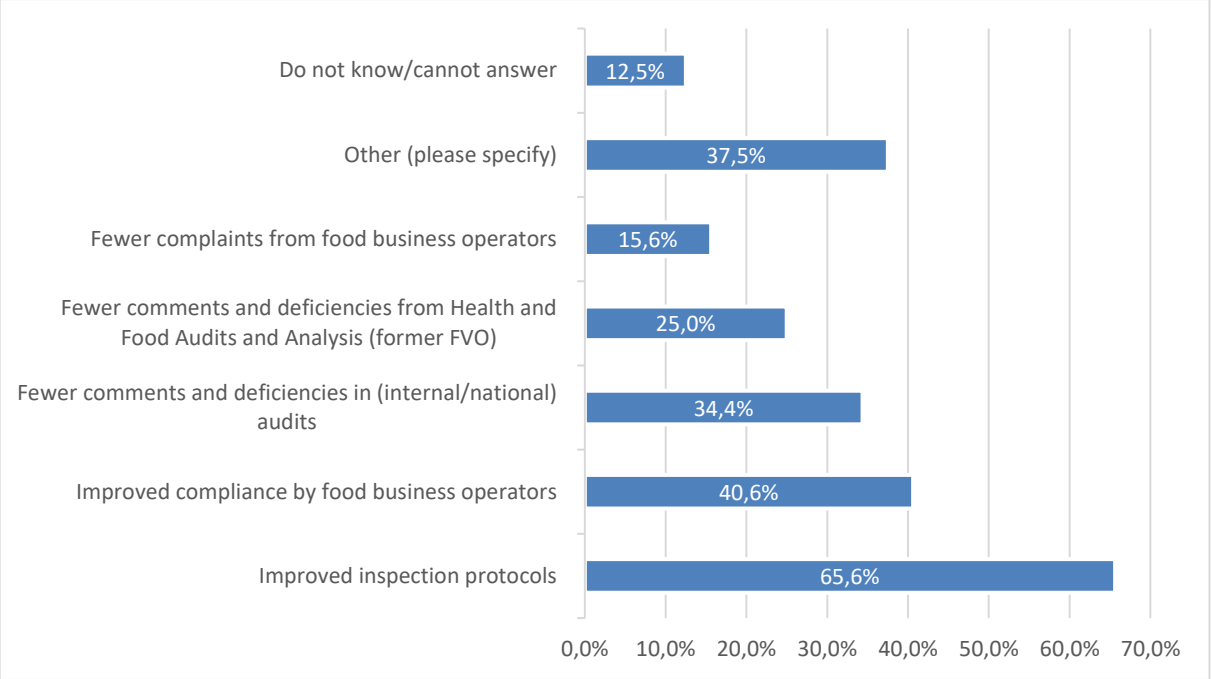

*Source: External evaluation report.*

**BTSF's contribution to promoting a harmonised approach to the operation of Union and national control systems**




*Source: External evaluation report.*

**Answer to the question: Please specify how BTSF has improved official controls for food safety, food safety, plant, animal and One Health in your country?**




*Source: External evaluation report.*

*Analysis of major animal disease outbreaks 2021-2023.*

The table below provides an overview of major animal disease outbreaks by country from 2021 to 2023, focusing on ASF in domestic pigs and wild boar, as well as HPAI in poultry, captive and wild birds. It highlights the significant and persistent challenges posed by these diseases across several EU MSs.

**Major animal disease outbreaks in Europe (2021-2023)**

| Disease | Country | 2021 Outbreaks | 2022 Outbreaks | 2023 Outbreaks |
|---|---|---|---|---|
| ASF in Domestic Pigs | Romania | 1 676 | 329 | N/A |
| | Poland | 124 | 14 | 14 |
| | Serbia | 33 | 107 | N/A |
| ASF in Wild Boar | Poland | 3 221 | 2 152 | 2 345 |
| | Hungary | 2 584 | 550 | N/A |
| | Germany | 2 525 | 1 628 | 1 876 |
| | Latvia | 368 | 913 | 1 024 |
| HPAI in poultry, captive and wild birds | France | 504 | 1 594 | 1 850 |
| | Italy | 296 | 54 | 420 |
| | Poland | 402 | 69 | 69 |
| | Hungary | 91 | 294 | 375 |

*Source: Animal Disease Information System (ADIS) annual overview reports, available at https://food.ec.europa.eu/animals/animal-diseases/animal-disease-information-system-adis_en#overview-reports.*

The case example of the three major veterinary outbreaks is overviewed below:

**ASF in domestic pigs**: According to EFSA, 2023 saw the largest number of ASF outbreaks in domestic pigs since 2014[598]. Croatia and Romania notified 96% of the total number of

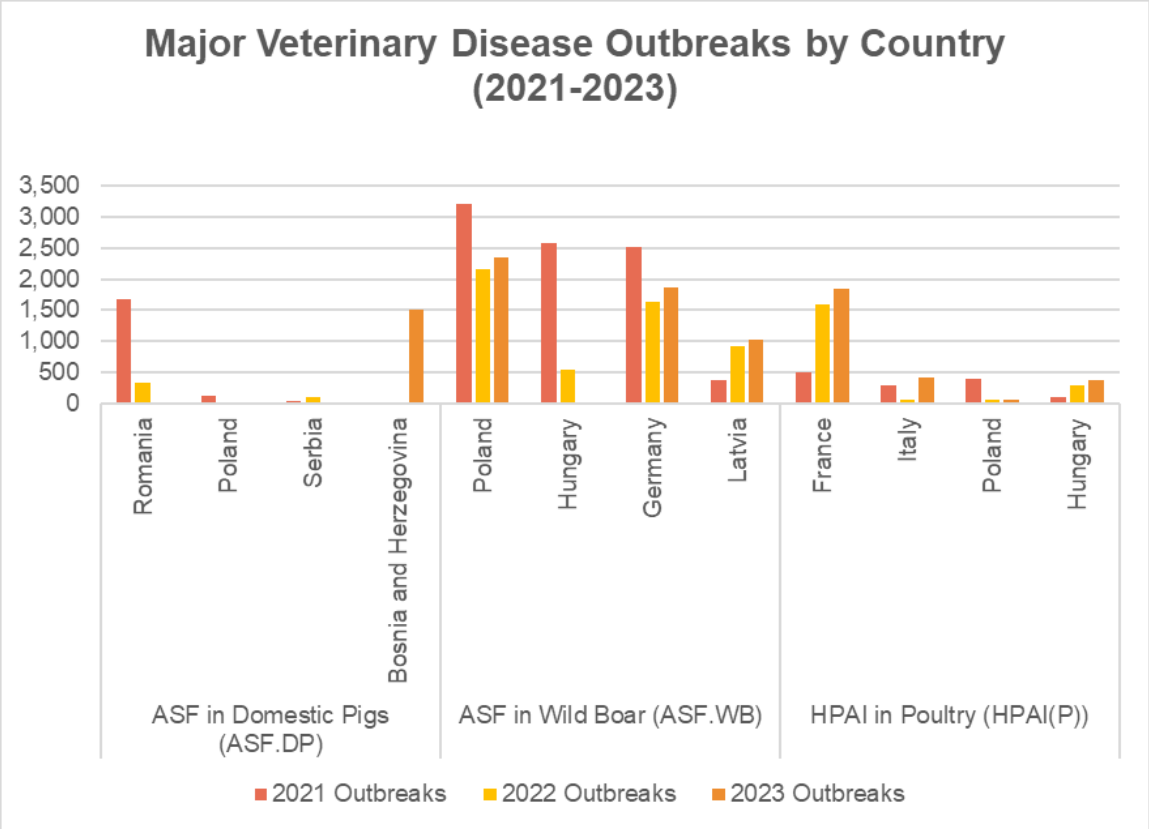
[598] https://www.efsa.europa.eu/en/news/african-swine-fever-significant-increase-eu-pigs-2023#:~:text=For%20domestic%20pigs%2C%202023%20saw,compared%20to%20the%20previous%20year

outbreaks (1 929). Looking at the ADIS outbreak reports, it can be observed that Romania consistently faced the highest number of outbreaks, indicating a severe and ongoing struggle to control the disease. Outside the EU, in 2023, Bosnia and Herzegovina reported the first 1 508 outbreaks, highlighting the escalating threat in the region.

**ASF in wild boar:** ADIS outbreak reports show that Poland and Germany reported the highest numbers of outbreaks, reflecting the widespread presence of the disease in wildlife. Latvia also saw a notable increase in 2023. However, a recent study by EFSA (April 2024)[599] explains that in the Member States, the overall number of dead or killed wild boar positive to ASF notified to ADIS increased by 9% compared to 2022. However, there is considerable variation between countries. In Germany, this metric decreased by 44% between 2022 and 2023. In contrast, in Bulgaria, Poland and Italy, it increased by 73%, 60% and 290%, respectively.

**HPAI in poultry:** France experienced a significant rise in outbreaks, with the numbers peaking in 2023. Italy and Hungary also saw substantial increases, indicating the growing impact of HPAI on the poultry industry.

**Major animal disease outbreaks in Europe (2021-2023)**




*Source: Animal Disease Information System (ADIS) annual overview reports, available at https://food.ec.europa.eu/animals/animal-diseases/animal-disease-information-system-adis_en#overview-reports.*

The table below outlines contributions of the BTSF Initiative to the objectives of Pillar 5.

[599] Epidemiological analysis of African swine fever in the European Union during 2023
European Food Safety Authority (EFSA), Karl Ståhl, Anette Ella Boklund, Tomasz Podgórski, Timothée Vergne, José Cortiñas Abrahantes, Eleonora Cattaneo, Alexandra Papanikolaou, Lina Mur First published: 16 May 2024
https://doi.org/10.2903/j.efsa.2024.8809.

Each key contribution is linked to its relevance to SMP objectives and supported by specific examples.

**Key Contributions of the BTSF Initiative to Pillar 5 Objectives**

| Key Contribution | Relevance to SMP Objectives | Specific Examples |
|---|---|---|
| **Enhanced Training and Capacity Building** | Ensures that national authorities and stakeholders are well-equipped to implement and enforce EU standards, supporting the SMP objective of ensuring food safety and public health. | The transition to virtual classrooms during the pandemic allowed uninterrupted training, ensuring continuous development of critical skills and knowledge despite disruptions. |
| **Technological Advancements and Resource Expansion** | Aligns with the SMP objective of using innovative solutions to improve food safety and health standards. | The development of the BTSF Library and system upgrades for enhanced accessibility demonstrate a commitment to broadening the impact of training initiatives, allowing a wider audience to benefit from these resources. |
| **Consistency in Compliance and Security** | Ensures training programmes maintain the highest standards of integrity and effectiveness, supporting the SMP's regulatory goals. | Ongoing efforts to ensure compliance with EC standards highlight the initiative's role in reinforcing the regulatory framework, essential for maintaining public trust and safety. |
| **Adaptation to Emerging Needs** | Reflects an adaptive approach to changing circumstances, ensuring training remains relevant and effective. | The shift back to face-to-face training in 2022, alongside the continued use of virtual tools, provides flexibility and resilience, ensuring that training can continue under various conditions, thus supporting continuity in standards. |

*Source: Annual Activity Reports.*

## SUB-ANNEX III. METHODOLOGY AND ANALYTICAL MODELS USED

### Overview of the methodology

The evaluation used the following sources of evidence:

- **Desk research** – Desk research was a key source of evidence, including review of strategic documents, strategic documents, reports, evaluations and assessments.
- **Interview programme** – The interview programme was based on a semi-structured interview with key stakeholders. The interviews were designed around evaluation questions to analyse, validate and complement qualitative findings from desk research and an overview of the literature. A total of 54 interviews were conducted with representatives of National Competent Authorities (NCAs), EU Reference Laboratories (EURLs), EU Reference Centres (EURCs) and representatives of National Reference Laboratories (NRLs), representatives of international organisations, better training for contractors and Better Training for Safer Food (BTSF) participants.
- **Surveys** – The survey of EURLs and survey of BTSF national contact points.
- **Case studies** – The two case studies HPAI, *Xylella fastidiosa*) examined the value of the EU's contribution, the specific activities supported in Member States (MSs), and the potential impacts in the hypothetical absence of this financial support. Both studies aimed to enhance the analysis of efficiency, and EU added value of EU intervention.

Data available in DG SANTE and HaDEA was also a key source of information used for the evaluation to enrich the analysis of the evaluation criteria.

Regarding data limitations it has to be taken into account that during evaluation period for certain programmes results for 2023 were not available yet. For example:

- EURL/EURC work programme (report for multi-annual work programme 2023-2024 will be reported to HaDEA in March 2025 after implementation of work programme programme)
- Certain data from EFSA is not available for 2023 (e.g. zoonoses report).

**Document review**

The primary sources for the data collection consisted of:

- Impact Assessment of the SMP Programme Regulation published in 2018[600];
- Legal basis: SMP Regulation (EU) 2021/690[601];
- Mid-term evaluation of Regulation (EU) No 652/2014[602];
- SMP annual or multi-annual work programmes (including work programmes 2021-2022[603], 2022-2023604, and 2023-2024[605]), annual activity reports, and emergency measures (phyto/vet): Financial decisions, guidelines, and accounts of activities;
- Monitoring data for the implementation of the SMP Pillar 5, which is collected by HaDEA[606] and DG SANTE;
- Annual Reports under Official Controls Regulation between 2021-2023[607];
- Exploratory interviews and surveys.

For improved quality and robustness, the above primary sources were supplemented and cross-checked with additional evidence gathered from relevant secondary sources, including audit[608] and evaluation reports and others, opinions of expert groups established by the Commission (Scientific and Programme Committees, Expert Groups) or from international organisations.

The pillar 5 consisted of targeted interview and survey programmes. Below is presented the list of consulted stakeholders during the targeted consultations.

**Pillar 5 interview and survey programme stakeholders**

| Stakeholder category |
|---|
| National Competent Authorities (NCAs) (including grant coordinators from Member States) |
| National Competent Authorities in charge of food waste prevention from a sample of Member States |
| Contact points from RASFF, AAC, ADIS, EUROPHYT, and TRACES networks involved in the use of databases and IT systems such as IMSOC |
| EU Reference Centres (EURCs) |
| National Reference Laboratories (NRLs) |
| Members of the Advisory Group on Sustainability of Food Systems (AGSFS, COPA-COGECA, UECBV, etc.) |
| International organisations |
| Better Training for Safer Food (BTSF) contractors |
| BTSF participants |
| BTSF national contact point |

600 European Commission. (2018). Commission staff working document impact assessment accompanying the document proposal for a regulation of the European Parliament and of the Council establishing the Programme.

601 Regulation (EU) 2021/690, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0690.

602 European Commission, Directorate-General for Health and Food Safety, *Mid-term evaluation of Regulation (EU) No 652/2014 – Final report*, Publications Office, 2017, https://data.europa.eu/doi/10.2875/399507.

603 Commission Implementing Decision on the financing of the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and the adoption of the work programme for 2021-2024, Annex 4: https://commission.europa.eu/document/download/0202d7e1-5620-4227-8db1-6c8f39743698_en?filename=210506-financing-single-market-programme-annex-4_en.pdf.

604 Commission Implementing Decision on the financing of the Programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed and European statistics and the adoption of the work programme for 2022, Annex 3: https://commission.europa.eu/system/files/2022-02/c_2022_724_3_en_annexe_acte_autonome_cp_part1_v3.pdf.

605 Commission Implementing Decision on the financing of the Programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics and the adoption of the work programme for 2023-2024, Annex 3: https://commission.europa.eu/system/files/2023-02/C_2023_1119_F1_ANNEX_EN_V4_P1_2487752.PDF.

606 Certain types of data will be obtained from HaDEA (e.g. food waste grants, EURL/EURC grants etc.). Regarding BTSF, the evaluation team will aim to obtain the information in collaboration with the EC from the contractor implementing the BTSF Academy which is likely to take some additional time.

607 European Commission (n.d.) Food Safety. Annual Reports. Available at: https://food.ec.europa.eu/horizontal-topics/official-controls-and-enforcement/health-and-food-audits-and-analysis/annual-reports_en.

608 Audit reports Food Safety, https://ec.europa.eu/food/audits-analysis/audit-report.

| |
|---|
| European Food Banks Federation (FEBA) |
| Other DGs/agencies and EU institutions such as SANTE, HaDEA |
| Member State authorities (overseeing financing for tackling Xylella fastidiosa and HPAI) |
| EU Reference Laboratories (EURLs) |

**Interview programme**

The pillar 5 interview programme consisted of two types of consultations – exploratory and formal interviews.

A total of 3 exploratory interviews have been conducted with the representatives of DG SANTE and HaDEA to validate approaches to analysis for coherence, EU added value and efficiency evaluation criteria. These inputs assisted in confirming the principal methodological approaches to the evaluation questions.

A total of 54 interviews comprised the full interview programme targeting the key stakeholders involved in the activities under Pillar 5. The aim of these interviews was to identify and discuss in-depth the key achievements, good practices, problems and challenges regarding the implementation of the activities set out under Pillar 5.

The formal interview programme was launched on 26 March 2024 which included a total of 54 interviews, including follow-up interviews of the survey programme (BTSF and EURLs) and dedicated case studies (*Xylella fastidiosa* and HPAI).

**Pillar 5 interview programme**

| Stakeholder category | Number of respondents approached | Number of completed interviews |
|---|---|---|
| National Competent Authorities (NCAs) (including grant coordinators from MS) | 33 | 6 |
| National Competent Authorities in charge of food waste prevention from a sample of Member States | 5 | 3 |
| Contact points from RASFF, AAC, ADIS, EUROPHYT, and TRACES networks involved in the use of databases and IT systems such as IMSOC | 53 | 6 |
| EU Reference Centres (EURCs) | 8 | 4 |
| National Reference Laboratories (NRLs) | 27 | 6 |
| Members of the Advisory Group on Sustainability of Food Systems (AGSFS. COPA-COGECA, UECBV, etc.) | 3 | 2 |
| International organisations | 3 | 1 |
| BTSF contractors | 39 | 3 |
| BTSF participants | 5 | 3 |
| European Food Banks Federation (FEBA) | 1 | 1 |
| Other DGs/agencies and EU institutions such as SANTE, HaDEA | 3 | 3 |
| Member State authorities (overseeing financing | 26 | 8 |

| | | |
|---|---|---|
| for tackling Xylella fastidiosa and HPAI) | | |
| BTSF survey follow-up | 4 | 2 |
| EU Reference Laboratories (EURLs) survey follow-up | 9 | 6 |
| **TOTAL** | **219** | **54** |

*Source: External evaluation report.*

**Survey programme**

Pillar 5's stakeholder consultations consisted of two surveys:

- Survey A: BTSF national contact points;
- Survey B: EURLs.

The survey pilots were launched on 9 April 2024, and the surveys were launched on 16 April 2024.

The survey of BTSF national contact points was closed on 7 May 2024, and a survey of EURLs was closed on 23 May 2024.

## ANNEX XIV. PILLAR 6

### Definitions

| Term | Meaning or definition |
|---|---|
| Users | Users of European statistics include different categories: decision-makers at EU, national and local level; international organisations; academia and researchers; businesses; NGOs; the media; and European citizens in general. |
| Producers | Producers or data providers are mostly national statistical institutes (NSIs) and other national authorities (ONAs). Other international organisations producing statistics also provide data in some specific cases. |

## 1. PURPOSE AND SCOPE OF THE EVALUATION

The European statistical programme 2021-2027 (ESP) is part of the Single Market Programme (SMP or Programme) adopted by the European Parliament and the Council (Regulation (EU) 2021/690)609. Article 3(1)(b) of Regulation (EU) 2021/690 specifies the general objective of the SMP regarding European statistics[610] as 'to develop, produce and disseminate high-quality, comparable, timely and reliable European statistics which underpin the design, monitoring and evaluation of all Union policies and help citizens, policymakers, authorities, businesses, academia and the media to make informed decisions and to actively participate in the democratic process.' Article 18 of that Regulation sets out that an interim evaluation must be performed 4 years after the start of the implementation of the SMP, i.e. by the end of 2024.

In 2023-2024, the Commission conducted the interim evaluation of the SMP. The evaluation assessed the performance of the Programme for the years 2021 to 2023, covering six aspects: effectiveness, efficiency, coherence, relevance, synergies within the Programme and EU added value. It covered all six pillars of the SMP (Internal Market, SMEs, Standardisation, Consumers, Food and Feed, Statistics), also in terms of the design of the Programme as a whole[611]. The conclusions and recommendations will inform the Commission in its work to design future work programmes and actions in the next financial period, 2028-2034.

[609] Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ L 153, 3.5.2021, p. 1; ELI: http://data.europa.eu/eli/reg/2021/690/oj).

[610] Article 1 of Regulation (EC) 223/2009 states that 'European statistics are relevant statistics necessary for the performance of the activities of the Community. European statistics are determined in the European statistical programme.' This document therefore uses the term 'European statistics' to refer to all statistics developed, produced and disseminated by Eurostat under the ESP.

[611] For more details see main staff working document and staff working documents for the other pillars.

This staff working document presents the evaluation findings for pillar 6, the specific objective of the SMP on European statistics. In addition to the six evaluation criteria above, the evaluation also assessed the feasibility of making the next ESP less reliant on multiple sources of financing, as recommended by the European Court of Auditors in 2022[612].

The methodology for the evaluation builds on the Monitoring and Evaluation framework, adopted on 28 July 2023, according to Article 17 (3) of Regulation (EU) 2021/690[613]. To satisfy the needs of information for evaluation purposes, the core performance indicators laid down by Regulation (EU) 2021/690 were complemented by second-level indicators specified in the Commission Delegated Regulation (EU) 2023/2445.

The methodology for this interim evaluation rests on various methods and sources[614]. The findings were supported by an external study ('supporting study'), which included desk research of relevant documents and data, interviews with stakeholders and analysis of survey data. The evaluation assessed the years 2021 to 2023 and covered all Member States and other countries participating in the ESP, i.e. the European Free Trade Association (EFTA), candidate and neighbourhood countries. The following main stakeholders were approached: National Statistical Institutes (NSIs), Other Statistical National Authorities (ONAs), Eurostat, European Statistical System (ESS) coordinating bodies, international producers of statistics, other providers and users (institutional users – public and non-public, media, scientific/academic community, citizens) of European statistics.

Additional evidence was collected to further underpin and corroborate responses to the evaluation questions. Efforts were made to identify the most effective channels to reach the relevant stakeholders, for instance through targeted surveys and interviews. While some limitations in relation to data collection and analysis persisted, in particular due to the unwillingness of some stakeholders to be interviewed and due to the limited number of responses received to the targeted surveys, they were mitigated by taking appropriate actions. Some additional stakeholders to interview were subsequently identified and contacted, and additional sources were used to corroborate the results of the targeted surveys, like Eurostat's user satisfaction surveys. This ensured that the conclusions are robust and reliable.

## 2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

### 2.1 Description of the intervention and its objectives

The ESP under the current multiannual financial framework is a continuation of previous spending programmes. Article 13 of Regulation (EC) 223/2009 on European statistics states that 'the European statistical programme shall provide the framework for the development, production and dissemination of European statistics, setting out the main fields and the objectives of the actions envisaged for a period corresponding to that of the multiannual financial framework'. The general objective of the ESP is to produce and disseminate high-quality European statistics which are indispensable for EU decision-making and the measurement of the performance and impact of EU initiatives. This general objective is specified in Article 3(2)(f) of Regulation (EU) 2021/690 by the following specific objective:

[612] Recommendation 2a of ECA audit SR 26/2022 "European statistics - Potential to further improve quality".
[613] Commission Delegated Regulation (EU) 2023/2445 of 28 July 2023 supplementing Regulation (EU) 2021/690 of the European Parliament and of the Council as regards the establishment of a monitoring and evaluation framework for the Single Market Programme (OJ L, 2023/2445, 27.10.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2445/oj).
[614] See Annex II.

