



Directorate-General for

**STRUCTURAL REFORM SUPPORT**

**Growth and business  
environment**



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# INTRODUCING THE DIRECTORATE-GENERAL FOR **STRUCTURAL REFORM SUPPORT**

The Directorate-General for Structural Reform Support (DG REFORM) helps EU Member States carry out reforms to stimulate job creation and sustainable growth. EU Member States can ask DG REFORM for support, which is then delivered in the form of tailor-made expertise.

Today, DG REFORM is engaged in **over 1 000 reform projects in all 27 EU Member States**.

## PROGRAMME AND BUDGET

Since 2017, DG REFORM has been managing a dedicated programme – the Structural Reform Support Programme – with a budget of **EUR 222.8 million** for 2017 to 2020.

The programme is the main source of funding for **technical support projects** in EU Member States and does not require co-financing.

Member States can request help from the programme to implement the following:

- **reforms identified by the European Commission**, for example in its annual economic policy recommendations (the ‘European Semester’ process);
- measures they have to take to **implement EU priorities and EU law**;
- reforms undertaken on their **own initiative**.

## HOW IT WORKS

DG REFORM provides Member States with expertise, which can take the form of:

- expert and fact-finding missions on the ground to assess the situation;
- diagnostic analyses and recommendations on ways to address the situation;
- sharing relevant best practices through seminars, conferences and workshops;
- developing and implementing targeted solutions to address the situation.

To deliver this support, DG REFORM uses a **wide range of experts** from national administrations (including through the TAIEX-SRSP Peer 2 Peer instrument), international organisations, private firms and consultancies, or expertise directly from the European Commission.



# GROWTH AND BUSINESS ENVIRONMENT

DG REFORM supports EU Member States in building **sustainable and competitive economies**. We advise public authorities on actions to accelerate the twin climate and digital transitions and support the economic recovery. This includes reforms and investments that strengthen the cohesion and competitiveness of the economy.

On sustainability we support, for example, actions to increase energy efficiency, promote climate mitigation, enable a just transition, boost the circular economy, protect the environment, and expand low-emission transport. On competitiveness we support, among others, reforms to reduce market barriers, facilitate foreign investment and trade, develop the digital economy, stimulate research and innovation, manage public–private partnerships and improve the governance of state-owned enterprises.



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## COMPETITIVENESS

# FOREIGN INVESTMENT AND TRADE

**Foreign investment and trade** in goods and services, both within the EU and with non-EU countries, is a key factor contributing to prosperity. While the EU is the global leader on trade, some Member States lag behind in trade integration and the attraction of foreign direct investment. Member States can take action to reap additional benefits from the single market and international value chains in order to support economic recovery and boost jobs and growth.



### EXAMPLES OF SUPPORT

- Designing **single window digital solutions** for traders interacting with authorities.
- Developing **internationalisation strategies** for regions lagging behind in order to reap the benefits of globalisation.
- Identifying **regulatory barriers** and enhancing **administrative capability** to attract foreign direct investment.
- Developing an action plan for the introduction of **artificial intelligence** for investment and trade agencies.



## ATTRACTING FOREIGN DIRECT INVESTMENTS IN LATVIA

DG REFORM supported Latvia's efforts to proactively attract foreign direct investment and improve its regulatory framework. The expertise provided helped to map the rules of foreign direct investment and analyse the processes and possible bottlenecks that the investor faces from the conception of the business idea to the establishment of operations. It also contributed to strengthening the capacity of the Latvian authorities to proactively target potential investors, reduce perceived overlaps between

responsibilities of public sector agencies and improve the exchange of information between the public and the private sectors. In particular, the project advised aligning responsibilities between the Ministry of Economics and the Latvian Investment Agency and improving Latvia's administrative capacity to attract foreign investors in priority sectors.

## COMPETITIVENESS

### BETTER REGULATION, LICENSING AND INSPECTIONS

Red tape and time-consuming procedures make doing business costly and uncertain. Better regulation is about designing and evaluating national policies and legislation transparently with evidence and developing policy by taking into consideration the views of citizens, businesses and other stakeholders. It aims to **reduce bureaucracy for businesses**, including through the simplification of their investment licensing legislation and the introduction of streamlined and risk-based inspection mechanisms.



#### IMPROVING BETTER REGULATION IN PORTUGAL

DG REFORM collaborated with the Organisation for Economic Co-operation and Development (OECD) in order to support Portugal's efforts to strengthen its regulatory impact assessment system for the preparation of legislation. The project involved international experts and a team embedded in the Portuguese administration.



#### EXAMPLES OF SUPPORT

- Reviewing, simplifying and streamlining **legislation and regulatory mechanisms**.
- Supporting the establishment of a **regulatory environment for complex and innovative business models**.
- Providing **capacity building** to authorities.
- Preparing an **action plan** with a road map of measures.
- Proposing **institutional changes and new governance structures**.

The support included:

- evaluating the current impact assessment processes;
- assessing the compliance costs of regulations;
- carrying out a statistical study on the compliance costs for businesses;
- training on impact assessments.

In June 2018, Portugal adopted a ministerial resolution making regulatory impact assessments compulsory, boosting regulatory analysis and extending stakeholder engagement.



## COMPETITIVENESS

### SMALL AND MEDIUM-SIZED ENTERPRISES AND OTHER SECTORS

Restarting economic activity across economic sectors is important for a sustainable recovery. **Small and medium-sized enterprises** (SMEs) play a central role in the European Union's economic fabric, providing two out of three jobs. In 2020, the European Commission adopted a dedicated SME strategy, which aims to reduce red tape and help SMEs to do business across the single market and beyond. Tailor-made policies in key economic sectors such as tourism will provide Member States with opportunities for job creation and regional development.



#### EXAMPLES OF SUPPORT