- ‘developing, producing, disseminating and communicating high-quality European statistics in line with the quality criteria laid down in Article 12(1) of Regulation (EC) No 223/2009, in a timely, impartial and cost-efficient manner,
- through a strengthened European Statistical System, referred to in Article 4 of Regulation (EC) No 223/2009, and
- enhanced partnerships within that system and with all relevant external parties,
- using multiple data sources, advanced data analytics methods, smart systems and digital technologies, and
- providing a national and, where possible, regional breakdown.’

Regulation (EU) 2021/690 describes in its Annex II the eligible actions, which can be financed to implement the specific objectives on European statistics. The financing is done via grants to national statistical institutes/national authorities; procurements to improve IT infrastructure, methodologies, data dissemination, training; and contributions to international organisations to strengthen international standards (see Section 3 for implementation).

The expected achievements of the ESP are the cumulation of its outputs and results. The outputs of the ESP are the immediate products of the implemented activities and the results come from the successful implementation of the activities. Both outputs and results are identified in the intervention logic which is presented in  below.

The ESP also contributes substantially to the UN Sustainable Development Goals (SDGs) as described in Communication COM(2016) 739[615]. Under the European statistics objective, Eurostat is called to regularly monitor progress towards the UN SDGs in the EU context. For this purpose, it coordinated the development of the EU SDG indicator set, which consists of around 100 indicators. More details are available in the section on SDGs of the programme statement of the Single Market Programme[616].

[615] COM (2016) 739 ‘Next steps for a sustainable European future - European action for sustainability’.
[616] Single Market Programme - Performance - European Commission (europa.eu).

## 2.2 Points of comparison

### Predecessor programme

The predecessor to the ESP 2021-2027 under the SMP, the European Statistical Programme 2013-2020, was established by Regulation (EU) 99/2013 for the years 2013-2017. It was extended by Regulation (EU) 2017/1951 to cover the remaining period of the previous EU multiannual financial framework, i.e. 2018-2020.

Its general objective was for the European Statistical System (ESS) to continue to be the leading provider of high-quality statistics on Europe. As a spending programme, it established the overall framework for developing, producing, and disseminating European statistics and provided the financing for developing and maintaining statistical infrastructure as managed by Eurostat. It also provided financial support to Member States.

Through providing high-quality statistics on Europe, the ESP was expected to contribute to: (i) improving policymaking and the measuring of the performance and impact of initiatives; (ii) strengthening the transparency and accountability of policies; and (iii) enabling civic engagement and democratic participation in political life.

The final evaluation of the ESP 2013-2020[617] stated that the programme:

- was adequately designed to satisfy the stakeholders' needs and throughout its duration its activities continued to satisfy any evolving needs;
- was effective in delivering on its objectives despite remaining weaknesses regarding the timeliness and the completeness of European statistics;
- demonstrated efficient use of both financial and human resources while delivering high-quality European statistics;
- was internally and externally coherent;
- had added value.

The final evaluation made three recommendations:

- Focus on innovation, new methods and new data sources;
- Further improve access to European statistics via Eurostat's website;
- Implement the new approach to prioritisation.

### Impact assessment

The impact assessment[618] identified the following challenges ahead of the adoption of the current ESP:

- insufficient availability of high-quality statistical information for the design and monitoring of new EU policies (e.g. on globalisation, digitalisation of the economy, security);
- insufficient agility to address new demands and to provide faster evidence on emerging topics and deeper analysis of the effects of globalisation, new technological developments and socio-economic trends;
- statistical reporting requirements on economic operators as well as citizens;

[617] Report from the Commission to the European Parliament and the Council on the final evaluation of the implementation of the European statistical programme 2013-2020; https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0794.

[618] SWD/2018/320 final - 2018/0231 (COD), Commission Staff Working Document Impact Assessment Accompanying the Document Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52018SC0320.

- insufficient analysis provided by European statistics on today's complex realities and interlinkages, and for improved communication and engagement with users, especially EU citizens.

It also identified two problem drivers: (i) the fast changing nature of the issues that EU policies need to address (e.g. globalisation, migration, security), which necessitated a quick reaction by official statistics without an increased burden for respondents, and (ii) the rapid technological change and spread of information via social media, which confront traditional producers of statistics with a new reality demanding urgent and bold responses for European statistics to remain a highly trusted information source.

The problems identified have been addressed in the current ESP by orienting ESP's priority action towards improving timeliness and the responsiveness to new and emerging data needs, expanding the data coverage; integrating new data sources and adopting innovative statistical methodologies; increasing automation and introducing advanced IT tools to help reduce administrative burden; allocating resources efficiently and further strengthening partnerships, for instance, with international organisations.

**SMP indicators for ESP/Pillar 6**

The implementation of the current ESP is assessed against the core performance indicators laid down by Regulation (EU) 2021/690 and the complementary second-level indicators laid down in a delegated act[619]. below gives an overview of the indicators, their baseline values and their targets for 2024 and 2027. More information on these indicators can be found in Chapter 3, with the latest available values, and in Chapter 4 on evaluation questions.

[619] Commission Delegated Regulation (EU) 2023/2445 of 28 July 2023 supplementing Regulation (EU) 2021/690 of the European Parliament and of the Council as regards the establishment of a monitoring and evaluation framework for the Single Market Programme (OJ L, 2023/2445, 27.10.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2445/oj).

**Table 68:ESP/Pillar 6 SMP indicators, their baselines and targets for 2024 and 2027**

| Indicator | Baseline | Target 2024 | Target 2027 |
|---|---|---|---|
| IMP 1.: Number of web mentions and positive/negative opinions | 480 000 | 489 672 | 497 054 |
| | <2% | <2% | <2% |
| IMP 6.1.: Number of Eurostat followers and engagement rate on social media | 163 500 (X, ex-Twitter)<br>61 500 (Facebook)<br>3 000 (Instagram)<br>1.9% (engagement rate) | 210 111 (X)<br>120 021 (Facebook)<br>100 000 (Instagram)<br>≥1.9% (engagement rate) | 240 000 (X)<br>150 000 (Facebook)<br>130 000(Instagram)<br>≥1.9% (engagement rate) |
| RES 6.1.: Number of database sessions (in millions) made by external users from Eurostat reference database via the Eurostat website | 4.0 | 4.4. | 4.8 |
| RES 6.2.: Timeliness of statistics, measured on news releases of a set of quarterly and monthly statistics (number of days) | 82.5 (Q) | ≤82.5 (Q) | ≤82.5 (Q) |
| | 32.5 (M) | ≤32.5 (M) | ≤32.5 (M) |
| RES 6.3.: Number of new experimental statistics dataset published | 0 | 4 | 7 |
| RES 6.4.: User trust in European statistics (%) | 94 | ≥94 | ≥94 |
| RES 6.5.: Number of administrative arrangements which Eurostat reviews, renews or signs every year with its key partners | 2 | 2 | 2 |
| RES 6.6.: Number of research projects requesting access to European microdata in the Eurostat database | end-December 2020: 2 700 project proposals received since 2013 | (progress to 2027 target) | 5 000 |
| OP 6.1.: Statistical coverage (measured as number of indicators, sub-indicators and all their breakdowns) | 446 | 750 | 850 |
| OP 6.2.: User-friendliness of Eurostat's website | 90 | ≥90 | ≥90 |
| OP 6.3.: Number of participants in the ESTP courses on innovative sources and methods for official statistics | 380 | (progress to 2027 target) | 500 |

*Source: Eurostat.*

## 3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

### 3.1. Current state of play

The implementation of the ESP is managed under the direct supervision of the European Commission, with Eurostat's coordination role. ESP's core activities are carried out in cooperation with the ESS. The ESS is defined as 'the partnership between Eurostat, the national statistical institutes (NSIs) and the other national authorities (ONAs) responsible in each Member State (MS) as well as in the EFTA countries for the development,

production and dissemination of European statistics'. Eurostat steers ESS's work and strengthens the cooperation among its partners, supporting operational and administrative tasks. The ESP has been allocated approximately EUR 552 million (including budget for administrative costs), representing 13% of the SMP's total budget. The activities under Pillar 6 are carried out through both grants, with and without open calls for proposals, and procurement, focusing on the development, production, and distribution of European statistics. The areas covered by the activities include:

- Economic and Monetary Union, Globalisation, and Trade, linked with economic stability and global trade competitiveness,
- Single Market, Innovation, Digital Transformation, and Sustainable Development, Natural Resources, and Environment, in relation with the twin transitions,
- Social Dimension of Europe, targeting inequalities and social inclusion.
- Economic, Social, and Territorial Cohesion, to reduce territorial and economic disparities.
- Better communication of European statistics as a reliable tool improving the trustworthiness of EU statistics to strengthen the fight against disinformation.
- Capitalisation on the data revolution and creating trusted smart statistics; Expanding partnerships and statistical cooperation.
- Support to the modernisation of administrative practices, and studies, evaluations, and reporting.

The ESP also funds actions implemented via indirect management and trust funds, aimed at improving administrative efficiency and coherence of statistical outputs with other EU and international organisations. In addition, the ESP supports administrative arrangements with the Joint Research Centre (JRC) and service agreements with the European Environmental Agency on environmental data.

The following table presents the main activities of the ESP by year and by action type and their indicated budget.

**Table 69: Main activities of the ESP per type and year, including indicative budget**

| Action | Indicative budget |
|---|---|
| 2021 | |
| GRANTS | 23 180 000 |
| Action 1 – Award of grants without a call for proposals in the area of Economic and Monetary Union, Globalisation and Trade | 10 900 000 |
| Action 2 – Award of grants without a call for proposals in the area of Single Market, Innovation and Digital transformation | 500 000 |
| Action 3 – Award of grants without a call for proposals in the area of Social dimension of Europe | 8 400 000 |
| Action 4 – Award of grants without a call for proposals in the area of Sustainable development, Natural Resources and Environment | 1 950 000 |
| Action 5 – Award of grants without a call for proposals in the area of Economic, Social and Territorial Cohesion | 700 000 |
| Action 6 – Award of grants without a call for proposals in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | 430 000 |
| Action 7 – Award of grants without a call for proposals in the areas of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation and Expanded partnerships and statistical cooperation | 300 000 |
| PROCUREMENTS | 56 553 547 |
| Various contracts | n/a |
| New framework contracts in the area of Social dimension of Europe | n/a |

| Action | Indicative budget |
|---|---|
| New framework contracts in the area of Economic, Social and Territorial Cohesion | n/a |
| New framework contracts in the area of in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | n/a |
| New framework contracts in the area of Modernising the administration | n/a |
| New framework contracts reaping the benefits of data revolution and moving to trusted smart statistics | n/a |
| ACTIONS IMPLEMENTED IN INDIRECT MANAGEMENT | 400 000 |
| Action 1 – Expanded partnerships and statistical cooperation | 400 000 |
| TRUST FUNDS | 600 000 |
| Action 1 – Economic and Monetary Union, Globalisation and Trade | n/a |
| OTHER ACTIONS | 500 000 |
| Action 1 – Administrative arrangements with the JRC | 500 000 |
| 2022 | |
| GRANTS | 31 160 000 |
| Action 1 – Award of grants without a call for proposals in the area of Economic and Monetary Union, Globalisation and Trade | 11 700 000 |
| Action 2 – Award of grants without a call for proposals in the area of Single Market, Innovation and Digital transformation | 3 050 000 |
| Action 3 – Award of grants without a call for proposals in the area of Social dimension of Europe | 8 250 000 |
| Action 4 – Award of grants without a call for proposals in the area of Sustainable development, Natural Resources and Environment | 4 600 000 |
| Action 5 – Award of grants without a call for proposals in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | 460 000 |
| Action 6 – Award of grants without a call for proposals in the area of Reaping the benefits of data revolution and moving to trusted smart statistics | 900 000 |
| Action 7 – Open call for proposals in the area of Reaping the benefits of data revolution and moving to trusted smart statistics | 2 200 000 |
| PROCUREMENTS | 50 539 150 |
| Various contracts | n/a |
| New framework contracts in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | n/a |
| ACTIONS IMPLEMENTED IN INDIRECT MANAGEMENT | 650 000 |
| Action 1 – Expanded partnerships and statistical cooperation | 650 000 |
| OTHER ACTIONS | 2 260 000 |
| Action 1 – Administrative arrangements with the JRC | 2 260 000 |
| 2023 | |
| GRANTS | 27 480 000 |
| Action 1 – Award of grants without a call for proposals in the area of Economic and Monetary Union, Globalisation and Trade | 12 200 000 |
| Action 2 – Award of grants without a call for proposals in the area of Single Market, Innovation and Digital transformation | 750 000 |
| Action 3 – Award of grants without a call for proposals in the area of Social dimension of Europe | 5 500 000 |
| Action 4 – Award of grants without a call for proposals in the area of Sustainable development, Natural Resources and Environment | 3 750 000 |
| Action 5 – Award of grants without a call for proposals in the area of Economic, Social and Territorial Cohesion | 700 000 |
| Action 6 – Award of grants without a call for proposals in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | 580 000 |
| Action 7 – Award of grants without a call for proposals in the area of Reaping the benefits of data revolution and moving to trusted smart statistics | 4 000 000 |
| PROCUREMENTS | 61 974 250 |
| Various contracts | n/a |
| New framework contracts in the area of Social dimension of Europe | n/a |

| Action | Indicative budget |
|---|---|
| New framework contracts in the area of in the area of Better communication of European statistics and its values by promoting it as a trustworthy source in tackling disinformation | n/a |
| New framework contracts in the area of Modernising the administration | n/a |
| Evaluation and reporting – Mid-term evaluation of the SMP under an existing framework contract of DG GROW | |
| ACTIONS IMPLEMENTED IN INDIRECT MANAGEMENT | 350 000 |
| Action 1 – Expanded partnerships and statistical cooperation, Cooperation with international organisations covering the organisation of important events or actions aimed at developing statistical capacity | 350 000 |
| TRUST FUNDS | 280 000 |
| Action 1 – Economic and Monetary Union, Globalisation and Trade | 250 000 |
| Action 2 - Reaping the benefits of data revolution and moving to trusted smart statistics | 30 000 |
| OTHER ACTIONS | 1 120 000 |
| Action 1 – Administrative arrangements with the JRC | 620 000 |
| Action 2: Service Level Agreement with the European Environmental Agency on environmental information | 500 000 |

*Source: Annexes to the Commission Implementing Decision on the financing of the SMP, i.e. ESP work programmes for: 2021, 2022 and 2023.*

shows the planned (voted) and executed budget per year, together with the execution rate for each year. The voted budgets for the period of 2021-2023, totalling 224.7 million in commitment appropriations, were fully implemented, supporting calls for proposals, tenders, and other actions. Besides supporting regular and planned operations of the ESS, activities also focused on the response to the Russian war of aggression against Ukraine and the related high inflation, energy and cost of living crisis, the recovery from the COVID-19 pandemic, monitoring of the progress towards the SDGs in the EU and modernising the production of European statistics by building capacity within the European statistical system regarding the use of new data and new production techniques in line with the digital transformation. As a result, Eurostat provided statistics to support the six headline ambitions of the 2019-2024 Commission and any emerging new Commission priorities.

**Table 70: ESP voted budget, executed voted budget and execution rate (2021-2023)**

| | Voted budget (under Eurostat remit) | Executed voted budget (under Eurostat remit) | Execution rate |
|---|---|---|---|
| 2021 Commitment | 69 107 576 | 69 107 576 | 100% |
| 2021 Payment | 6 126 967 | 5 331 246 | 87.01% |
| 2022 Commitment | 71 525 664 | 71 525 664 | 100% |
| 2022 Payment | 32 484 975 | 32 459 710 | 99.92% |
| 2023 Commitment | 69 063 103 | 69 063 103 | 100% |
| 2023 Payment | 53 026 463 | 53 022 408 | 99.99% |

*Source: Eurostat data/ Data provided by Eurostat.*

As it is shown in Table 4 below, almost all performance indicators are on track or have already been reached. The key performance indicator IMP 1, measuring Eurostat's impact on the internet, shows that the ESP has performed well. The number of times that Eurostat is mentioned on the internet has increased over the past years. The percentage of negative opinions continues to be extremely low, showing trust in and satisfaction with the data produced[620].

[620] See Single Market Programme - Performance - European Commission (europa.eu) for programme performance statements.

The results indicator RES 6.1, regarding the number of database sessions by external users from Eurostat reference database via the Eurostat website, shows a decreasing trend in 2022 and 2023, after an initial increase in 2021. This initial increase was due to the fact that for some time users could access Eurostat's database via the old data explorer and the new data browser in parallel. The level of database sessions fell back as users became familiar with the new application while the data explorer was decommissioned at the beginning of 2023. The level of this indicator is expected to start increasing again in 2024.

**Table 71: ESP/Pillar 6 SMP indicators, their baselines, targets for 2024 and 2027 and results for 2021-2023**

| Indicator | Baseline | Result | | | Target | |
|---|---|---|---|---|---|---|
| | | 2021 | 2022 | 2023 | 2024 | 2027 |
| IMP 1.: Number of web mentions and positive/negative opinions | 480 000 | 486 000 | 547 200 | 931 300 | 489 672 | 497 054 |
| | <2% | 0.01% | 0.03% | 0.02% | <2% | <2% |
| IMP 6.1.: Number of Eurostat followers and engagement rate on social media. | 163 500 (Twitter) 61 500 (Facebook) 3 000 (Instagram) 1.9% (engagement rate) | 180 027 (Twitter) 88 164 (Facebook) 40 489 (Instagram) engagement rate: 4.1% Facebook and Twitter, 0.9% Instagram | 206 000 (Twitter) 120 000 (Facebook) 81 000 followers (Instagram) engagement rate: 2.2% for Twitter, 7.9% for Facebook and 6.1% for Instagram | 252 000 (X ex-Twitter) 150 000 (Facebook) 116 000 (Instagram) 33 000 (Linkedln) engagement rate: 2.2% for X (ex-Twitter), 6.2% for Facebook and, 6.1% for Instagram, 4.4% for Linkedln | 210 111 (Twitter) 120 021 (Facebook) 100 000 (Instagram) ≥1.9% (engagement rate) | 240 000 (Twitter) 150 000 (Facebook) 130 000(Instagram) ≥1.9% (engagement rate) |
| RES 6.1.: Number of database sessions (in millions) made by external users from Eurostat | 4 | 4.9 | 3.8 | 3.2 | 4.4. | 4.8 |

| | | | | | | |
|---|---|---|---|---|---|---|
| reference database via the Eurostat website. | | | | | | |
| RES 6.2.: Timeliness of statistics, measured on news releases of a set of quarterly and monthly statistics. | 82.5 (Q) | 82.5 (Q) | 82.1 (Q) | 81.7 (Q) | ≤82.5 (Q) | ≤82.5 (Q) |
| | 32.5 (M) | 32.5 (M) | 32.7 (M) | 29.2 (Q) | ≤32.5 (M) | ≤32.5 (M) |
| RES 6.3.: Number of new experimental statistics dataset published (cumulative) | 0 | 4 | 5 | 7 | 4 | 7 |
| RES 6.4.: User trust in European statistics (%). | 94 | 96 (USS 2020) | 94.8 | N/A (95 USS 2024) | ≥94 | ≥94 |
| RES 6.5.: Number of administrative arrangements which Eurostat reviews, renews or signs every year with its key partners. | 2 | 2 | 1 | 2 | 2 | 2 |
| RES 6.6.: Number of research projects requesting access to European microdata in the Eurostat database. | end-December 2020: 2 700 project proposals received since 2013 | 403 | 386 | 3 895 | (progress to 2027 target) | 5 000 |
| OP 6.1.: Statistical coverage | 446 | 485 | 718 | 705 | 750 | 850 |

| | | | | | | |
|---|---|---|---|---|---|---|
| (measured as number of indicators, sub-indicators and all their breakdowns). | | | | | | |
| OP 6.2.: User-friendliness of Eurostat's website (%). | 90 | 91.9 (USS 2020) | 92.7 | N/A (88 USS 2024) | ≥90 | ≥90 |
| OP 6.3.: Number of participants in the ESTP courses on innovative sources and methods for official statistics. | 380 | 529 | 633 | 596 | (progress to 2027 target) | 500 |

*Source: Eurostat.*

## 4. EVALUATION FINDINGS (ANALYTICAL PART)

### 4.1 To what extent was the intervention successful and why?

#### 4.1.1. Effectiveness

The evaluation has demonstrated that the ESP has been effective, as regards the timeliness of European statistics and continuously high levels of trust and impartiality.

**Timeliness**

The ESP has noticeably improved the timeliness of European statistics, especially during crises such as the COVID-19 pandemic and the war in Ukraine. This responsiveness ensured that policymakers had access to up-to-date information, critical for decision-making in these challenging times. Key areas of improvement included transport statistics to monitor mobility, environmental and energy statistics to support the European Green Deal and RePowerEU, and social statistics to track excess mortality during the COVID-19 pandemic, income, living conditions, and labour market trends.

Eurostat's annual activity reports (AAR) highlight several instances in which timeliness improvements are visible as a result of the ESP implementation.

According to Eurostat's annual activity report 2021[621], the European Statistical Recovery Dashboard (ESRD), a statistical tool introduced in 2020 to respond to policymakers' needs emerging from the COVID-19 crisis, increased the timeliness of European statistics. In 2021, the introduction of greenhouse gas estimates on a quarterly basis also improved timeliness in this important area of statistics underpinning the European Green Deal. In

[621] Eurostat Annual Activity Report 2021, https://commission.europa.eu/document/download/e45f5360-12f5-44de-81c0-50476dbe3508_en?filename=annual-activity-report-2021-eurostat_en.pdf.

2021, Regulation (EU) 2019/1700 was implemented, leading to improved timeliness of information about income, living conditions, and labour market. The report also highlights improved timeliness in transport statistics on both national and regional levels and strengthened timeliness of social protection statistics.

The 2022 AAR[622] lists several policy areas with visible improvements in timeliness of European statistics: (i) transport statistics that were used to monitor initiatives under the European Green Deal, and to support the 'Fit For 55' legislative package and the Sustainable and Smart Mobility strategy, (ii) aviation statistics, with publication of statistics about the number of commercial flights on the European Statistical dashboard just 'a few days after the end of each month' and (iii) transport safety and online job advertisements. Continued implementation of Regulation (EU) 2019/1700 was also reported, with specific emphasis on improving timeliness of income and living conditions statistics dissemination by one month[623].

The 2023 AAR[624] highlights Eurostat's capacity to effectively address all information requirements by enhancing the timeliness of existing indicators and informs about improved timeliness of transport statistics on road freight, maritime, aviation, railways, and inland waterway transport at both national and regional levels. These statistics help to monitor policy initiatives under the European Green Deal and support the 'Fit For 55' package and the Sustainable and Smart Mobility strategy. To enhance the timeliness of education expenditure data, the second round of voluntary collection for provisional data on a limited set of variables was initiated, and the results were disseminated. Eurostat also disseminated detailed Health Care Expenditure and Financing (HCE) statistics for 2021 with more timely indicators for several Member States for 2022 being released for the first time, enhancing the timeliness of administrative data-based indicators.

Table  below shows that in 2021, both quarterly and monthly statistics were at the level of baseline and targets, i.e. 82.5 and 32.5 respectively. Monthly statistics' timeliness was slightly longer in 2022 but improved in 2023, while quarterly statistics' timeliness improved in both 2022 and 2023.

**Table 72: Timeliness of statistics, measured on news releases of a set of quarterly and monthly statistics**

| Indicator | | Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|---|---|
| RES 6.2.: Timeliness of statistics | Quarterly statistics | 82.5 (Q) | 82.5 (Q) | 82.1 (Q) | 81.7 (Q) | ≤82.5 (Q) | ≤82.5 (Q) |
| | Monthly statistics | 32.5 (M) | 32.5 (M) | 32.7 (M) | 29.2 (Q) | ≤32.5 (M) | ≤32.5 (M) |

*Source: Data provided by Eurostat.*

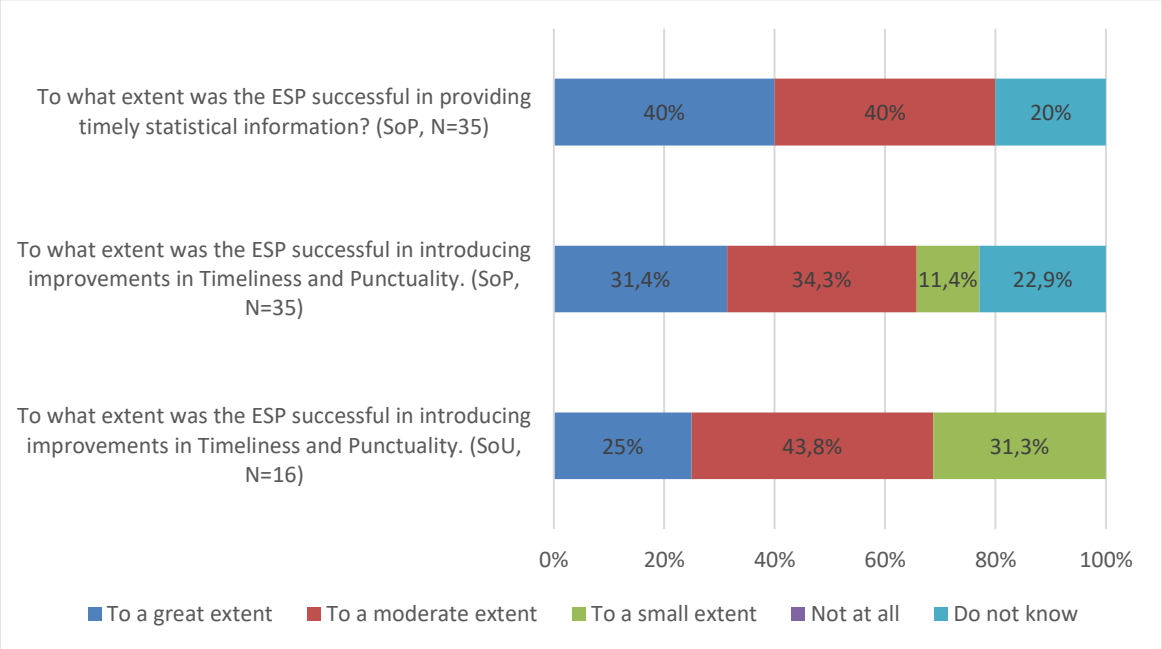
Eurostat's regular user satisfaction survey (USS) measures user satisfaction with the timeliness of Eurostat data. In 2022, 61% of 1 486 respondents assessed the timeliness of European statistics as 'very good' or 'good', 25% as 'adequate', while only 9% rated them as 'poor' or 'very poor'. The share of respondents who opted for 'Very good' or 'Good' answers declined slightly in comparison to the 2020 USS, when it stood at 63%[625]. The

[622] Eurostat Annual Activity Report 2022, https://commission.europa.eu/document/download/8619222b-6f35-4c23-9761-8230c0169262_en?filename=ESTAT_AAR_2022_en.pdf.
[623] This means that statistics are disseminated by mid-September of the following year. For example, data from the 2023 survey being disseminating in mid-September 2024.
[624] Eurostat Annual Activity Report 2023, https://commission.europa.eu/publications/annual-activity-report-2023-eurostat_en.
[625] Report on the Eurostat 2022 user satisfaction survey, https://ec.europa.eu/eurostat/documents/10186/13705908/Report_USS_2022.pdf.

2024 USS asked the participants to rate the timeliness of Eurostat statistics in a range of different areas, and in all of them users predominantly chose ‘very good’, ‘good’ or ‘adequate’, with answers ‘poor’ and ‘very poor’ being visibly rarer. The 2024 USS also inquired how the timeliness of Eurostat data compared to the time when the previous USS was conducted (June 2022). Out of 1 675 answers, 19% were ‘better’, 34% were ‘same’, with only 1% of respondents saying ‘worse’, and 36% stated ‘no opinion’. Despite the high percentage of respondents with no opinion on this matter, the difference between positive and negative responses remains significant.

As can be seen in , the majority of the surveyed producers and users considered that the ESP was successful in improving timeliness of statistics. 65.7% of the 35 producers who provided valid answers to this question chose either ‘To a great extent’ or ‘To a moderate extent’ as their answers, while this share for users was 68.8% out of 16 valid responses. No survey participants answered ‘Not at all’ as regards improvements in timeliness of the Eurostat data. 80% of surveyed producers who provided the answer to the question believed that the ESP was in general successful in providing timely statistics.

**Figure 29**: Results of targeted surveys on timeliness




*Source: Targeted survey, conducted in May-June 2024.*

In the interviews[626], most stakeholders expressed positive opinions on the evolution of timeliness. According to the interviews, the ESP was notably effective in prioritising projects, which resulted in improved timeliness of statistical production. The interviewees acknowledged that the ESP also improved the timeliness of key statistical outputs, such as labour market and environmental statistics. The rapid response of the ESP to the COVID-19 pandemic, which necessitated new data collections and ad hoc analysis to meet urgent needs was also cited. The predictability and consistency of Eurostat’s data delivery were particularly praised, with interviewees noting that deadlines were rarely missed. However, some interviewees noted the need for earlier communication about data revisions and

[626] Interviewees were divided into four stakeholder categories: 1. ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), 2. Organisations outside the ESS and users of European statistic, 3. Other stakeholders, and 4. Eurostat staff. A full list of interviewees by each of the four categories can be found in Annex C: Synopsis report.

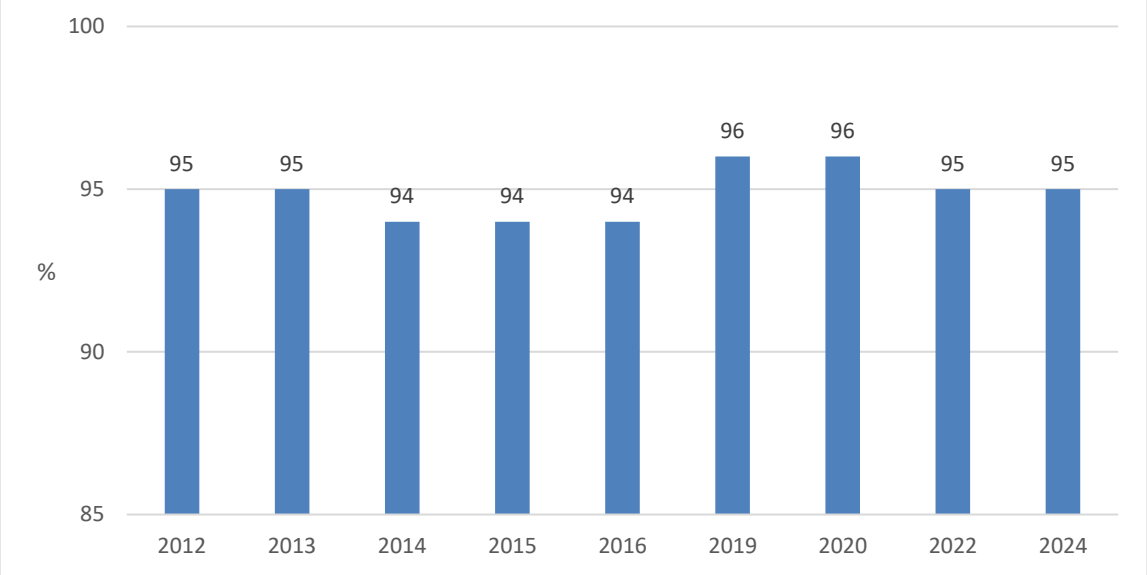
changes to avoid disruptions in analytical processes, as well as delays in publishing critical data like income during crises. Some interviewees expressed concerns about the lengthy process involved in delivering certain datasets, particularly labour force surveys. Interviewed Eurostat staff confirmed that the existing publication timelines for standard statistics were consistently adhered to.

Interviewees pointed to the integration of new data sources, including big data and innovative statistical methodologies, which served as enablers in terms of the ability of the ESS to provide more detailed and timely statistics.

**Trust and impartiality**

The effectiveness of the ESP is further visible from continuously high levels of trust in European statistics among users, with 95% of respondents of the 2024 USS indicating trust in the statistics. Overall trust has not changed much over the period 2012-2024, as it hovered between 94% and 96% in this entire period.

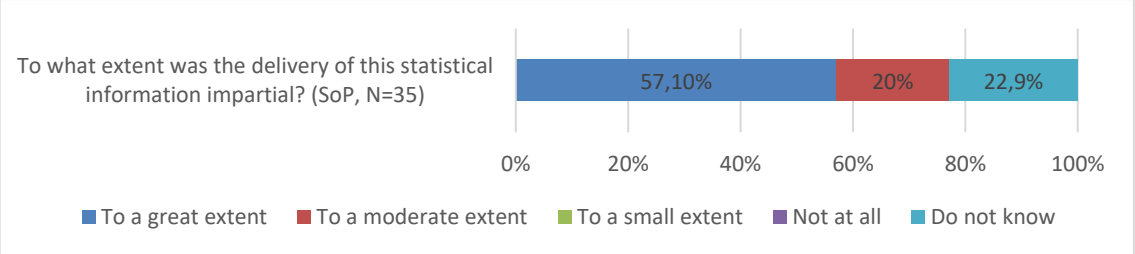
**Figure 30: Trust in European statistics in 2012-20224**




*Source: Eurostat USS 2022, 2024.*

Furthermore, users appreciated European statistics for their continuous impartiality. The surveyed producers predominantly consider European statistics to be impartial.

**Figure 31: Results of targeted surveys on impartiality**




*Source: Targeted survey, conducted in May-June 2024.*

**Statistical coverage**

The ESP's effectiveness is also visible from the significant increase in the number of statistical indicators produced. This growth demonstrates the ESP's value in expanding statistical coverage and therefore the increased relevance of European statistics.

The indicator OP 6.1. Statistical coverage is calculated from the Eurostat reference database and measured as the increase/decrease in number of total indicators, sub-indicators and all their breakdowns produced by Eurostat. It shows how the quantity and variety of data published by Eurostat evolves. As table  below shows, the coverage increased noticeably, by 233 million, in 2022 compared to 2021. This increase resulted in part from the publication of the 2020 agricultural census, which is organised every 10 years, and the dissemination of new asylum statistics tables, after the Russian war of aggression against Ukraine. In 2023, the final value is almost identical to that of 2022, pointing to a continuous growth in the number of statistical indicators published by Eurostat in 2023.

**Table 73**: Coverage of Eurostat's statistics, in millions

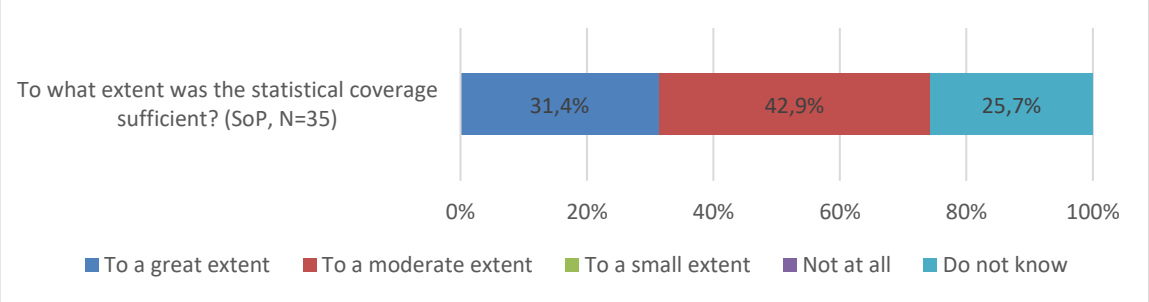
| Indicator | Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|---|
| OP 6.1.: Statistical coverage (measured as number of indicators, sub-indicators and all their breakdowns) | 446 | 485 | 718 | 705 | 750 | 850 |

*Source: Eurostat.*

The USS 2024 also supports the conclusion about some improvements in statistical coverage. When asked whether the completeness of data was better or worse (comparison to the previous USS conducted in 2022), 52% of 1 675 respondents replied that it was the same or better, with only around 2% saying it was worse.

As can be seen in , the majority of surveyed producers agreed to a great (31.4%) or moderate (42.9%) extent that the statistical coverage of the Eurostat data in the period 2021-2023 is sufficient, while the remaining 25.7% of surveyed producers said that they did not know. No respondent considered that the coverage was sufficient 'To a small extent' or 'Not at all'.

**Figure 32**: Results of targeted surveys of statistics producers on coverage

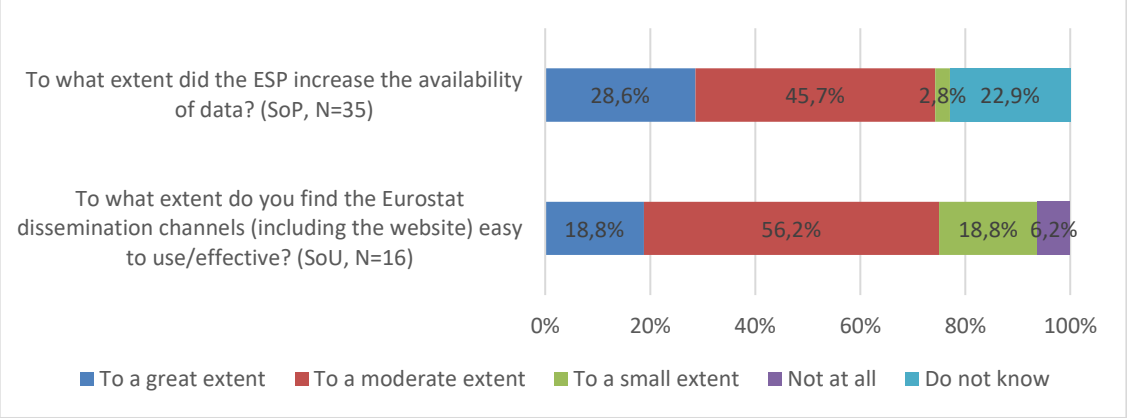



*Source: Targeted survey, conducted in May-June 2024.*

Interviewed ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other) emphasised that the ESP had been successful in producing and delivering high-quality statistics with a comprehensive coverage, which was achieved through continuous improvements in

methodologies and the integration of new data sources. Organisations outside the ESS and users of European statistics pointed out that while there were improvements in specific areas, there were still gaps in data coverage, and highlighted the need for more detailed and granular data to address emerging policy needs effectively. For other stakeholders, the ESP was deemed successful in covering the necessary statistical areas. The harmonisation of data across multiple countries was highlighted as a major advantage in this context, saving significant time and effort compared to compiling data from national sources individually. According to Eurostat staff the coverage of standard statistics remained consistent, while experimental statistics[627] quickly met emerging needs during the COVID-19 period. The targeted surveys also asked about the availability of data (producers) and Eurostat dissemination channels (users). In both cases respondents predominantly positively assessed availability of data, i.e. effectiveness of dissemination channels (see 6 below).

**Figure 33: Results of targeted surveys on questions related to data availability and dissemination**




*Source: Targeted survey, conducted in May-June 2024.*

The interviewed stakeholders agreed that there were significant improvements in data availability. While standard statistics were produced and published as usual, the ESP also facilitated the production of new statistics. Some stakeholders considered that the ESP demonstrated flexibility by adopting new methods and technologies, such as web scraping and Geographic Information System (GIS) systems, to enhance data availability and meet new demands. The increased availability of experimental and high-frequency data was seen as crucial for addressing emerging needs. Survey participants provided some suggestions to improve data availability, in particular the dissemination process. Producers pointed out that the availability of European statistical data could be enhanced through increased financial contributions, adopting best practices and advanced technology, enhancing flexibility and timeliness, investing in NSIs, providing diverse tools and visual presentations, making data more user-friendly and accessible, ensuring data openness, and utilising innovative data sources and privately held data. Users suggested to improve Eurostat's communication and dissemination channels by re-designing table structures in the Application Programming Interface (API), simplifying metadata sections, making the data browser and dissemination database more user-friendly, enhancing database access

[627] Experimental statistics use new data sources and methods and as these statistics have not reached full maturity in terms of harmonisation, coverage or methodology, they are always marked with a clearly visible logo and accompanied by detailed methodological notes.

with centralised query tools, and adding visualisations and cross-topic data on dedicated web pages.

**Quality improvements**

The ESP introduced several quality improvements in statistical production, including advancements in methodologies, integration of new data sources, and enhanced data validation processes. These improvements were reflected in user feedback and peer reviews.

The quality and frequency of communication with stakeholders have also improved thanks to coordinated ESS communication strategy.

The third round of ESS peer reviews in 2021-2023[628] gives an indication of the evolution of quality improvements in statistical production during the evaluation period. Peer reviews are an integral component of the ESS' strategy for overseeing the implementation of the European Statistics Code of Practice[629] (CoP). Their purpose is to evaluate the compliance and alignment of the ESS with the CoP, as well as to assist statistical authorities in enhancing and further improving the national statistical systems. The final report on the third round of ESS peer reviews[630] identified strengths and innovative practices in the ESS, provided a summary of the recommendations on compliance with the CoP or for forward-looking improvements, highlighted the lessons learned and identified ESS-level actions.

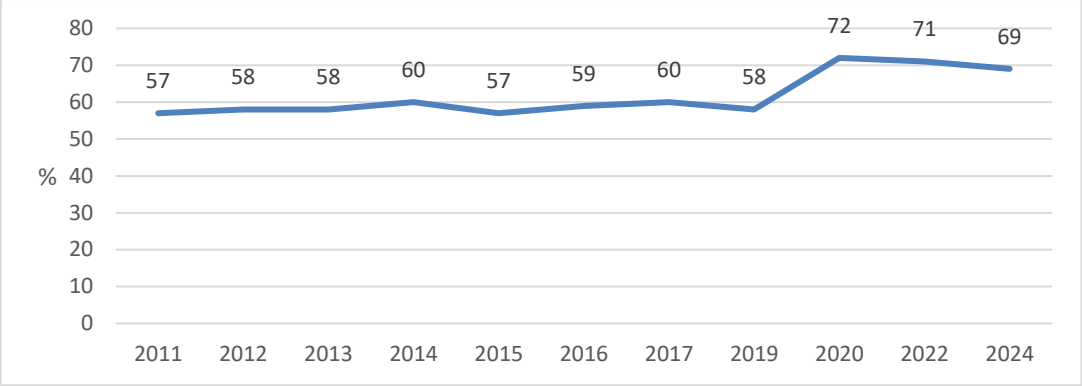
The third round of peer reviews identified several innovative practices, particularly in using new data sources, digital advances, communication and dissemination, and collaboration with the scientific community, which will likely impact quality further. Examples include increased use of administrative and privately held data, digital solutions, and new dissemination products targeting specific user groups.

Several recommendations focus on the need to draw up, formalise and publish a quality policy for the NSIs concerned and for the ESS as a whole, and on the need to set up or enhance the mechanisms for regular quality reviews of statistical processes and output. Improvement actions are in place to address those recommendations.

The quality of statistical production and its evolution have also been demonstrated in Eurostat's USS 2024. Figure 7 below shows the user satisfaction with the overall quality of Eurostat's data and services (sum of 'Very good' and 'Good' responses to the question: 'How do you rate the overall quality of the data and services provided by Eurostat?') over time. The level of satisfaction has remained constantly high even if the results of the USS 2024 show a slight decline. The negative feedback is constantly very low (4% in the USS 2024).

**Figure 34: Satisfaction with the overall quality of data and services provided by Eurostat**

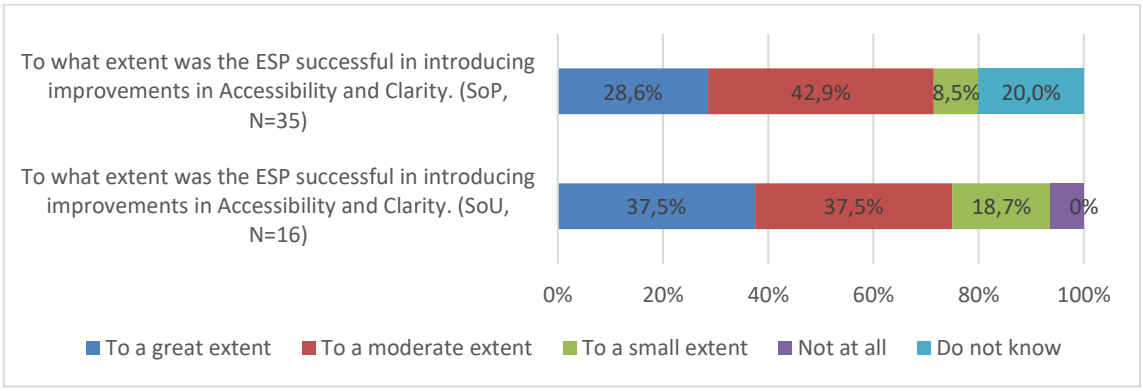
[628] The first round was conducted in the period 2006-2008, while the second round took place during the 2013-2015 period.
[629] https://ec.europa.eu/eurostat/web/quality/european-quality-standards/european-statistics-code-of-practice.
[630] SWD (2024) 136 final - COMMISSION STAFF WORKING DOCUMENT Final report on the third round of the European Statistical System peer reviews, https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2024)136&lang=en.

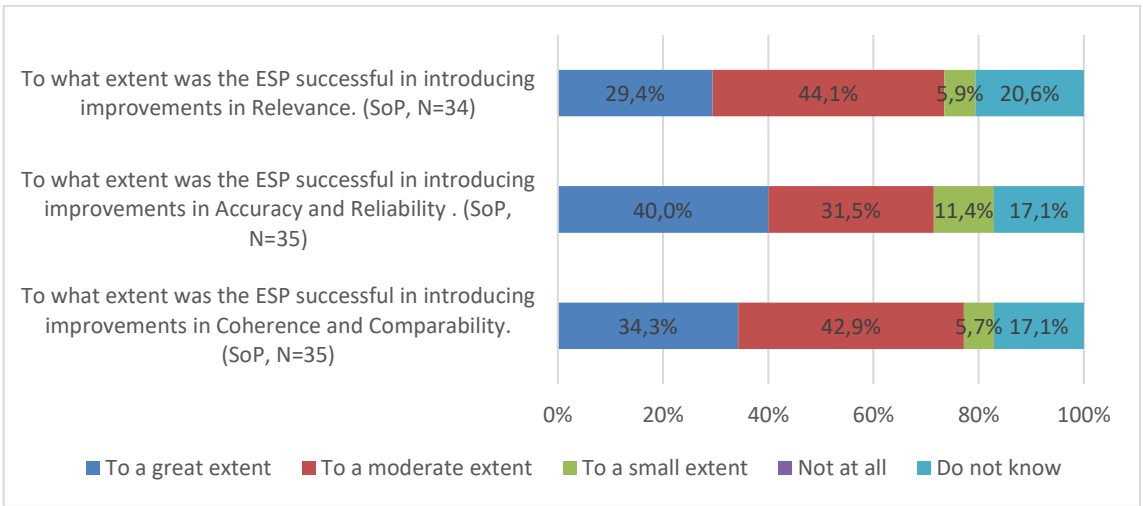


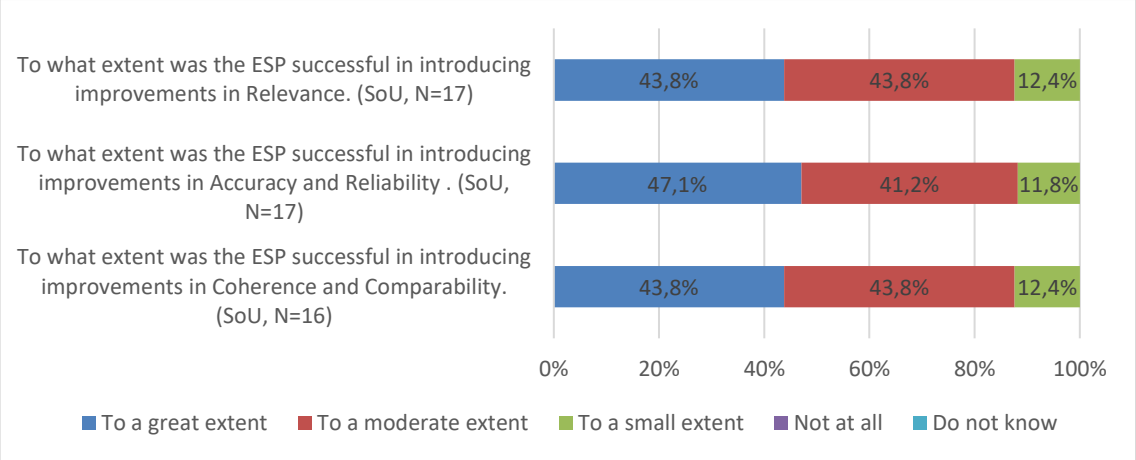

*Source: Eurostat USS 2022, 2024.*

As can be seen in the figure below, the vast majority of surveyed producers and users had a predominantly positive opinion on observed quality improvements for accessibility and clarity, relevance, accuracy and reliability, coherence and comparability.

**Figure 35: Results of targeted surveys on selected Statistical principles**






*Source: Targeted survey, conducted in May-June 2024.*

Stakeholder feedback from the interviews shows quality improvements in statistical production, although some stakeholders noted the need for better communication about data revisions. Eurostat was praised for its progress in improving the quality and comparability of key statistical outputs. According to the interviewed ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), the peer reviews indicated the positive impact of the ESP on statistical production processes, with Europe being seen as a leading continent in statistical production. This high standard of quality supports robust economic assessments and policy decisions. Data validation and quality were noticeably improved through the introduction of new technologies and methods, with Eurostat staff highlighting the important role of IT and automation in this respect. Despite the challenge of balancing timeliness and other quality dimensions, substantial progress was made in enhancing the quality of statistical outputs. Stakeholders also agreed on the importance of existing feedback mechanisms. Some stakeholders suggested that more timely and inclusive feedback mechanisms could further enhance quality. For Eurostat staff, the effectiveness of quality improvements was also reflected in user feedback. Regular dialogues with other DGs ensured that statistical data met their needs and supported effective policy development and compliance monitoring. These structured and regular consultations helped Eurostat stay aware of the evolving needs and priorities of policymakers.

**Use of Eurostat's data in policymaking and for other purposes**

The effectiveness of the ESP is furthermore demonstrated by the extensive use of Eurostat's data in the development, monitoring, and evaluation of EU policies, providing a robust evidence base for informed decision-making. Eurostat's data was crucial in supporting major strategies, including the NextGenerationEU, the European Industrial Strategy, the EU Digital Strategy, the EU Green Deal, RePowerEU and Sustainable Development Goals usage of modern information technology

. Eurostat's data played a particularly important role in advancing the European Green Deal, promoting environmental sustainability and climate action. During the energy crisis, Eurostat introduced a new emergency data collection on reducing gas demand, calculated new indicators to capture import dependency with greater accuracy[631] and, more generally, Eurostat's data facilitated timely and effective policy responses across the EU.

[631] https://ec.europa.eu/eurostat/databrowser/view/nrg_cb_gasm__custom_11242972/bookmark/table?lang=en

Eurostat's annual activity reports highlight the contribution of European statistics to EU policymaking. For example, in 2023, Eurostat provided monthly data on Ukrainian refugees and those under temporary protection. In response to the energy crisis, Eurostat monitored key targets of the RePowerEU plan, including gas demand reduction and import dependency, and offered guidance on recording government measures against surging energy prices. The Harmonised Index of Consumer Prices (HICP) was closely monitored by EU institutions as the only harmonised and comparable reference for measuring inflation.

To support policies supporting quick recovery from the COVID-19 pandemic, Eurostat published comprehensive national and European-level statistics, including a monthly index of services production, business registrations, and bankruptcy declarations. Under the European Green Deal, Eurostat amended the energy statistics regulations, initiated new agricultural and fisheries statistics, and expanded the Land Use/Cover Area frame Survey (LUCAS). Additionally, Eurostat produced statistics on the digital performance of businesses and people, including new indicators on cybercrime and broadband internet coverage.

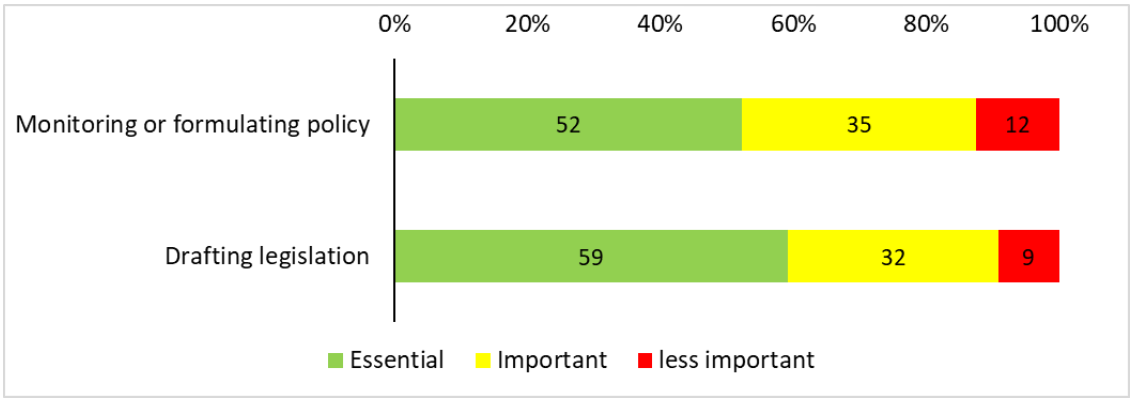
In the realm of social statistics, Eurostat released long-term population projections and detailed healthcare expenditure data, supporting assessments of the EU's ageing population and fiscal monitoring. Furthermore, Eurostat drove international statistical standards to ensure global data comparability, supporting the EU's twin transition to a green and digital economy. Finally, the first EU-level results from the 2021 population and housing census were published, alongside a new proposed regulation on European Statistics on population and housing (ESOP)[632].

In its opinion on the draft Work Programme 2023, ESAC, which represents users, appreciated that Eurostat had acted to introduce more statistics in support of policymaking, by producing statistics for the Recovery and Resilience Facility[633].

Results from the USS 2024 show that users find statistics important for monitoring or formulating policy and for preparing legislation. 52% and 59% (respectively) of respondents thought that statistics are essential for these purposes, 88% and 91% (respectively) believed that statistics are either essential or important, while only 12% and 9% were of opinion that they are less important (see figure 9 below).

**Figure 36: Importance of statistics for legislation and policy uses**

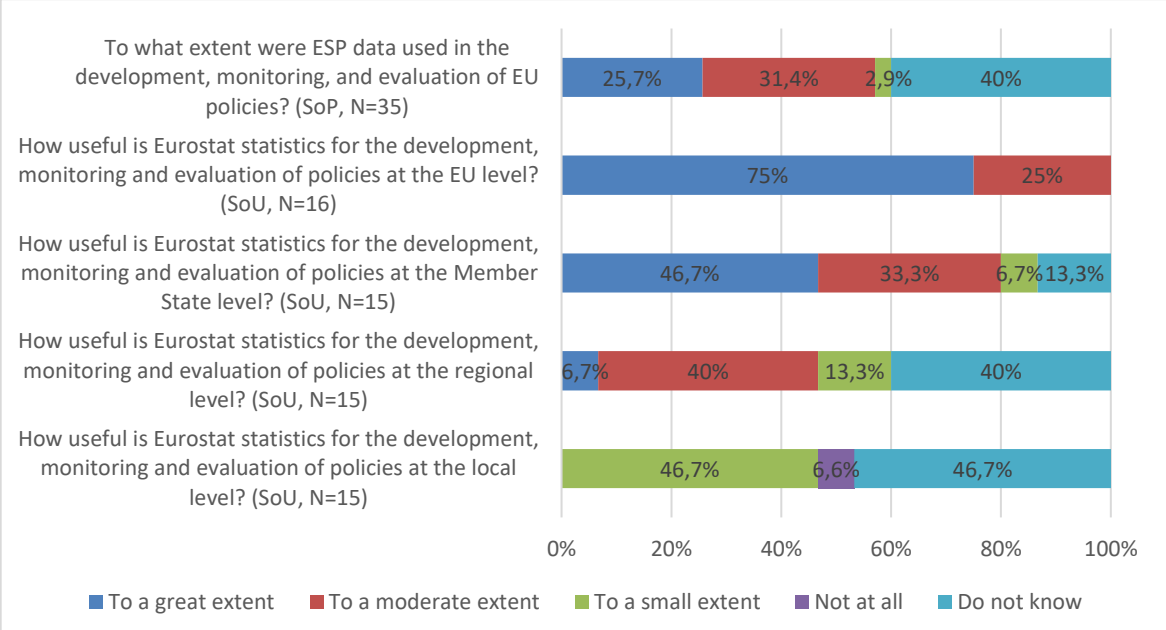
[632] Eurostat Annual Activity Report 2023, https://commission.europa.eu/publications/annual-activity-report-2023-eurostat_en, p. 4-6.
[633] ESAC Opinion on the draft Work Programme 2023, https://ec.europa.eu/eurostat/documents/735541/6942269/ESAC_2022_02_Opinion+on+the+draft+Work+Programme+2023.pdf/, p. 3




*Source: Eurostat USS 2024.*

Figure 10 shows the results of the targeted surveys on the question of using Eurostat data to create and monitor policies. The surveyed producers predominantly agree that Eurostat data were used for creating, monitoring, and evaluating EU policies. Replies from the surveyed users differ noticeably regarding how useful these statistics are for policymaking on different regional levels. Share of 'To a great extent' and 'To a moderate extent' answers notably drop at the expense of 'To a small extent' and 'Not at all' answers the lower the level is. This could indicate a potentially insufficient breakdown of data on lower levels.

**Figure 37: Results of targeted surveys on questions related to using European statistics for policymaking**




*Source: Targeted survey, conducted in May-June 2024.*

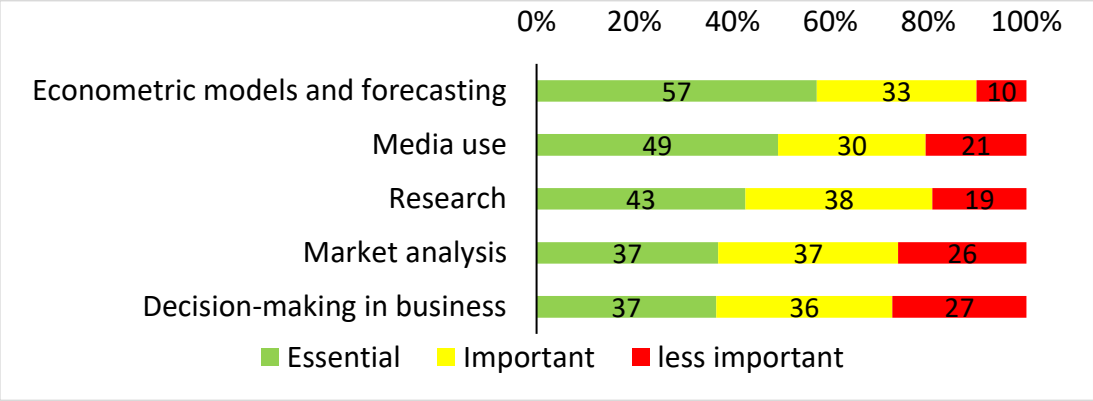
In the interviews, stakeholders highlighted the crucial role of European statistics in evidence-based policymaking, as well as monitoring, and evaluating EU policies. Important examples for relevant data include (i) harmonised labour statistics and other datasets; (ii) GDP and inflation data in monetary policy decisions; and (iii) the employment of Eurostat data for monitoring frameworks like the Social Scoreboard and the Joint Assessment Framework.

Interviewees noted extensive use of European statistics in evidence-based policymaking, particularly during the COVID-19 pandemic. The availability of reliable and comparable data across countries enhances the ability to formulate and assess policies effectively.

Eurostat's data also contributes to other purposes. One example is its use for administrative procedures within the Commission, for example in determining how much countries pay to the EU budget annually. Statistics on Gross National Income (GNI) and on non-recycled plastic packaging waste are used for that.

The USS 2024 asked about the importance of statistics for various user needs/purposes. As can be seen in figure 11, 'Building econometric model and forecasting' received the highest share of users marking statistics as 'essential' or 'important' for this purpose. Decision-making in business recorded the lowest score in terms of the share of respondents who chose it as essential, but it still had a combined share of 73% for essential and important answers combined.

**Figure 38: Importance of statistics different uses**




*Source: Eurostat USS 2024.*

The SMP monitoring indicator, RES 6.6. Number of research projects requesting access to European microdata in the Eurostat database, can serve as evidence that the ESP increasingly contributed also to research purposes. It can be argued that if this number is high and growing, the more the partnership with the research community can be considered robust, including usage of statistics for this purpose.

As can be seen in the table below, there was a continuous increase in the number of new research project proposals submitted to Eurostat that requested access to European microdata. In 2022, there were 386 new research requests, while in 2023 that number stood at 406, which is a 5.2% growth rate.

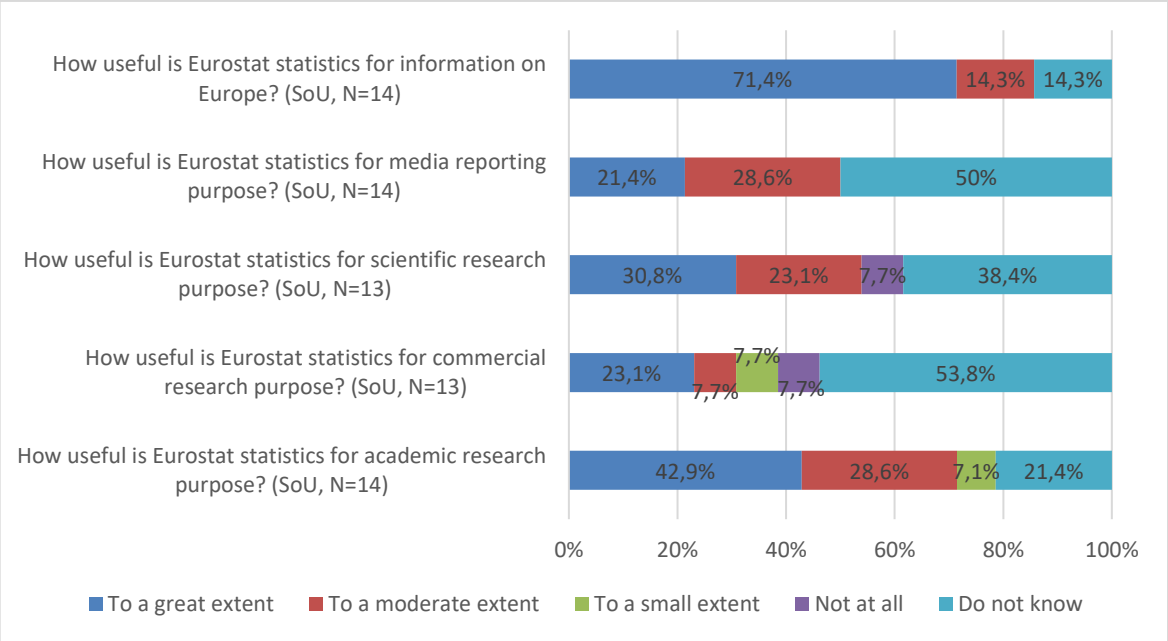
**Table 74: Number of research projects requesting access to European microdata in the Eurostat database**

| Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|
| End-December 2020: 2 700 project proposals received since 2013 | 3 103 | 3 489 | 3 895 | (progress to 2027 target) | 5 000 |

*Source: Data provided by Eurostat.*

According to the surveyed users, Eurostat data are highly useful for the purposes of acquiring information on Europe and academic research, but also for scientific research and media reporting, while commercial research is the area for which they think Eurostat data the least useful (see figure 12 below).

**Figure 39: Results of targeted surveys on questions related to using European statistics for different purposes**




*Source: Targeted survey, conducted in May-June 2024.*

In the interviews, stakeholders agreed that Eurostat's data supported various analytical, administrative and policymaking purposes. They also noted the value of having multiple data sources to create a comprehensive economic picture, with some saying that Eurostat data serves as a benchmark and competitive source, ensuring accuracy and reliability in various analytical and research contexts. The high quality and comparability of Eurostat data make it a valuable resource for a wide range of purposes. In the view of Eurostat staff, Eurostat data, particularly macroeconomic statistics, were also substantially used by the ECB and the media, which helped raise visibility of and awareness about Eurostat data, indicating its broader impact and utility.

**Partnerships**

The ESP strengthened partnerships within the ESS and beyond, including collaborations with international organisations like the UN and OECD, as shown in the annual activity reports.

Within the ESS, Eurostat coordinated the yearly Directors-General of the National Statistical Institutes (DGINS) conference and organised the New Techniques and Technologies in Statistics (NTTS) conference (2021, 2023), the European Conference on Quality in Official Statistics 2022, and the Conference of European Statistics Stakeholders 2022. Under Eurostat's coordination, the third series of ESS peer reviews took place in 2021-2023. The revision of the framework regulation on European statistics, Regulation 223/2009, which was proposed by the Commission in 2023 following consultations within the ESS, marked another significant step in fostering collaboration with private data providers and strengthened data sharing within the ESS.

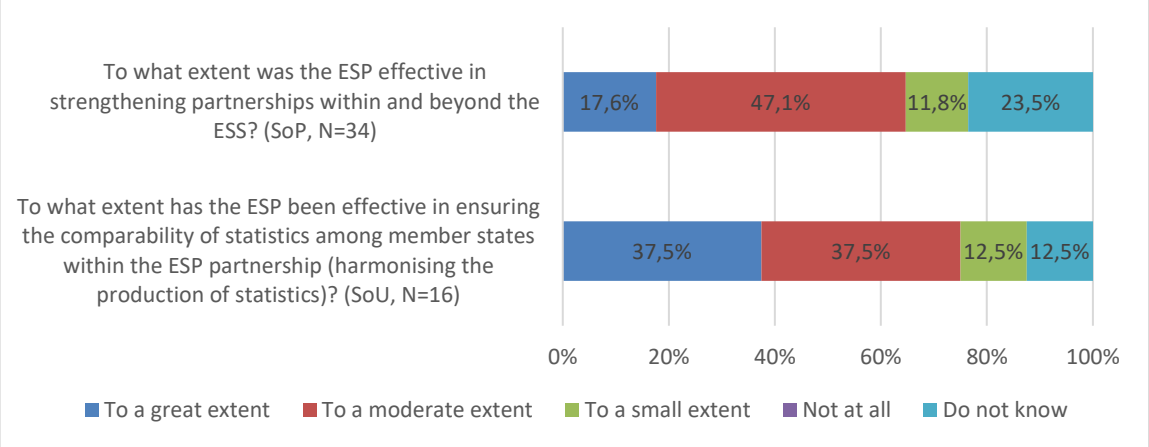
In 2023, projects like experimental statistics on occupational cancers and traffic mobility, and partnerships with the European Maritime Safety Agency and railway infrastructure managers bolstered collaboration with stakeholders.

Eurostat completed negotiations and signed several new administrative arrangements for statistical cooperation (see 4.1 for more information).

Beyond the ESS, in the area of international statistical cooperation, EU's common positions were developed for the United Nations Statistical Commission, thereby aiding in the development and promotion of statistical standards that align with EU principles. In 2023, Eurostat contributed to the G20 Data Gaps initiative. The establishment of the ESS Innovation Network further facilitated knowledge sharing and innovation in statistical processes.

As can be seen in figure , the majority of the surveyed producers agreed to a great or moderate extent that the ESP was effective in strengthening partnerships within and beyond the ESS.

**Figure 40**:Results of targeted surveys on questions related to the ESS partnerships




*Source: Targeted survey, conducted in May-June 2024.*

Stakeholders considered partnerships as important for maintaining data coherence, comparability and (high) quality. Interviewees highlighted the ESP's role in fostering partnerships with private data holders, academia, and research agencies, which facilitated access to alternative data sources and is crucial for adapting to technological advances. They also pointed out the strong coordination and effective partnership between Eurostat and other international organisations, such as the IMF, OECD, World Bank, and UN Statistics Division, and praised the legal frameworks and regular meetings that facilitated effective cooperation between the ESS and international actors, ensuring coherence and comparability of statistical data across different countries, institutions and helping align global statistical standards with EU requirements. Some stakeholders, while acknowledging Eurostat's significant efforts in ensuring coherence and comparability of statistical data across countries, suggested that Eurostat could do more to support less developed members of the ESS and engage in global cooperation. They expressed a desire for Eurostat to share its expertise and resources more broadly, helping to improve statistical systems in other regions, which could extend the benefits of Eurostat's high standards and methodologies to a wider audience.

As indicated in Eurostat's AARs from 2021 to 2023, based on the use of subdelegated budgets Eurostat supported the Western Balkans and Türkiye and as of 2023 also the three new candidate countries Georgia, Moldova and Ukraine in producing better quality statistics in line with European standards and requirements aiming to support the design and monitoring of the EU enlargement and neighbourhood policies. Support was also provided to African countries to apply international standards in producing data needed for EU policies and for the Africa Agenda 2060.

**Barriers to fulfilling ESP's objectives**

Resource constraints and the rapid pace of technological change were significant challenges for the ESP during the evaluation period 2021-2023. Continuous investment in people and technology was essential to maintain the ESP's efficiency and effectiveness.

Further challenges[634]include the role of NSIs as data stewards, the integration of AI, and the presence of statistics-like products from other government entities. Additionally, in view of the dominance of privately held big data, lack of a clear mandate for data collection and access to such data as well as resource adequacy have become key to fulfilling ESS' mission. Ensuring statistical confidentiality and adapting to new methodological requirements are essential to uphold quality and effectiveness amidst rapid changes.

According to surveyed producers, the main factors reducing the impact of ESP activities include the lack of financial and human resources within NSIs, the need for stronger technical leadership from Eurostat, issues of timeliness and comparability, along with costly data collection practices. Coordination challenges arise when data is collected by other organisations, requiring collaboration to address any issues with data.

In the interviews, many stakeholder groups identified resource constraints and resource allocation as significant barriers, particularly in the face of evolving statistical demands and the rapid pace of technological change. Other challenges mentioned were (i) the need to adapt skills to technological advancements (ii) gaps in the ESP's ability to keep pace with rapid developments in data use and governance; (iii) the need for better prioritisation and resource allocation; (iv) the lengthy legislative process within the ESS that could slow down responsiveness and (v) the increased workload on national statistical institutes due to rising demands for new statistical products.

Interviewees acknowledged that efforts were made to reduce the administrative burden on national statistical institutes, by for instance automating statistical production processes and accessing new data sources to mitigate the increased workload for NSIs. The integration of the ESP within the SMP was seen as providing administrative benefits and potential synergies while also leading to challenges related to reduced financial flexibility and longer times for adopting financing decisions.

Suggestions to overcome the identified challenges were: (i) continuous investment in human resources and technology; (ii) dedicated budget allocations for statistics within the SMP to maintain the integrity and effectiveness of the ESP; (iii) further simplifying grant processes; (iv) integrating the ESP within broader European data policies to keep pace with rapid technological developments in data use and governance; (v) greater consideration to users' feedback in the legislative process; and (vi) improving user engagement and feedback to provide more timely and relevant outputs.

[634] https://doi.org/10.2785/049882.

### 4.1.2. Efficiency

**Efficient resource allocation**

The ESP has demonstrated a strong commitment to efficient resource allocation. The cost-benefit analysis indicates that stakeholders generally perceive the benefits of the ESP as proportionate to the costs, highlighting its cost-effectiveness. The programme has effectively implemented anti-fraud measures, evidenced by low error rates and positive audit outcomes, enhancing the integrity and efficiency of resource usage.

The table below shows the budget execution for the ESP in 2021-2023. For 2021, 2022, and 2023, the commitment was entirely met with an execution rate of 100%, signalling full utilisation of available resources in these years and indicating that the ESP maintains a very high standard of financial efficiency.

**Table 75: ESP voted budget, executed voted budget and execution rate (2021-2023)**

| | Voted budget (under Eurostat remit) | Executed voted budget (under Eurostat remit) | Execution |
|---|---|---|---|
| 2021 Commitment | 69 107 576 | 69 107 576 | 100% |
| 2022 Commitment | 71 525 664 | 71 525 664 | 100% |
| 2023 Commitment | 69 063 103 | 69 063 103 | 100% |

*Source: Data provided by Eurostat.*

Table 21 shows that from 2017 to 2023 there has been a steady increase in the financial cost of producing official statistics in the ESS. This might be attributed to factors such as inflation, expanded data collection, increased complexity of statistical tasks, or more comprehensive statistical outputs required by different Commission Directorates-General. On the other hand, the number of staff (in FTEs) working in official statistics has fluctuated in this period, with a notable reduction in 2023. This could indicate somewhat increased efficiency, possibly attributable to automation, and/or changes in the distribution of tasks.

**Table 76: Costs estimates and staff as FTEs in the ESS**

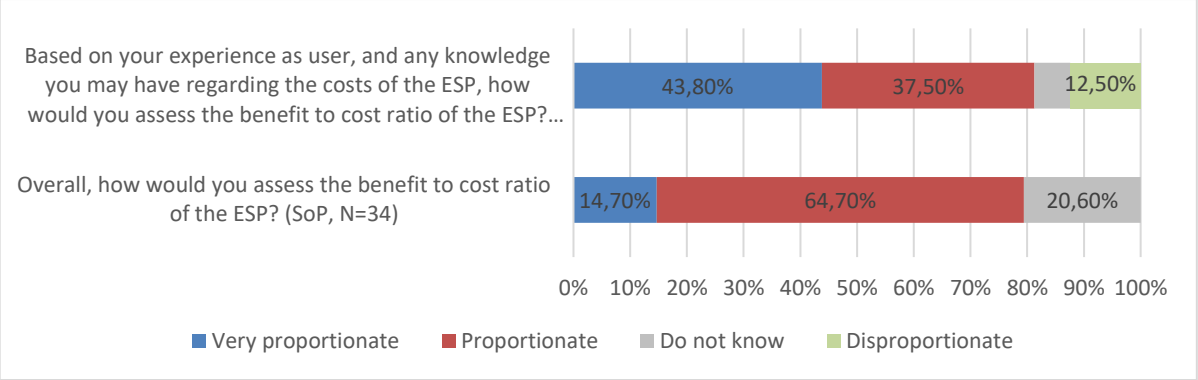
| Year | 2017 | 2020 | 2023 |
|---|---|---|---|
| Costs (billion EUR, current prices) | 2.3 | 2.6 | 2.9 |
| Staff working in official statistics in the ESS (1000s of FTEs) | 38.2 | 38.8 | 34.3 |

*Source: Data provided by Eurostat.*

As highlighted by stakeholders, further reduction of staff could risk the ESP's ability to meet the increasing demand for high-quality, more timely and granular statistics. It is essential that the ESP balances human resource efficiency with the capacity to handle growing demands to sustain its effectiveness.

The figure below shows that an overwhelming majority of producers and users of statistics (some 80%) consider the benefits to be proportionate or very proportionate to the costs, suggesting a general satisfaction with the ESP's cost-effectiveness.

**Figure 41**: Results of targeted surveys on the benefit to cost ratio




*Source: Targeted survey, conducted in May-June 2024.*

The financial operations of the ESP within the framework of the SMP are managed directly by Eurostat. This execution aligns with the multi-annual framework, adhering to the Financial Regulation and its related rules. Eurostat aims to ensure a cost-efficient achievement of control objectives through a set of *ex ante* and *ex post* controls of the key processes related to budget implementation and financial transactions. Additionally, Eurostat is working on initiatives, such as simplified call for proposals procedures and the integration of the new financial tool SUMMA, aimed at simplifying its financial management and adapting its control system to meet legal and operational changes. The ESP has implemented simplified grant processes (like unit costs for personnel and flat rate financing for indirect costs), and electronic tools, such as e-grant submission and management systems, to streamline the entire lifecycle of grant management. These innovative tools have noticeably reduced administrative burden on NSIs and errors.

The *ex ante* controls of the procurement transactions did not reveal any major weaknesses in 2021-2023. A conservative error rate of 0.5% was applied to denote the amount at risk, with indications suggesting the actual error rate could be near zero.

The producers of European statistics considered the mechanisms for monitoring the efficient use of resources within the entire ESP as effective (48.6% as moderately effective, 2.9% as extremely effective) whereas only 11.4% considered it as less effective, suggesting a generally efficient use of resources but with room for improvement.

ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other) expressed the opinion that the ESP employs competitive application processes to ensure efficient resource use, which implies scrutiny and optimal allocation of resources. Others see the collaboration among NSIs, which promotes sharing and learning, as a beneficial outcome of the ESP.

Eurostat has effective anti-fraud measures in place as confirmed by the interviews, clean audit records and low error rates. Eurostat's updated Anti-Fraud Strategy for the period of 2021-2023 was designed to align with the Commission's revised Anti-Fraud Strategy (CAFS) from 2019. Eurostat also engaged actively in the Fraud Prevention and Detection Network (FPDNet) to maintain optimal fraud prevention efforts.

Interviewees emphasised that such measures, coupled with training and robust monitoring systems, have been effective in preventing the misallocation of ESP funds. Several organisations outside the ESS and users of European statistics mentioned in interviews that they are satisfied with the current anti-fraud system in place.

**Continuous commitment to legality of financial dealings**

A strong commitment to ensuring legality and regularity in financial dealings is also highlighted by the effectiveness of Eurostat's control system. Audits and reviews have consistently confirmed the adequacy of Eurostat's performance management frameworks. The grants to be audited *ex post* are selected via a stratified sampling strategy, also incorporating identified risks. Such an approach is cost-effective despite the small volume of budgetary appropriations managed by Eurostat, necessitating a comprehensive set of controls and leading to diseconomies of scale. The effectiveness of the controls is evident from the reported error rate, which has been consistently low (0.28% in 2021, 0.12% in 2022, and 0.34% in 2023), and well below the materiality threshold (2%). The need to perform a certain number of such controls limits the scope for reduction and savings.

Eurostat's assessment of its control system, considering key indicators and control results, acknowledges the satisfactory cost-effectiveness and efficiency within its operational framework[635]. The estimated amount at risk for 2023 payments stood at 0.39 million EUR. It decreased from EUR 0.48 million in 2022. Eurostat's risk management and the absence of incidents concerning data integrity or fraud in 2023 further underscore the robustness of its internal controls. Recommendations from the Internal Audit Service and the European Court of Auditors (ECA) mentioned in the proceeding sections have been actively incorporated, with ongoing actions to enhance audit recommendations, highlighting the effective state of internal controls for audited processes. There have been neither fraud-related audit observations nor any potential fraud-related cases reported to OLAF in Eurostat activities from 2021 to 2023.

In a review conducted in 2022 that focused on the effectiveness and efficiency of the performance management system at Eurostat, the Internal Audit Service concluded that Eurostat has adequately designed and implemented an effective and efficient performance management framework and successfully aligned its objectives and performance indicators with the broader performance management framework for the SMP. They have also effectively communicated these objectives to staff through the planning, monitoring, and reporting tool (PMR) and the Intranet, facilitating a clear understanding of strategic and management plans. The audit recognised Eurostat's robust process for monitoring and reporting on performance management.

The audit recommendations referring to activities and outputs and to the PMR tool have already been implemented by Eurostat. The implementation of the recommendation referring to objectives and indicators is on track according to planning.

The recommendations from another Internal Audit Service report on the 'Audit on HR Management in Eurostat', released on 26 January 2021, were addressed by Eurostat. The Internal Audit Service monitored the execution of all eight 'very important' recommendations, deemed them as fulfilled, and officially concluded them.

According to the interviewed stakeholders, the management and organisation of the ESP appear to support efficient delivery, with systems in place to review efficiency and performance. ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other) as well as organisations outside the ESS and users of European statistics generally confirmed the effectiveness of Eurostat's governance mechanisms in monitoring resource use.

[635] Eurostat Annual Activity Report 2022, https://commission.europa.eu/document/download/8619222b-6f35-4c23-9761-8230c0169262_en?filename=ESTAT_AAR_2022_en.pdf.

However, suggestions from NSIs indicated that more proactive coordination with other EU bodies (e.g. ECB, JRC, DGs) could potentially further enhance efficiency, so that governance practices might better support the overarching goals of the ESP.

**Reduction in administrative burden**

The ESP allowed Eurostat to implement appropriate measures to successfully reduce administrative burden through legislative simplification and the adoption of electronic tools. According to feedback from stakeholders, the ESP has achieved moderate to high success in reducing administrative burdens in the period 2021-2023, suggesting that some areas still require further improvement.

Due to paperless payment processes and a payment time monitoring system, the timeliness of the financial procedures under the ESP was very high over the course of three years.

**Table 77: Timeliness indicators for grants and procurement payments (Pillar 6)**

| | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Grants | | | | |
| Average time-to-inform applicants | 63 days | 98 days | 79 days | 96 days |
| Payment accepted amount in time | 100% | 99.15% | 100% | 99.78% |
| Average time-to-pay | 27 days | 32 days | 24 days | 23 days |
| Procurement | | | | |
| Payment accepted amount in time | 100% | 99.54% | 100% | 99.94% |
| Average time-to-pay | 18.5 days | 19.6 days | 18 days | 18.2 days |

*Source: Eurostat Annual Activity Report 2023*

ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other) as well as organisations outside the ESS and users of European statistics highlighted that efficiency gains have been achieved through collaboration and competition for resources, leading to streamlined processes and shared best practices among NSIs. Also, the shift towards using administrative registers to produce statistics was mentioned as a positive step towards improving efficiency. Eurostat staff underlined how the ongoing investments in new technologies and methodologies improved efficiency.

In an effort to reduce administrative burden, Eurostat is regularly engaged in the Commission's REFIT and Better Regulation activities, which are dedicated to eliminating unnecessary regulatory burdens and enhancing the efficiency of European statistics production[636]. Proposals for legislative revisions are evaluated to identify opportunities for simplification and regulatory cost reduction without undermining the aims or benefits of the legislation. Interviewees stressed substantial benefits in the form of reduced administrative budget from streamlining different pieces of statistical legislation into bigger homogenous frameworks, e.g. in the field of social statistics, agricultural and business statistics.

These initiatives are part of a broader commitment, as evidenced by the REFIT programme and the One-In, One-Out approach[637], to ensure EU legislation is efficient and effective

[636] Eurostat Strategic Plan 2020-2024, https://commission.europa.eu/system/files/2020-10/estat_sp_2020_2024_en.pdf, p. 15.
[637] The 'One-In, One-Out' (OIOO) approach is a regulatory policy designed to manage and control the overall regulatory burden. This approach requires that for every new regulation introduced, an existing regulation must be removed or modified to offset any new costs or burdens.

and imposes the minimum necessary cost on citizens and businesses[638]. To measure how the Commission upholds this commitment, the indicator in Table 12 shows the share of proposed legislative revisions that concretely reduce administrative burden. All the legislative revisions matched the criteria in 2022, fulfilling the target of a positive trend compared to the baseline (75%). At the end of 2023, the percentage of legislative revisions that included burden reduction measures remained at 100%, aligning with the 2022 performance.

**Table 78:** Proportion of Eurostat's proposed legislative revisions that include burden reduction measures

| Baseline (2020) | Interim result (2021) | Interim Milestone (2022) | Interim result (2022) | Target[639] (2024) | Latest known results (31.12.2023) |
|---|---|---|---|---|---|
| 75% | 75% | Positive trend | 100% | Positive trend | 100% |

*Source: Eurostat Annual Activity Reports 2021-2023.*

According to Eurostat's internal analysis, the burden reduction expected from the reviewed and new framework regulations will be approximately of a total of EUR 149.6 million. Regulation (EU) 2019/2152 on European business statistics, repealing 10 legal acts in the field of business statistics is expected to reduce the burden by EUR 123.5 million in total. The regulation reflects the use (non-mandatory) of exchanged microdata on intra-EU exports for the compilation of intra-EU imports of goods instead of collecting this information from businesses (intra-EU importers). Additionally, implementation of the future Regulation on Labour market statistics will also reduce burden by use of streamlined quality reports and digital techniques, e.g. web scraping of online advertisements and extractions from payroll files.

There are other initiatives that can reduce administrative burden, linked to Regulation (EU) No 691/2011 on European environmental economic accounts. First, related to ecosystem accounts, for which the Commission will provide compilation tools, handbooks, and methodologies to national authorities in the Member States to simplify statistical compilation. Second, related to forest accounts, for which the new accounts can be implemented with no need of additional reporting by businesses in the forestry sector, but only based on existing data. And third, related to environmental subsidies accounts, for which the new accounts can be implemented with no need of additional reporting by businesses in the forestry sector, but only based on existing government data.

Moreover, for the revision of Regulation 223/2009 on European statistics, savings have been estimated at EUR 450 million in the 2024 Commission Work Programme[640]. The revision aims at improved access to privately held data and intensified data sharing within the ESS, reducing the number of surveys and increasing the use of automated and simplified processes and will bring cost savings, including for SMEs. Out of 35 respondents to the survey among producers of European statistics, 11.4% felt that the ESP was highly successful in introducing efficiency gains in statistics production by reducing administrative burdens during 2021-2023. Meanwhile, 37.1% believed the ESP achieved moderate success. 28.6% of respondents perceived only a small success in reducing administrative burdens, highlighting it as an area that could benefit from further focus.

[638] Eurostat Annual Activity Report 2022, https://commission.europa.eu/document/download/8619222b-6f35-4c23-9761-8230c0169262_en?filename=ESTAT_AAR_2022_en.pdf, p. 33.
[639] The target was set bearing in mind that a large majority of the legislative revision should include burden reduction measures.
[640] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023DC0638

2.9% of respondents observed no success at all in this domain, and 20% were unsure about the level of efficiency gains.

Interviewed stakeholders confirmed that efforts to reduce administrative burdens are substantial and effective. The collaboration among NSIs plays a pivotal role in mitigating these burdens as well as shared practices and streamlined processes. The benefits of the burden reduction for Member States and data providers were widely recognised as significant. The stakeholders also highlighted the successful implementation of streamlined processes and electronic tools that have noticeably reduced the administrative workload. Notably, simplified grant processes were identified as a major factor enhancing operational efficiency. However, there were calls for more investment in statistical infrastructure and a greater acknowledgement of the costs involved in producing new statistics, highlighting the need for a deeper analysis of the cost-benefit balance. Additionally, national factors such as resource availability and the administrative capacity of NSIs may impact the capacity to benefit from collaborative efforts.

Eurostat staff have stressed that efforts to streamline legislation and consolidate various regulations into comprehensive framework regulations have been central to reduce administrative burden for NSIs and statistics producers. Additionally, the introduction of simplified grant processes and the deployment of electronic tools have greatly reduced the administrative workload for beneficiaries. Feedback from beneficiaries suggests that particularly the unit cost system has been well received, easing reporting processes and reducing administrative tasks considerably. On the other hand, limitations due to insufficient human resources to absorb grants have been noted, which may constrain the overall efficiency and effectiveness of these efforts.

Compared to the previous ESP, efficiency was improved through automation and the introduction of advanced IT tools, which helped reduce administrative burdens while maintaining high-quality standards. Additionally, despite resource constraints, the ESP has continued to allocate resources effectively, supporting high-impact statistical outputs and strengthening its partnerships with international organisations like the UN and OECD to ensure data coherence and comparability.

**Multiple sources of financing**

The ESP's reliance on multiple sources of financing, including substantial amounts of subdelegated funds, has facilitated the development of specific statistics tailored to EU needs. However, this has raised concerns about Eurostat's financial autonomy. Recommendations from stakeholders suggest moving towards a more streamlined and autonomous funding structure to enhance control and efficiency. However, they did not provide any output on the feasibility of such funding.

Eurostat manages grants aimed at supporting the development of statistics that meet specific needs or fulfil compulsory statistical activities of other DGs. In 2021, these grants comprised a total of EUR 95.93 million (implemented budget), in 2022, EUR 117.84 million (implemented budget), while in 2023, EUR 88.35 million (implemented budget), made up of operational and administrative budget commitments, with both own and subdelegated appropriations[641]. The cooperation is formalised through Memoranda of Understanding, setting the foundation for shared work programmes, budgetary procedures, and monitoring tasks.

[641] Eurostat Annual Activity Report 2023, https://commission.europa.eu/publications/annual-activity-report-2023-eurostat_en.

Eurostat cooperates with the relevant DGs by aligning procedures and developing synergies in statistics production. To ensure operational integrity, internal control systems are monitored, and cooperation with statistical and local data correspondents of the DGs is established. Eurostat adheres to internal rules on the reporting of payments and pre-financing in cases of Co-Delegations and Cross-Sub-Delegations, applying a structured approach to financial reporting and accountability.

Some stakeholders felt that recommended that the comprehensive adoption of the European Statistics Code of Practice be ensured by advising the Commission to gradually eliminate the use of subdelegated operational funds for producing statistics in order to guarantee Eurostat's independence. In its report on quality of European statistics in 2022, the Court affirmed that they 'consider that the current arrangement, whereby Eurostat is financially reliant on other DGs, is not fully aligned with international recommendations and best practice on adequate resourcing and does not promote institutional independence'[642].

On the other hand, the DGs Eurostat collaborates with note substantial benefits from the cooperation with Eurostat. For instance, the access to additional financial resources, provided as subdelegated credits, was crucial for the creation of specific datasets related to thematic DGs. According to the commitment data provided by Eurostat (see table below), DG AGRI was the most substantial donor of the sub-delegation within the ESP 2021-2023 period, accounting for EUR 22.82 million.

**Table 79: Breakdown of commitments opened in 2021-2023 by responsible DGs**

| m EUR | 2021 | 2022 | 2023 | TOTAL |
|---|---|---|---|---|
| ESTAT | 75.99 | 80.27 | 82.19 | 238.45 |
| AGRI | 3.58 | 19.24 | | 22.82 |
| CLIMA | 3.23 | | | 3.23 |
| DEFIS | 0.73 | | | 0.73 |
| EAC | 0.20 | | | 0.20 |
| EMPL | 5.47 | 2.50 | 1.63 | 9.60 |
| ENV | 3.58 | | | 3.58 |
| JRC | 0.04 | 0.04 | 0.04 | 0.12 |
| JUST | 0.12 | | | 0.12 |
| NEAR | | 15.00 | | 15.00 |
| REGIO | 2.15 | 1.95 | 3.83 | 7.93 |
| | 92.69 | 117.59 | 87.70 | 297.98 |

*Source: Data provided by Eurostat.*

According to ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), a more streamlined funding source would enhance predictability and stability in budgetary allocations, making resource management more efficient. One of the DGs using Eurostat statistics also highlighted the need to streamline funding sources and suggested that integrating the ESP into the Single Market Programme might have affected its visibility and independence. One of the NSIs considered that the integration of the ESP under the SMP enhances resource availability. During the interviews with Eurostat staff, the challenges of relying on multiple sources of financing were brought up. The need for more

[642] European statistics, Potential to further improve quality, Special Report by European Court of Auditors, https://www.eca.europa.eu/Lists/ECADocuments/SR22_26/SR_EU_Statistics_EN.pdf.

stable and long-term budgetary allocations was emphasised, and it was suggested that allocating a dedicated budget to the ESP could enhance efficiency and predictability, while allowing for continuous close collaboration with Commission DGs. Interviewees stressed that an increase in human resources would be of critical importance in this context.

### 4.1.3. Coherence

The ESP's general and specific objectives and activities are internally coherent. The ESP's activities and outputs are also coherent and well aligned with overarching EU strategies and objectives.

Eurostat's strategic plan for the period 2020-2024 is centred around the political agenda of Commission President von der Leyen, as delineated in her strategic priorities for Europe throughout her (first) term. Part 1 of Eurostat's strategic plan is centred around these six headline ambitions643 and their interconnectedness with Eurostat's three specific objectives (presented below, see also 4.3. ESP general objectives meeting ESS' needs). It presents a general mission statement to deliver on EC's priorities, describes the operating context and strategy, and establishes a set of key performance indicators[644].

The six headline ambitions also serve as the backbone to all Eurostat's key annual planning and reporting documents. Following the strategic plan, Eurostat's management plans and annual activity reports for 2021-2023 are divided into two parts. For the management plans, one chapter under Part 1 is titled 'Statistics and data to support the policies and public debate on the Commission six headline ambitions'[645]. Additionally, one of the programme's objectives in the ESP work programmes under the SMP (for 2021, 2022, and 2023) focuses on the six headline ambitions[646].

Eurostat's strategic Plan 2020-2024 defines three specific objectives:

- Remain the trusted point of reference for statistics and data on Europe, necessary for better policies, decisions and public debate in the European Union,
- Better meeting user needs by fostering partnerships and embracing innovative data sources and technologies,
- Better communicating and promoting European statistics and facilitating their use by policymakers, citizens, businesses, researchers and the media.

#### *Internal coherence*

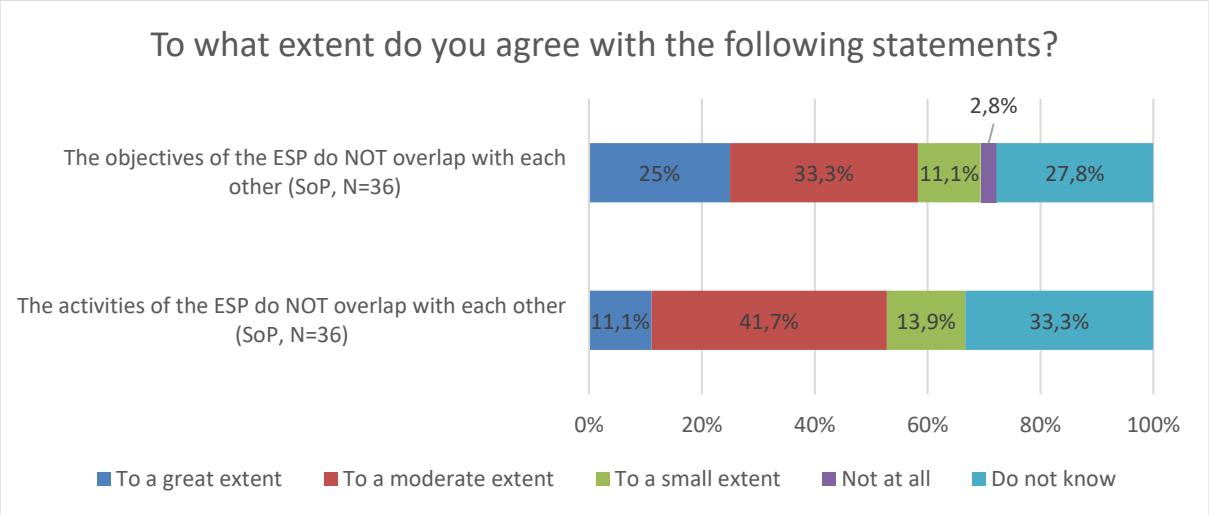
Internal coherence is evidenced by an analysis of Eurostat's strategic and management plans. The supporting study found that the five general objectives set out in Regulation (EU) 2021/690 are 'mutually coherent, with some overlap between objectives 2 and 3 aiming to strengthen the ESS, and enhancing partnerships within it'[647]. The overlap is seen as justified 'due to the importance of emphasising partnerships' relevance in the context of the ESS'. Eurostat's specific objectives complement the broader objectives. There are some overlaps between these objectives, but they are justified and viewed as

643 The ambitions are: A European Green Deal, An economy that works for people, A Europe fit for the digital age, Protecting our European way of life, A stronger Europe in the world, and A new push for European democracy.
644 Eurostat Strategic Plan 2020-2024, https://commission.europa.eu/system/files/2020-10/estat_sp_2020_2024_en.pdf.
645 This structure remains unchanged in all three editions published in the evaluation period; see for example Eurostat Management Plan 2021, https://commission.europa.eu/publications/management-plan-2021-eurostat_en.
646 Annex 5 to the Commission Implementing Decision of 6 May 2021 on the financing of the Single Market Programme, https://commission.europa.eu/document/download/0abad2ce-76ba-4b49-a1de-b752616ef86d_en?filename=210506-financing-single-market-programme-annex-5_en.pdf, p. 2-3. This also remains the same for the 2022 and 2023 edition, as well for the forward-looking 2024-2027 general WP.
647 Supporting study Section 8 Coherence.

strengths that address complex issues from multiple perspectives. The legal frameworks, in particular Regulation 223/2009, ensure consistent and comparable statistics across Member States.

The majority of surveyed producers agreed to a moderate or great extent that neither objectives nor activities overlap, though about a third of respondents answered 'do not know' – indicating lack of familiarity with the topic.

**Figure 42: Targeted survey results on internal coherence of the ESP objectives and activities**



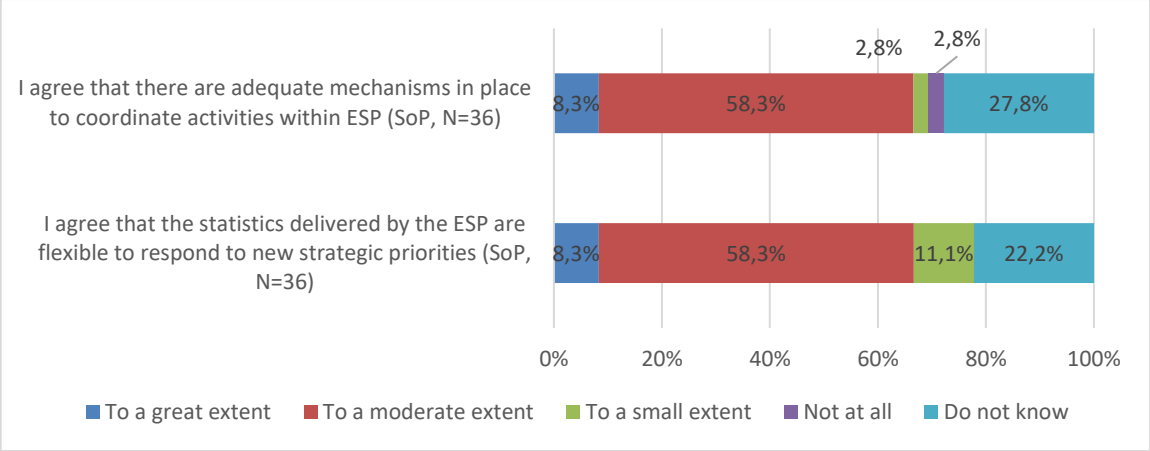

*Source: Targeted survey, conducted in May-June 2024.*

In the interviews, the ESP objectives are seen as generally aligned with the ESS's needs, particularly in times of crisis and supported by legal frameworks, which ensure consistent and comparable statistics across Member States. In addition, interviewees stressed that Eurostat's strategic and management plans were prepared to ensure that all objectives are complementary and constitute parts of a unified strategy. The structured approach to planning and executing statistical activities helps maintain coherence within the ESS. Some stakeholders saw the need for adding to the future ESP an objective related to adaptability and responsiveness to new and urgent data needs.

Robust mechanisms, including governing and advisory bodies like the ESSC and ESAC, were established to ensure the coherence and comparability of statistical data. Several governing and advisory bodies[648], albeit with different mandates and responsibilities, ensure a high level of internal coherence[649]. 58.3% of the surveyed producers agreed to a moderate extent that there are adequate mechanisms in place to coordinate activities within ESP and that the statistics delivered by the ESP are flexible to respond to new strategic priorities, with further 8.3% agreeing to a great extent.

**Figure 43: Targeted survey results on internal coherence and new strategic priorities**

[648] The European Statistical System Committee (ESSC), the European Statistical Advisory Committee (ESAC), the European Statistical Governance Advisory Board (ESGAB), the European Statistical Forum (ESF), and the Partnership Group.
[649] The ESF provides strategic guidance in the relationship between the European Statistical System (ESS) and the European System of Central Banks (ESCB). ESF - Eurostat (europa.eu).




*Source: Targeted survey, conducted in May-June 2024.*

According to ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), the legal framework and structured planning processes, such as the Multiannual Action Plan and annual work programmes, play a pivotal role in maintaining coherence and avoiding overlaps. For organisations outside the ESS and users of European statistics, coherence is maintained through rigorous adherence to regulations and collaborative efforts. It is assessed through peer reviews and compliance with the European Statistics CoP, ensuring high standards despite challenges in achieving data comparability at the international level.

Other stakeholders saw Eurostat's efforts in ensuring coherence and comparability of statistical data across countries as commendable, despite frequent pushback from countries regarding tight specifications and harmonisation. This feedback was supported by interviewees who noted that Eurostat's harmonised data is beneficial, but sometimes national data is needed for more specific or timely information.

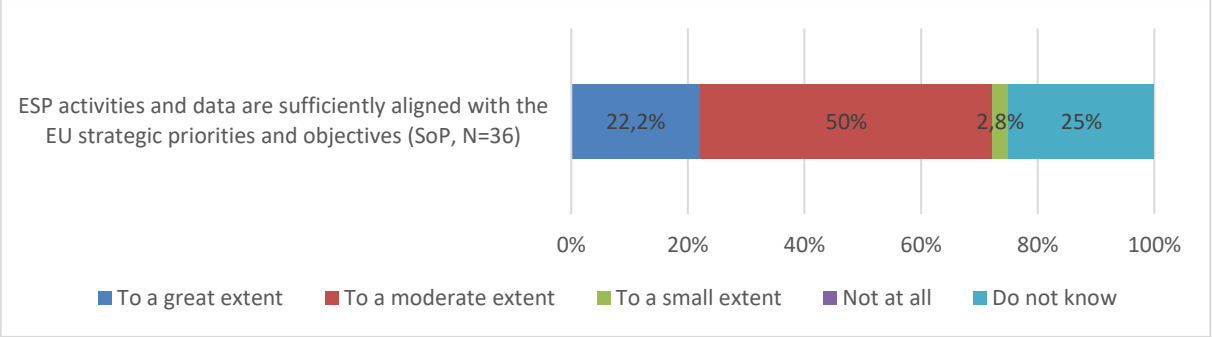
Eurostat staff confirmed the ESP's significant efforts to ensure coherence and comparability of statistical data across countries. This has been the main focus of the ESP and has been achieved through established processes within the ESS. These processes include adherence to international standards and legislative frameworks such as Regulation 223/2009, which is crucial in ensuring coherent statistical practices across the EU.

### *External coherence*

The ESP's activities are well aligned with overarching EU strategies and objectives, facilitated by memoranda of understanding with various DGs and EU bodies. Eurostat undertakes significant efforts to ensure the complementarity of ESP activities with EU strategic objectives.

As can be seen in  17 below, the vast majority of the surveyed producers agree to a great or to a moderate extent that ESP activities and data are sufficiently aligned with the EU strategic priorities and objectives, indicating a high level of consensus on this matter.

**Figure 44: Targeted survey results on alignment with EU strategic priorities**




*Source: Targeted survey, conducted in May-June 2024.*

**Integration of the ESP into the SMP**

Feedback on the ESP's integration into the SMP was received in the interviews and through the Public Consultations (PC). The response in the interviews was mixed. The increased operational flexibility that allowed Eurostat to shift from producing detailed reports to more streamlined, high-level documentation, thus enhancing its responsiveness to new needs, was seen as a key benefit by some interviewees. Others mentioned administrative and political benefits of being part of a larger programme. Interviewees also noted some challenges from the integration into the SMP, particularly regarding financial flexibility and a potentially reduced focus on statistics. Some stakeholders felt that the need to coordinate with other SMP pillars could have reduced Eurostat's autonomy in managing finances, and that administrative processes impacted decision-making processes. There were concerns expressed that the ESP's integration into the SMP could bury its statistical objectives within broader policy goals, thereby affecting their visibility and independence, or that it might dilute the specific focus required to keep pace with rapid technological developments and evolving data needs. Therefore, some stakeholders encouraged effective implementation of the ESP within the SMP that would counteract such risks.

Interviewees emphasised the need for the ESP to remain flexible and responsive to unforeseen circumstances. Despite concerns about focus and visibility, interviewees have not observed any noticeable changes in Eurostat's operations or data quality, which has remained intact, since the entry into force of Regulation (EU) 2021/690. Maintaining a dedicated budget for statistics within the SMP is seen as crucial to ensure the production of high-quality, independent statistics essential for informed decision-making and public trust. Some interviewees said that the ESP is not integrated into the SMP enough. In their view this is a missed opportunity as the ESP can really contribute to the SMPs objectives, for example through improved support to Small and Medium Enterprises and business in general. Without better integration in the future, a separate programme might be preferable.

This mirrors feedback from the public consultation, which suggests that the ESP should be regulated by a separate regulation again. This would allow for more detailed provisions that better define the scope of European statistics, effectively addressing the mandate from Regulation 223/2009. The current SMP Annex (pillar 6) is seen as too general. Moreover, the scope of European statistics goes beyond single market issues and addresses broader EU policy needs. According to the views expressed in the context of this evaluation, returning to an independent regulation would also improve communication with users of European statistics, especially in the growing data market. Additionally, it would eliminate the need for bridge documents between the general ESP and annual work programmes. In their opinion, no convincing arguments have been presented for including the ESP in the

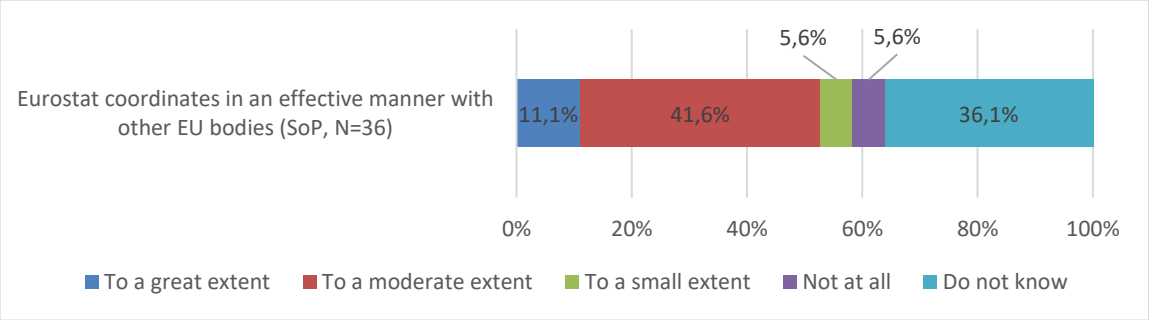
SMP, particularly given the positive reports from the Commission related to past standalone ESP regulations.

The memoranda of understanding (MoU) between Eurostat and other Commission's Directorates-General show the complementarity of the ESP's and Eurostat's activities with other EU bodies. Many new and renewed MoUs were signed during the evaluation period 2021-2023. These agreements cover a wide variety of topics and areas, including administrative arrangements, technical collaboration in terms of production of statistics for different policies, methodological support for development of official statistics, establishing dialogue and coordination of activities, etc.

The legal background for these memoranda can primarily be traced to Articles 5(3) and 6(3) of Commission Decision 2012/504/EU[650].

Surveyed producers predominantly expressed positive opinion on the effectiveness of Eurostat's coordination with other EU bodies, though high shares of 'To a moderate extent' and 'Do not know' point to relatively weak certainty on this topic among the respondents (see Figure 18 below).

**Figure 45: Targeted survey results on Eurostat's coordination with other EU bodies**




*Source: Targeted survey, conducted in May-June 2024*

In the interviews, ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other) stressed that the ESP has demonstrated effective coordination with other EU bodies. Mechanisms such as peer reviews, multisource statistics, experimental statistics, and common tools developed within the ESS facilitate cooperation, strengthen collaboration and efficiency. Interviewees specifically mentioned enhanced cooperation between Eurostat and the ECB statistical system as essential to avoid overlap and improve data quality. For Eurostat staff, coordination with other EU bodies is an ongoing effort to ensure that statistical data supports various EU policy initiatives. Eurostat's engagement with other DGs of the European Commission through structured dialogues and feedback sessions helps align statistical production with policy needs.

The close alignment between various international and European classifications, achieved through proactive ESS input at the international level during the design stage, is a prominent example of how coherence and international comparability have been ensured. Eurostat has effectively coordinated with international statistical organisations, ensuring that European statistics are coherent with global frameworks. Initiatives like the Statistical

[650] Commission Decision 2012/504/EU of 17 September 2012 on Eurostat, https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32012D0504.

Data and Metadata eXchange (SDMX) have facilitated efficient data sharing and alignment of standards. This cooperation has enhanced the global relevance and comparability of European statistics.

The number of administrative arrangements which Eurostat reviews, renews or signs every year with its key partners is a good indicator of increasing cooperation on the international level. 25 below indicates that there were two new/renewed arrangements in 2023, one with United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) signed and another with United Nations Economic and Social Commission for Western Asia (UNESCWA) reviewed.

**Table 80: Number of administrative arrangements which Eurostat reviews, renews or signs with key partners**

| Indicator | Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|---|
| RES 6.5.: Number of administrative arrangements which Eurostat reviews, renews or signs every year with its key partners | 2 | 2 | 1 | 2 | 2 | 2 |

*Source: Data provided by Eurostat.*

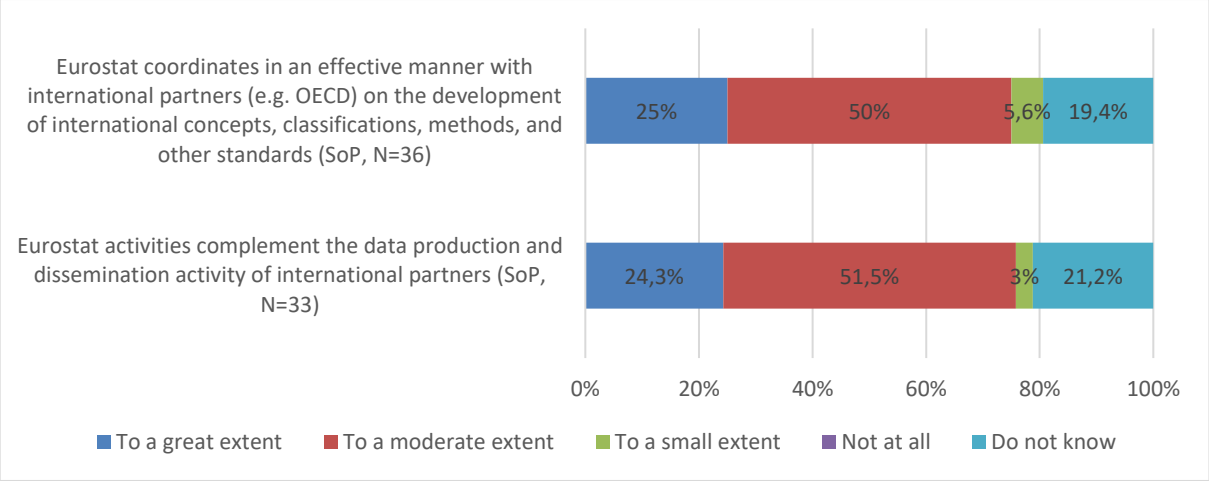
Among the most important operational tools in place to ensure a successful international cooperation is the Statistical Data and Metadata eXchange (SDMX) standard. This standard promotes the usage of modern information technology for the production and dissemination of statistics, data and metadata[651]. It enables standardised, efficient, and transparent data sharing both within Eurostat and between Eurostat and other global partners. This standardisation reduces the complexities associated with handling data from diverse sources with varying formats and definitions, improving complementarity of Eurostat's activities with other EU bodies.

Regarding the relevance and comparability of European statistics, 31% of the USS 2024 respondents think that the quality of European statistics is superior to those published by the IMF, OECD, UNECE, World Bank, and FAO. 29% consider them to be of the same quality, while only 4% think Eurostat data is of inferior quality, and the remaining 36% have no opinion (see also Section 4.2).

Surveyed producers acknowledge a high level of cooperation between Eurostat and its international partners in terms of development of standards and production of statistical data (see figure below).

**Figure 46: Targeted survey results on external coherence**

[651] See https://sdmx.org/.




*Source: Targeted survey, conducted in May-June 2024.*

According to the interviewed ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), Eurostat ensures coherence and comparability of statistical data across countries through established processes within the ESS, adherence to international standards, and legislative frameworks like Regulation 223/2009. Organisations outside the ESS and users of European statistics have a good opinion of Eurostat's cooperation with other international statistical organisations, which is seen as ensuring coherence of ESP activities with global statistical frameworks. Organisations outside the ESS and users of European statistics, as well as other stakeholders, use data from various international sources. They see Eurostat's processes as consistent and predictable, more than as compared to statistics from other regions. Organisations outside the ESS and users of European statistics see data from other sources, including statistics from the IMF, as complementary to data provided by Eurostat. Having multiple sources helps create a comprehensive economic picture and enhances policy decisions.

### 4.2 How did the EU intervention make a difference and to whom?

The ESP has noticeably improved the comparability and harmonisation of national statistics across EU Member States. The ESP's initiatives have aligned statistical data production standards, ensuring high-quality, comprehensive, and reliable statistics. Eurostat's continuous updates and methodological advancements have played a critical role in achieving a unified statistical framework, which is essential for informed decision-making and policy formulation.

As an example, the FIGARO (Full International and Global Accounts for Research in input-Output analysis) tables launched by Eurostat in response to the increasing demand for data on globalisation interlink EU economies and their global partners, providing insights into global value chains, economic impacts, and environmental footprints. In 2022, new indicators were introduced concerning trade, socio-economic trends, and environmental analyses, notably carbon footprints[652].

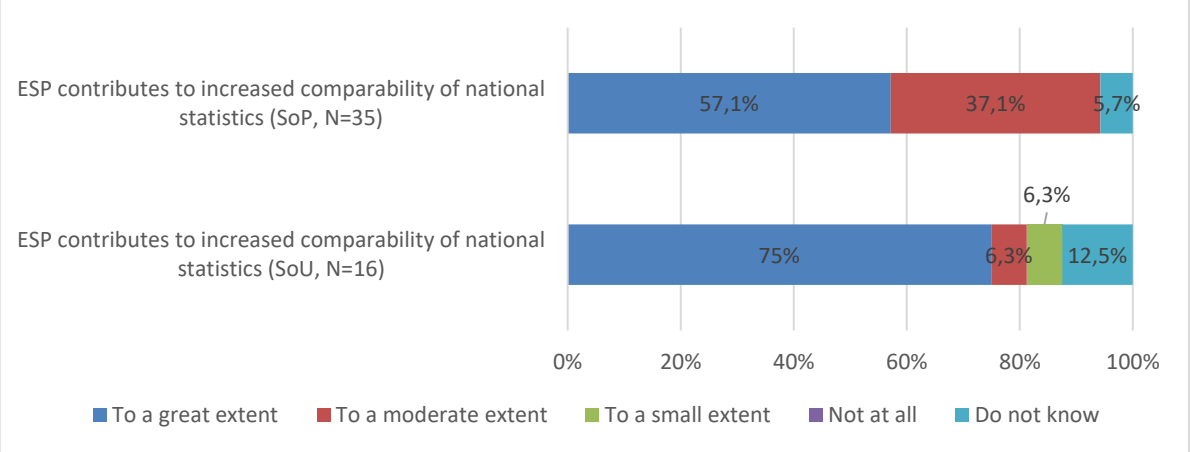
Through agreements with Member States on data exchange standards and validation rules for business and trade statistics, Eurostat has made progress concerning the timely preparation of new data required under the European Business Statistics Regulation[653].

[652] Eurostat Annual Activity Report 2022, https://commission.europa.eu/document/download/8619222b-6f35-4c23-9761-8230c0169262_en?filename=ESTAT_AAR_2022_en.pdf.
[653] Eurostat Annual Activity Report 2023, https://commission.europa.eu/publications/annual-activity-report-2023-eurostat_en.

Eurostat has been involved in updating international manuals and has promoted European statistical norms through regional programmes in neighbouring countries and thus contributed to setting global statistical standards.

The positive influence of the ESP on the comparability of national statistics is recognised by a vast majority of surveyed producers and users (see figure below).

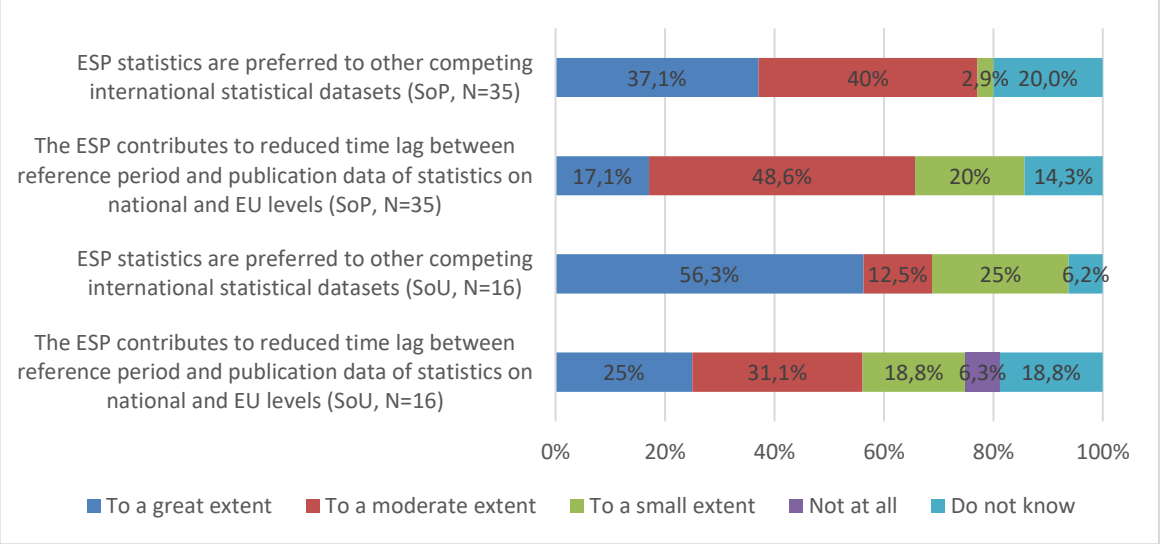
**Figure 47: Targeted survey results on comparability of national statistics**




*Source: Targeted survey, conducted in May-June 2024.*

All the interviewed stakeholders highly appreciated the ESP as crucial for ensuring the comparability and harmonisation of statistics across Member States. They emphasised the critical importance of having a centralised system for standardised statistics, which aids, for example, in creating reliable Euro area aggregates essential for European policymaking. Eurostat's role in ensuring data coherence and alignment with global standards was also highlighted. The stakeholders interviewed in the framework of the ESP evaluation as well as the statistics producers and users who participated in the targeted survey, as shown in 21 below, frequently prefer Eurostat statistics over other international datasets due to their high quality, reliability, and comprehensive coverage. Eurostat's rigorous processes and standards and the robustness, transparency, and detailed granularity of its data are highly appreciated and create trust among the stakeholders. The harmonised datasets provided by Eurostat, especially in areas like labour statistics, are unique and highly valued, ensuring informed decision-making and policy development.

**Figure 48: Targeted survey results on other international data sources and timeliness**

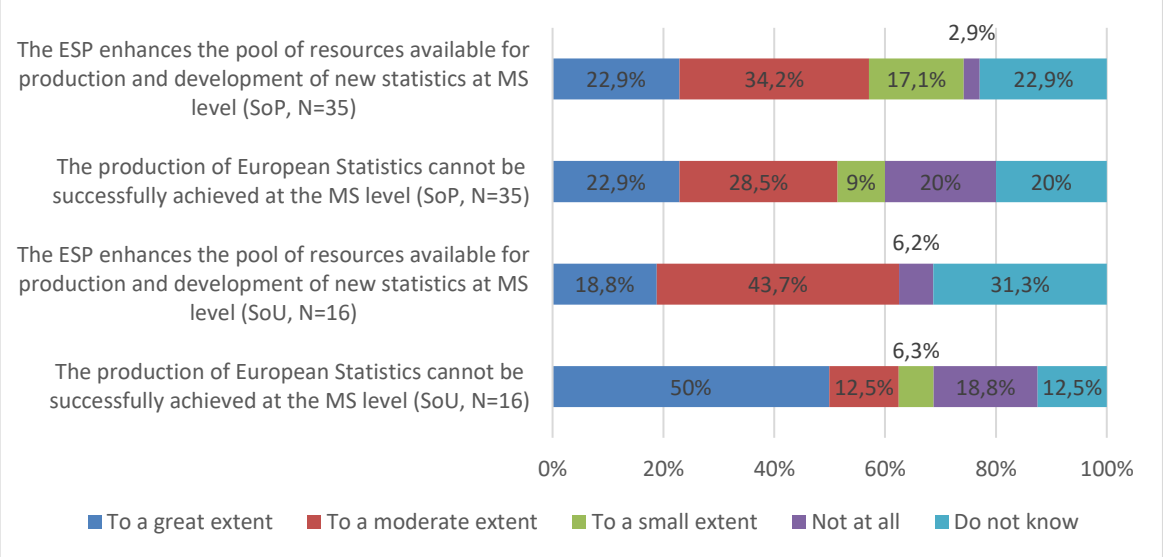



*Source: Targeted survey, conducted in May-June 2024.*

The stakeholders participating in the survey and interviews expressed the opinion that the ESP noticeably improved statistics timeliness, especially in response to emergent needs like the COVID-19 pandemic (European Statistical Recovery Dashboard, excess mortality indicator) and geopolitical events such as the war in Ukraine, which prompted the ESP to dramatically enhance its production of energy-related statistics.

Resources available for producing and developing new statistics at the Member State level were enhanced through grants and collaborative efforts. Producers as well as users replying to the targeted surveys are positive about the increase of resources by the ESP for producing statistics at Member States level. Many surveyed producers and users believe that Member States cannot successfully conduct the production of European statistics on their own. Moreover, the ESP provides support in terms of advances in methodologies, new data sources, common tools etc.

**Figure 49: Targeted survey results on resources and data production at the MS level**




*Source: Targeted survey, conducted in May-June 2024.*

The interviewees agreed that the ESP enhances the resources available for producing and developing new statistics at the Member State level through grants and collaborative efforts. These grants improve statistical processes in NSIs and enhance efficiency, promote literacy, and integrate new data sources, reducing costs and improving quality. Initiatives like the European Statistics Competition and training sessions on funding mechanisms contribute to capacity building.

As indicated in Eurostat's 2023 AAR, the European Statistics Competition was one of many Eurostat activities in the area of dissemination in the last three years towards improving statistical literacy; other activities included extensive collaboration with the education sector, the design of dissemination products targeting non-expert audiences and the efforts for simplifying the communication of statistical information (e.g. on social media and news releases), making statistics accessible to all European citizens.

### 4.3 Is the intervention still relevant?

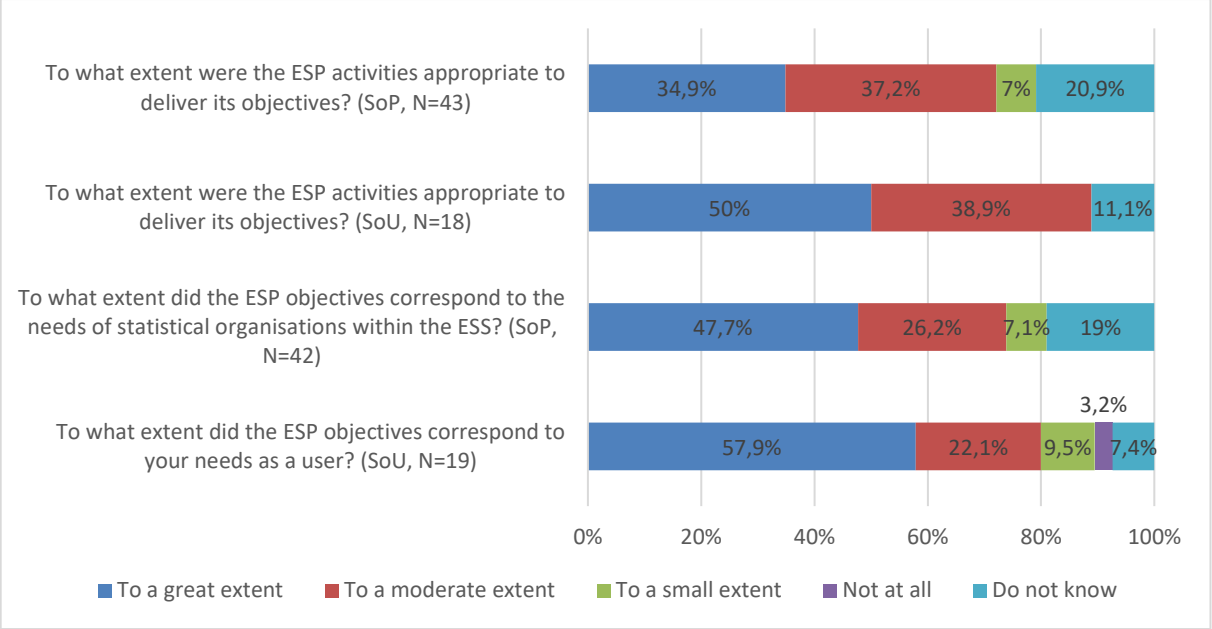
The ESP's general objectives were well aligned with the needs of the ESS and other stakeholders, ensuring that the ESP remained relevant and responsive to changing policy priorities and data requirements. This alignment facilitated the production of high-quality statistics that met the diverse needs of policymakers, businesses, and the public. By continuously adapting to new demands and integrating stakeholder feedback, the ESP effectively supported evidence-based decision-making across the EU. Additionally, the ESP's ability to address emerging issues and crises underscored its commitment to serving the ESS and the broader stakeholder community.

Interviewed stakeholders and surveyed producers and users stressed that ESP activities are structured to cover a wide spectrum of stakeholder and user requirements in a comprehensive and well-aligned way. Some users highlighted room for improvement in responsiveness to users' feedback, adaptation to technological advances, and timeliness of data.

Various mechanisms were employed by the ESP to gather feedback from stakeholders, including user satisfaction surveys, structured consultations, Eurobarometer, and regular dialogues. These mechanisms were generally effective in ensuring that the ESP's activities remained relevant and aligned with user needs. It is of paramount importance that the USS has been carried out consistently since 2011, facilitating comparison over time and enabling decisions grounded in historical and evolutionary data. The USS remains the most relevant mechanism for gathering feedback from European statistics users. The share of all users who express satisfaction with user support services offered by Eurostat had been high since 2011, and in 2022 it has landed at 77% and reached its maximum. Furthermore, individuals who had contacted user support typically affirmed that the service was satisfactory and beneficial, although some desired improved follow-up on errors found in datasets.

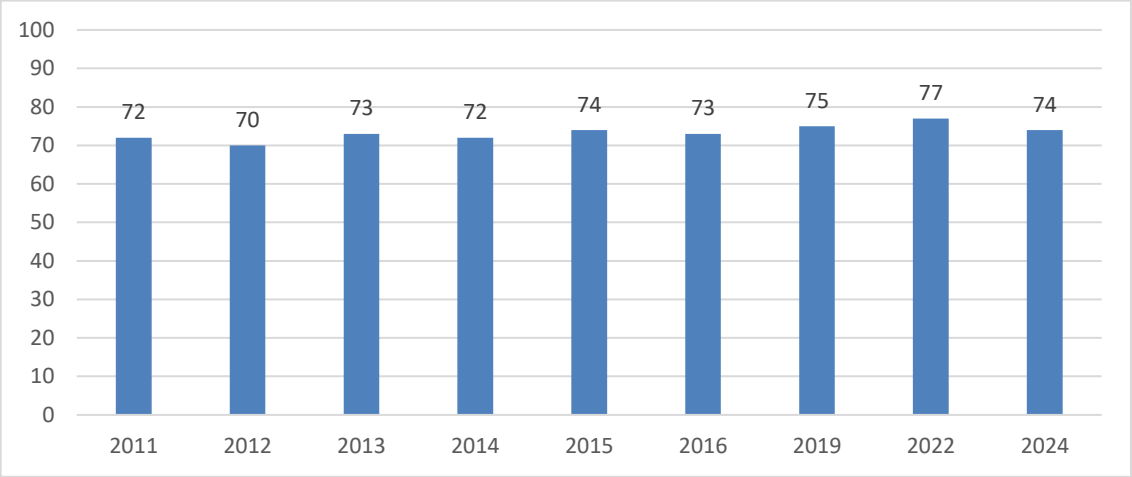
The targeted survey asked users and producers about the appropriateness of the ESP activities to deliver its objectives, as well as about the extent to which the ESP objectives correspond to their needs. The figure below shows a high level of satisfaction with the ESP's objectives among surveyed statistics producers and users.

**Figure 50: Targeted survey results on appropriateness of the ESP objectives and their relation to the ESS needs**




*Source: Targeted survey, conducted in May-June 2024.*

**Figure 51: Satisfaction with user support (2011-2024)**




*Source: Eurostat USS 2024.*

In a recent Eurobarometer survey titled 'Public awareness and trust in European statistics', participants were asked about their perceptions of statistics and data overall and their awareness of Eurostat. Approximately 70% (69%) of respondents reported familiarity with Eurostat, and among these individuals, approximately two thirds expressed trust in the statistics and data published by Eurostat, concurring with the statement that Eurostat delivers unbiased, objective, and independent statistics and data[654].

The number of Eurostat statistics web mentions and their share of negative opinions is measured via the e-reputation platform Talkwalker to create the impact indicator IMP 1 – Number of web mentions and positive/negative opinions. As shown in the table below, in 2023 the number of web mentions has increased rapidly. This is largely because of a change of policy of X (formerly Twitter), allowing access to previously inaccessible data.

[654] Public awareness and trust in European statistics, https://europa.eu/eurobarometer/surveys/detail/2955.

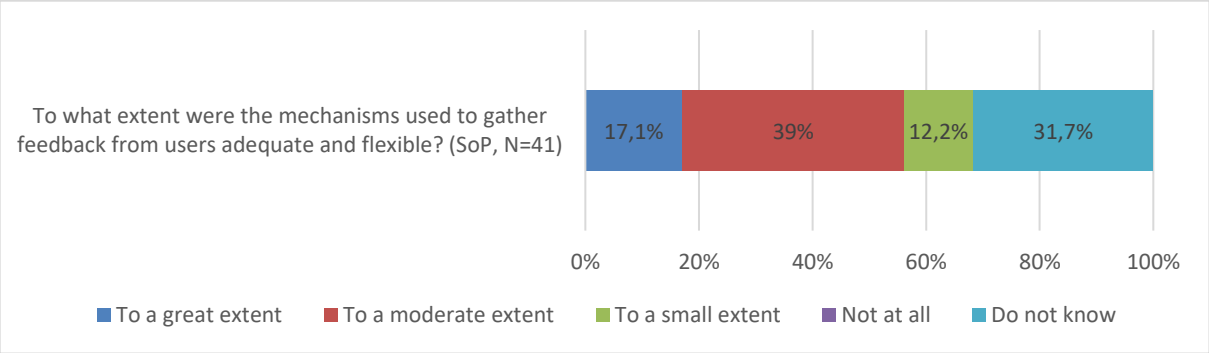
**Table 81. Number of Eurostat web mentions and positive/negative opinions**

| | Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|---|
| Number of web mentions | 480 000 | 486 000 | 547 200 | 931 300 | 489 672 | 497 054 |
| Share of negative opinions | <2% | 0.01 | 0.03 | 0.02 | <2% | <2% |

*Source: Data provided by Eurostat.*

Most statistics producers, when asked about the adequateness and flexibility of the ESP's feedback gathering measures, expressed some degree of satisfaction (56.1% replied 'To a great extent' or 'To a moderate extent' – see below).

**Figure 52: Targeted survey results on mechanisms to gather feedback from users**




*Source: Targeted survey, conducted in May-June 2024.*

Among ESS members and bodies (ESAC, ESGAB, NSIs, ONAs, other), there was a consensus on the need for improved feedback mechanisms, as in their view the impact of user feedback, especially in introducing new statistical products, remained limited. A more coordinated approach to discussions and decisions to ensure that feedback from national councils is meaningfully incorporated into European-level planning is suggested.

Organisations outside the ESS and users of European statistics primarily provide feedback through official channels and direct links to Eurostat and ESS structures, for instance through working groups and bilateral meetings, finding these mechanisms sufficient. General feedback exercises were considered useful, though the response rate was believed to be low, and these exercises were not always yielding tangible results. To improve responsiveness and accuracy, it was suggested to gather feedback directly when users exit the platform. These users as well saw room for improvement in responsiveness and including more types of users.

In contrast, awareness among other stakeholders of specific mechanisms to gather feedback from users was very low, which probably is not surprising, as they typically do not work directly with Eurostat data but are engaged in theoretical and policy-related work.

Eurostat staff referred to user consultations and biennial user satisfaction surveys as primary mechanisms for gathering feedback. Informal discussions and regular dialogues with policy DGs and other stakeholders also contribute to understanding user needs.

The ESP advanced experimental statistics as a means to foster innovation within the ESS in response to user needs. The ESP made considerable progress in integrating new

technologies, such as big data and artificial intelligence, into experimental statistics. As the table below shows, the number of new datasets published as experimental statistics on the Eurostat website has been growing steadily over the period 2021-2023 as it reached the 2024 target already in 2021, and in 2022 it exceeded this target, while the 2027 target was reached in 2023. Eurostat is hence dynamically using innovative ways to produce statistics.

**Table 82: Number of new experimental statistics datasets published on the Eurostat website**

| Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|
| 0 | 4 | 5 | 7 | 4 | 7 |

*Source: Data provided by Eurostat.*

There has been also a visible increase of the number of participants in courses of the European Statistical Training Programme where the yearly target for 2027 was reached and exceeded as early as 2021 and is being maintained since. This unequivocally indicates that the knowledge and skills of staff at NSIs and Eurostat, required for rapidly addressing emerging data demands and for generating statistics derived from various sources, data sharing, and innovative methodologies, are being sufficiently developed.

**Table 83: Number of participants in the ESTP courses on innovative sources and methods for official statistics**

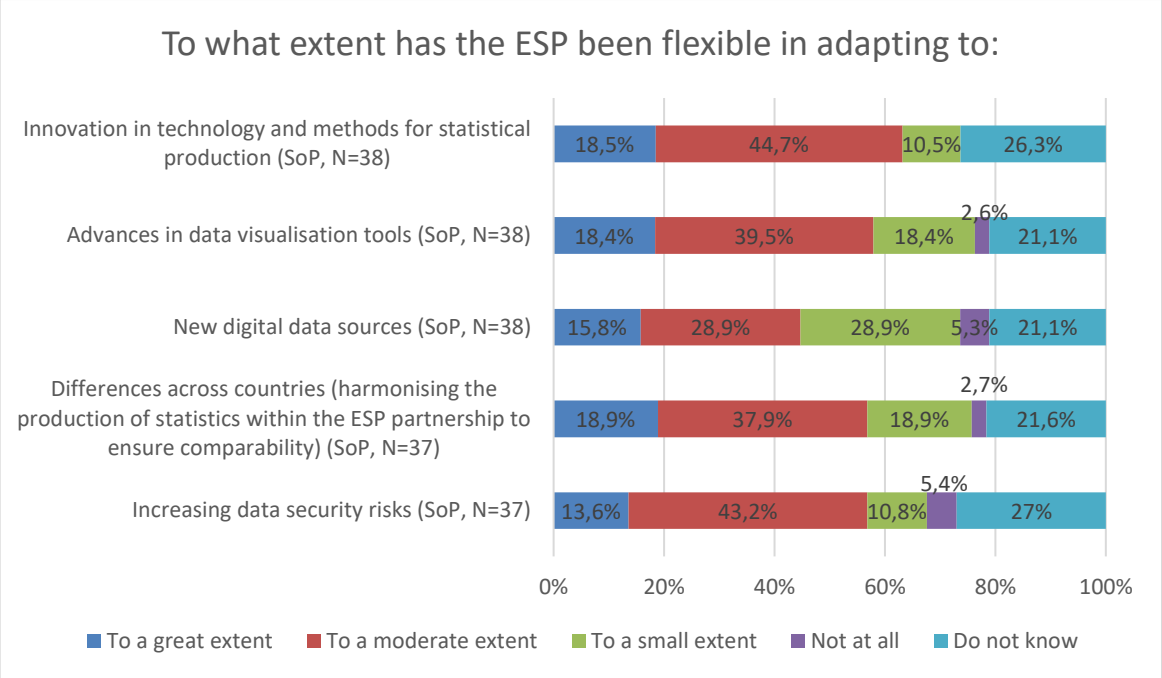
| Baseline | 2021 | 2022 | 2023 | Target 2024 | Target 2027 |
|---|---|---|---|---|---|
| 380 | 539 | 633 | 596 | (progress to 2027 target) | 500 |

*Source: Data provided by Eurostat.*

This can be accompanied by the USS data which stipulate that 71% of respondents assessed usefulness of experimental statistics as ‘Very good’ or ‘Good’ in the 2022 USS (64% in the 2024 USS), while only 6% thought they were either ‘Poor’ or ‘Very poor’ (7% in the 2024 edition of the survey). For comparison, in the 2019 USS these shares stood at 61% and 15%, respectively. One reason for this improvement might be the continuous growth of the number of indicators, sub-indicators and breakdowns.

Regarding flexibility, a share of ca. 60% of the surveyed producers are of the opinion that the ESP was very much or moderately flexible in adapting to emerging challenges. ‘New digital sources’ are an exception, as only 45% of the surveyed producers assess positively the ESP’s adaptability in this regard.

**Figure 53: Targeted survey results on the ESP’s flexibility**




*Source: Targeted survey, conducted in May-June 2024.*

While the ESP's actions related to new technologies with initiatives like web-based surveys, machine learning for automatic coding, and web scraping and the ESP's integration of experimental statistics and coordination with national and scientific communities, which facilitated a rapid response to economic and public health crises, were appreciated, criticism was voiced concerning the legislative process within the ESP, that could be lengthy and potentially slowing down the adoption of new technologies. The secondary nature of Eurostat's data production was also mentioned as a limiting factor.

Despite the overall positive alignment with stakeholder needs, gaps remain in certain areas, such as regional and territorial data granularity, timeliness, and the integration of new data sources. These gaps highlight the need for continuous improvement and innovation.

## 5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 5.1 Conclusions

#### Effectiveness

Eurostat data were extensively used in the development, monitoring, and evaluation of EU policies, providing a robust evidence-base for informed decision-making. This data was crucial in supportin0g major strategies, including the NextGenerationEU, the European Industrial Strategy, the EU Digital Strategy, the EU Green Deal and RePowerEU, as well as the Sustainable Development Goals, which aim to address global challenges such as poverty and inequality. Eurostat data played a particularly important role in advancing the European Green Deal, promoting environmental sustainability and climate action. During the energy crisis, Eurostat data facilitated timely and effective policy responses geared towards ensuring energy security and stability across the EU.

The ESP strengthened partnerships within the ESS and beyond, including collaborations with international organisations like the UN and OECD. These partnerships ensured the coherence and comparability of statistical data.

The ESP considerably improved the timeliness of European statistics, especially during crises such as COVID-19 and the war in Ukraine. This responsiveness ensured that policymakers had access to up-to-date information, critical for decision-making in these challenging times. Key focus areas included transport statistics to monitor mobility, environmental statistics to support the European Green Deal, and social statistics to track income, living conditions, and labour market trends.

There was a considerable increase in the number of statistical indicators produced, particularly in 2022 due to the publication of the 2020 agricultural census and new asylum statistics. This growth demonstrated the ESP's commitment to expanding its coverage.

The ESP introduced several quality improvements in statistical production, including advancements in methodologies, integration of new data sources, and enhanced data validation processes. These improvements were acknowledged in user feedback and peer reviews.

European statistics maintained high levels of trust among users, with 95% of respondents of the USS in 2024 indicating trust in the statistics.

Resource constraints and in a context of rapid pace of technological change have been significant challenges for the ESP. Continuous investment in people and technology has been essential to maintain the ESP's effectiveness and efficiency. While the ESP demonstrated flexibility and responsiveness in adapting to new data sources and technological advancements, there is still some room for improvement in this area.

### Efficiency

The ESP has demonstrated a strong commitment to efficient resource allocation. The cost-benefit analysis indicates that stakeholders generally perceive the benefits of the ESP as proportionate to the costs, highlighting its cost-effectiveness. The programme has moreover effectively implemented anti-fraud measures, evidenced by low error rates and positive audit outcomes, enhancing the integrity and efficiency of resource usage.

In addition, the low error rates in financial transactions and the effectiveness of control systems highlight a strong commitment to ensuring legality and regularity in financial dealings. Audits and reviews have consistently confirmed the adequacy of Eurostat's performance management frameworks. The feedback from stakeholders highlights the need for Eurostat and the ESS at large to remain adaptable and responsive to changing circumstances.

A notable reduction in human resources in the ESS, particularly in 2023, indicates increased efficiency through automation and shifting statistical processes. However, as highlighted by stakeholders, further reduction of staff could risk the ESP's ability to meet the increasing demand for more detailed and timely statistics, to harness new data sources, and to invest in new technologies.

Appropriate measures were implemented to successfully reduce administrative burden through legislative simplification and the adoption of electronic tools. According to feedback from stakeholders, the ESP has achieved moderate to high success in reducing administrative burden in the period 2021-2023, suggesting that further improvement is still possible.

The ESP's reliance on multiple sources of financing, including substantial amounts of subdelegated funds, has facilitated the development of specific statistics tailored to EU

needs. However, this has triggered concerns by the European Court of Auditors about Eurostat's financial autonomy. In any event, stakeholders support a funding structure for the ESP that ensures autonomy and efficiency. However, they did not express any views on the feasibility of giving Eurostat adequate resources to avoid the need to use subdelegated funds.

### Relevance

The ESP's general objectives were well aligned with the users' expectations and ensuing needs of the ESS to adapt to them, ensuring that the ESP remained relevant and responsive to changing policy priorities and data requirements. This alignment facilitated the production of high-quality statistics that met the diverse needs of policymakers, businesses, and the public. By continuously adapting to new demands and integrating stakeholder feedback, the ESP effectively supported evidence-based decision-making across the EU. Additionally, the ESP's ability to address emerging issues and crises underscored its commitment to serving the ESS and the broader stakeholder community.

Various mechanisms were employed by the ESP to gather feedback from stakeholders, including user satisfaction surveys, structured consultations, Eurobarometer, and regular dialogues. These mechanisms were generally effective in ensuring that the ESP's activities remained relevant and aligned with user needs. It is of paramount importance that the USS has been carried out consistently since 2011, facilitating comparisons with prior time frames and enabling decisions grounded in historical data.

Despite the overall positive alignment with stakeholder needs, gaps remain in certain areas, such as regional and territorial data granularity, timeliness, and the integration of new data sources. These gaps highlight the need for continuous improvement and innovation.

### Coherence

The ESP's general objectives and activities are internally and externally coherent. The legal frameworks, such as Regulation 223/2009 and domain-specific regulations, ensure consistent and comparable statistics across Member States.

Robust mechanisms, including governance and advisory bodies like the ESSC and ESAC, are in place to ensure the coherence and comparability of statistical data. The ESP's activities are well aligned with overarching EU strategies and objectives, facilitated by memoranda of understanding with Commission DGs and other EU bodies. The coordination with EU bodies, such as the ECB, has improved efficiency and data quality.

The integration into the SMP has enhanced operational flexibility, although some concerns about challenges in financial flexibility and administrative processes were noted. Eurostat has effectively coordinated with international statistical organisations, ensuring that European statistics are coherent with global frameworks. The close alignment between various international and European classifications, achieved through proactive ESS input at the international level during the design stage, is a prominent example of how coherence and international comparability has been ensured. Initiatives like Statistical Data and Metadata eXchange (SDMX) have facilitated efficient data sharing and alignment of standards. This cooperation has enhanced the global relevance and comparability of European statistics.

### EU added value

The ESP has noticeably improved the comparability and harmonisation of national statistics across EU Member States. The ESP's initiatives, such as the FIGARO tables and Gross National Income (GNI) verification, have aligned statistical data production standards, ensuring high-quality, comprehensive, and reliable statistics. Eurostat's continuous updates and methodological advancements have played a critical role in achieving a unified statistical framework, which is essential for informed decision-making and policy formulation.

Eurostat statistics are preferred over other international datasets due to their high quality, reliability, and comprehensive coverage. Survey and interview results indicate that Eurostat's data is extensively used and trusted by various stakeholders, including national statistical institutes and organisations. The rigorous processes and standards maintained by Eurostat ensure that European statistics are robust, transparent, and detailed, making them invaluable for policy development and decision-making.

The ESP has effectively reduced the time lag between the reference period and the publication of statistical data, particularly in response to emergent needs such as the COVID-19 pandemic and geopolitical events. Eurostat's initiatives, like the European Statistical Recovery Dashboard, exemplify the ESP' adaptability and commitment to providing timely information. However, balancing timeliness with maintaining high-quality standards for all other quality dimensions, such as accuracy and comparability for instance, remains a challenge that requires ongoing efforts.

Resources available for producing and developing new statistics at the Member State level were enhanced through grants and collaborative efforts. Eurostat's support in promoting efficient statistical collection methods and integrating new data sources has reduced costs and improved quality. The centralised approach of the ESP ensures a coordinated and harmonised system for producing statistics, which is crucial for maintaining consistency and comparability across Member States.

## 5.2 Lessons learned

There is a need to continue investing in new technologies and innovative data sources. Enhancing adaptability to rapid technological developments is crucial, and continuous efforts are needed to improve timeliness, reduce publication delays, and strengthen capacity building initiatives among Member States. Enhancing prioritisation of statistical outputs and continued coordination with other EU bodies is needed to ensure that the most critical and high-impact data needs are efficiently addressed. For that sake, with more timely and inclusive feedback, stronger mechanisms to enhance user engagement and better understand their needs and priorities, should be elaborated.

Fostering innovation and collaboration should continue, with a focus on partnering with the private sector, leveraging scientific expertise, and embracing new technologies to enhance statistical production. Maintaining and enhancing data quality standards through regular updates and aligning with international standards will ensure Eurostat remains a trusted authority for European statistics. Also, improving communication and timeliness is crucial to ensuring that data revisions and changes are communicated promptly to avoid disruptions in analytical processes. Strengthening user engagement and feedback mechanisms through timely consultations and regular feedback collection would also help better understand user needs and priorities. Additionally, expanding data coverage and granularity remains essential to address gaps, to meet emerging policy demands and grasp

evolving data landscapes. Flexibility and responsiveness within legislative processes could also be improved; enhancing adaptability to rapid technological developments is crucial, and continuous efforts are needed to improve timeliness, reduce publication delays, and strengthen capacity building initiatives among Member. Moreover, there is a need to increase familiarity with coherence mechanisms through targeted training and improve the visibility of statistical objectives within broader SMP goals. Efforts to streamline administrative processes using advanced electronic tools and simplified grant management systems and incorporating digital solutions could reduce the burden on national statistical institutes (NSIs). Enhancing the prioritisation of statistical outputs and coordination with EU bodies, alongside a regular review process to phase out obsolete data, will ensure that high-impact data needs are efficiently addressed while avoiding duplication.

It is considered important to continue delineating the European Statistics Pillar, including its activities and budget, within the future MFF architecture, in order to highlight its independent and impartial nature. A dedicated budget for the development, production and dissemination of European statistics remains an essential prerequisite for continued relevance and high quality.

## SUB-ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

Evaluation matrix, including indicators and judgement criteria[655].

| Evaluation questions | Indicators | Judgement criteria |
|---|---|---|
| **EFFECTIVENESS** | | |
| Q6.1: To what extent was the ESP successful in providing timely statistical information? Was this delivery impartial? Was this delivery cost-efficient? What was its statistical coverage? | • Timeliness,<br>• Impartiality<br>• Cost-efficiency,<br>• Statistical coverage. | • Extent to which the ESP activities undertaken during the evaluation period (2021-2023) have been successful in achieving or progressing towards fulfilling its objectives in relation to providing timely statistical information,<br>• Perceptions of producers and users of statistical information about the timeliness of the delivery of statistical information,<br>• Extent to which statistical information was delivered on the basis of impartiality,<br>• Percentage of users who declare to trust European statistics greatly or tend to trust them,<br>• Extent to which the delivery of statistical information was cost-efficient,<br>• Statistical coverage evolution over time. |
| Q6.2: To what extent was the ESP successful in introducing efficiency gains in the production of European statistics and avoiding duplication of effort? | n/a | n/a |
| Q6.3: To what extent was the ESP successful in introducing quality improvements in the production of European statistics? | • Evolution of statistical output observed during the period 2021-2023 | • Relevance,<br>• Accuracy and Reliability, |

[655] See also Annex III of the supporting study for the interim evaluation of the SMP.

| | | |
|---|---|---|
| | | • Timeliness and Punctuality,<br>• Coherence and Comparability,<br>• Accessibility and Clarity. |
| Q6.4: To what extent were ESP data used in the development, monitoring and evaluation of EU policies? Was there evidence that the ESP contributed to improving policymaking (at EU/MS level)? Was there evidence that the ESP contributed to other purposes? | • Leveraging European statistics to create and assess EU policies,<br>• Contribution of ESP data to other purposes. | • Extent to which ESP statistical information was used by stakeholders for developing, monitoring and evaluation of policies at EU and Member State level during 2021-2023,<br>• Notable examples of specific policy areas where ESP statistical information was used to support and improve evidence-based policymaking at EU and national levels,<br>• Perceptions of producers and users of statistical information about the extent to which the statistical information is used for the development, monitoring, and evaluation of EU policies,<br>• Monitoring of historical evolution of the use of statistical data in policymaking, to the extent possible,<br>• Evidence to which extent ESP statistical information has been used by stakeholders for other purposes.<br>• Number of research project proposals submitted to Eurostat and requesting access to European microdata |
| Q6.5: To what extent did the ESP increase the availability of data? | • Availability of ESP's data | • Number of indicators, sub-indicators and all their breakdowns (in millions) included in Eurostat's reference database, |

| | | |
|---|---|---|
| | | • How the availability of statistical data produced under the current ESP during the evaluation period (2021-2023) compared to the previous programme,<br>• Perceptions of producers and users of statistical information about the improvements in terms of the availability of data produced. |
| Q6.6: How effective was the ESP in strengthening partnerships within and beyond the ESS? | • Development of partnerships within the ESP | • Extent to which the ESP strengthened partnerships within the ESS, including with private organisations (by securing additional ones or strengthening the existing ones),<br>• Extent to which the ESP strengthened partnerships beyond the ESS, including with private organisations (by securing additional ones or strengthening the existing ones),<br>• Perceptions of key stakeholders within and beyond the ESS about the ties of the ESP with its partners within the ESS and internationally,<br>• Annual number of administrative arrangements which Eurostat reviews, renews or signs every year with its key partners. |
| Q6.7: Which factors prevented or reduced the impact of ESP activities? How could these be overcome? | • Factors preventing and/or reducing the ESP's impact | • Factors proving to be barriers in terms of their influence on the ESP activities and objectives,<br>• Perceptions of key stakeholders within and beyond the ESS about the critical factors affecting European Statistics |
| **EFFICIENCY** | | |
| Q6.8: To what extent were ESP resources used efficiently to achieve the desired results? | • Cost-Benefit information collection,<br>• Resource usage monitoring and optimisation, | • Identification of processes in place to collect information on costs and benefits across ESP activities,<br>• Identification of systems in place to monitor and optimise the use of resources, |

| | | |
|---|---|---|
| | • Anti-Fraud measures effectiveness,<br>• Efficiency gains in statistics production. | • Effectiveness of anti-fraud measures and processes in place to prevent misallocation of ESP funds, including *ex post* audits on grant agreements,<br>• The extent to which the ESP ensured the best use of available financial and human resources while delivering high-quality European Statistics,<br>• Level of execution of the operational budget. |
| Q6.9: To what extent were ESP activities successful in limiting the administrative burdens for ESS stakeholders, including Member States and data providers (respondents)? | • Analysis of the administrative burden,<br>• Reduction of the administrative burden,<br>• Benefits for Member States. | • Efforts undertaken to analyse the administrative burden for ESS stakeholders,<br>• Proportion of proposed legislative revisions that include burden reduction measures,<br>• Extent to which ESS stakeholders, including Member States, NSIs, and other data providers, reported that the ESP activities limited their administrative burdens in the interviews,<br>• Extent to which the ESP provided benefits for Member States and other data providers relative to the costs of delivering these results<br>• Factors affecting the balance and good practice examples/lessons learned encountered in relation to financial procedures during the interviews with NSIs and data producers. |
| Q6.10: Was the management / organisation of the ESP as a whole conductive to supporting efficient delivery? | • Effectiveness of systems to review efficiency and performance,<br>• Effectiveness of governance mechanisms. | • Presence of effective systems for performance review,<br>• Risk identification,<br>• Sufficient information to decide on the efficiency of resource use within the ESP. |

| | | |
|---|---|---|
| Q6.11: To what extent / how could the next European statistical programme be less reliant on multiple sources of financing? | • Potential to reduce or eliminate the use of subdelegated funds | • The extent to which Eurostat is reliant on the additional budget subdelegated by other DGs,<br>• The extent to which Eurostat's engagement in cooperation with other DGs, as well as production and maintenance of thematic datasets, is dependent on the subdelegated funds. |
| **RELEVANCE** | | |
| Q6.12: To what extent did the objectives of the ESP reflect the needs of the ESS? | • Relevance of the ESP's design in terms of correlation of the ESP's general objectives and the ESS' needs,<br>• Mechanisms to maintain the ESP's general objectives' relevance | • Alignment between the ESP's general objectives and the needs of statistical organisations within the ESS originally in terms of design (at the time when it was set up in 2021),<br>• Alignment between the ESP's general objectives and the needs of the ESS in terms of design (during the evaluation period 2021-2023),<br>• Perception of stakeholders about the alignment between the ESP's general objectives and stakeholders needs in 2021 and over time,<br>• Appropriateness of mechanisms and tools in place to ensure the achievement of the ESP's general objectives in light of stakeholder needs,<br>• Number of data extractions from Eurostat's reference databases 2021-2023,<br>• Number of followers on Eurostat social media accounts,<br>• Engagement rate of the followers on social media. |
| Q6.13: To what extent were ESP activities appropriate to deliver the set objectives of the ESP? | • Relevance of the ESP activities,<br>• Adequateness of user feedback mechanisms, | • Alignment between the ESP activities undertaken during the evaluation period (2021-2023) and general objectives (set in 2021), and their suitability to reach these objectives, |

| | | |
|---|---|---|
| | • Flexibility of the ESP to adapt to technological advances. | • Perception of stakeholders about the alignment between the ESP activities and its general objectives,<br>• Suitability of mechanisms and tools in place to gather feedback from users and extent to which the feedback gathered from users allowed for adjustments within the ESP,<br>• Degree of flexibility demonstrated by the ESP in adapting to technological advances (e.g. big data) and evidence in terms of relevant activities implemented,<br>• Number of new experimental statistics dataset published on the Eurostat website,<br>• Number of participants in the ESTP (European Statistical Training Programme) courses on innovative sources and methods for official statistics. |
| **COHERENCE** | | |
| Q6.14: To what extent did ESP activities and objectives contribute to the internal coherence of the ESS? | • Internal coherence of ESP's general objectives and activities,<br>• Mechanisms to ensure coherence of statistical data. | • Evidence of synergies and complementarities at the programme-level between the general objectives and among activities listed within the ESP's regulations and planning documents,<br>• Evidence of gaps, overlaps or inconsistencies at the programme-level between the general objectives and among activities listed within the ESP's Regulations and planning documents,<br>• Alignment between various components of the ESP, including various governance bodies and advisory boards, towards achieving the intended general objectives,<br>• Perception of stakeholders about the alignment between various components of ESP, |

| | | |
|---|---|---|
| | | • Suitability and visibility of the processes at the national/international level to ensure the alignment of statistical data. |
| Q6.15: To what extent do ESP activities complement / contradict / overlap with wider EU activity? | • Complementarity of the ESP's and Eurostat's activities with other EU bodies,<br>• Complementarity of the ESP's activities with EU strategic objectives,<br>• Usefulness of the ESP's integration within the SMP,<br>• Flexibility to respond to new strategic priorities. | • Extent to which the ESP's activities aligned with other activities of the EU in the context of the overarching EU strategic objectives and needs during the evaluation period (2021-2023),<br>• Extent to which the coordination between Eurostat and other EU bodies and agencies has been successful,<br>• Perception of stakeholders about the alignment between the ESP's activities and activities of other EU bodies/agencies,<br>• Stakeholders' perception of the ESP's integration into the SMP,<br>• Capacity of European statistics to demonstrate flexibility in responding to emerging needs/new EU strategic priorities. |
| Q6.16: To what extent are ESP activities coherent with the activities of international statistics organisations? | • Cooperation and coordination of the ESP with international partners | • Extent to which the ESP's activities aligned with other activities of international statistics organisations during the evaluation period (2021-2023),<br>• Extent to which the coordination between Eurostat and its international partners (e.g. OECD) has been successful in terms of developing international concepts, classifications, methods, and other standards,<br>• Perception of stakeholders about the alignment between the ESP's activities and activities of other international statistics organisations and partners operating in this area,<br>• Number of administrative arrangements which Eurostat reviews, renews or signs. |

| EU ADDED VALUE | | |
|---|---|---|
| Q6.17: What is the EU added value of the ESP? | • Comparability of national statistics,<br>• Preferred statistics sources,<br>• Timeliness added value,<br>• Resources for production of statistics at MS level,<br>• Possibility to produce European statistics at the MS level. | • High-quality, comprehensive, comparable, and reliable European and national level statistics,<br>• Provision of European statistics in a single location, i.e. 'one-stop shop',<br>• The extent to which ESP statistics are preferred compared to other competing international statistical datasets,<br>• Perceptions of producers and users of European Statistics from the EU institutions,<br>• The reduced time lag between the reference period and publication data of statistics,<br>• The enhanced pool of ESP's resources available for the production and development of new statistics at the EU and MS levels,<br>• Strengthened international statistical community and efforts to enhance the quality of statistics at the international level,<br>• Successful production of European Statistics at the MS level in all key areas. |

## SUB-ANNEX IV. OVERVIEW OF BENEFITS AND COSTS AND TABLE ON SIMPLIFICATION AND BURDEN REDUCTION

| Table 1. Overview of costs and benefits identified in the evaluation[656] | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Citizens/Consumers | | Businesses | | Administrations | | [Other …] _ specify | |
| | | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment |
| **Description:** The ESP provides high-quality European statistics, available to citizens/consumers, businesses and administrations for free. The costs of producing these statistics include the budget of the ESP, production costs incurred by Member States and the administrative burden for the providers of information, households and businesses. The direct and indirect benefits come from having European statistics available for free. | | | | | | | | | |
| ESP budget | One-off | Not applicable | Not applicable | Not applicable | Not applicable | The ESP budget is EUR 552 million for the period 2021-2027. | Not applicable | Not applicable | Not applicable |
| Recurring administrative costs (production costs for producers of European statistics (NSIs, ONAs, NCBs) and administrative burden for the providers of information, households and businesses) | recurrent | Burden is variable. | Response burden on citizens is very difficult to measure and varies each year because it depends on: (i) which sources are used; (ii) how the data are collected in each Member State for each survey; (iii) the sample sizes compared to the population; (iv) the frequency of the surveys; (v) the difficulty to distinguish the cost of national | Recent studies confirm that statistical obligations still account for significantly less than 1% of the total administrative costs. It is not possible to distinguish costs of national and European statistics, as they sometimes overlap. Only direct costs are applicable. | | Production costs can be quantified at EUR 2.9 billion and 43 300 FTEs in 2023 (latest available estimate) for all official statistics. It is not possible to distinguish costs of national and European statistics, as they sometimes overlap.. Only direct | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | and European statistics etc. Citizens have problems in estimating the costs. Recent studies confirm that statistical obligations still account for significantly less than 1% of the total administrative costs. | | | costs are applicable. | | | |
| Direct and indirect benefits from having European statistics available for free | | | As a direct benefit, official European statistics are available for free to all EU citizens. As an indirect benefit, EU policies for citizens are supported by – and based on – the statistics. | | As a direct benefit, official European statistics are available for free to all EU businesses. Businesses can compare their situation with similar businesses all over the EU. As an indirect benefit, EU policies for businesses are | The direct benefit for the statistical administrations (NSIs, ONAs, NCBs) is that they are able to fulfil their mission by producing official statistics. The direct benefits for the other administratio | | | |

[656] Where there is a prior impact assessment, the table should contain as a minimum the costs/benefits identified in the IA with the information gathered on the actual cost/benefit. As available, the table should include the monetisation (EUR) of the costs/benefits based on any quantitative translation of the data (time taken, person-days, number of records/equipment/staff etc. affected or involved represented in monetary value – see Standard cost model, for example). For all information presented, it should be included in the comments section whether it relates to all Member States or is drawn from a subset. An indication of the robustness of the data should be provided in Annex II on Methodology and analytical models used.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | supported by – and based on – the statistics. Benefits cannot be quantified in money because European statistics are not sold and they do not have a direct impact on the economy, society or environment. | ns are that the official statistics that they need are available for free. | | | |

| TABLE 2: Simplification and burden reduction (savings already achieved)<br>Report any simplification, burden reduction and cost savings **achieved already** by the intervention evaluated, including the points of comparison/ where available (e.g. REFIT savings predicted in the IA or other sources). | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Citizens/Consumers/Workers | | Businesses | | Administrations | | [Other …] _ specify | |
| | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment |
| Not applicable | | | | | | | | |

| PART II: II Potential simplification and burden reduction (savings)<br>Identify further potential simplification and savings **that could be achieved** with a view to make the initiative more effective and efficient without prejudice to its policy objectives[657]. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Citizens/Consumers/Workers | | Businesses | | Administrations | | [Other …] _ specify | |
| | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment | Quantitative | Comment |
| **Description:** Reap the benefits from the microdata exchange on intra-EU exports made possible by Regulation 2019/2152:<br>Regulation (EU)2019/2152 on European business statistics. Use (non-mandatory) of exchanged microdata on intra-EU exports for the compilation of intra-EU imports of goods instead of collecting this information from businesses (intra-EU importers). | | | | | | | | |
| Type: One-off | | | 123.5 million EUR | | | | | |
| **Description:** implementation of future regulations in statistical domains and reform of the EU Land use and land cover survey<br>- Implementation of the future Regulation on Fishery statistics: Catch data statistics<br>- Implementation of the future Regulation on Labour market statistics: Used of streamlined quality reports and digital techniques, e.g. webscraping of online advertisements or extractions from payroll files<br>- Implementation of the revised Regulation (EU) No 691/2011 as regards introducing new environmental economic accounts:<br>Regulation (EU) No 691/2022 - ecosystem accounts. The Commission will provide compilation tools, handbooks and methodologies to national authorities in the Member States to simplify statistical compilation.<br>Regulation (EU) No 691/2022 - forest accounts. The new account can be implemented with no need of additional reporting by businesses in the forestry sector, only based on existing data. Citizens are not concerned.<br>Regulation (EU) No 691/2022 - environmental subsidies accounts. The new account can be implemented with no need of additional reporting by businesses in the forestry sector, only based on existing data government data.<br>- Reform of the EU Land use and land cover survey: Reform of the EU Land use and land cover survey to better respond to Member States needs. | | | | | | | | |
| Type: One-off | 26.1 million EUR | Estimates include benefits for both citizens and business. Separate estimates are not available. | 26.1 million EUR | Estimates include benefits for both citizens and business. Separate estimates are not available. | | | | |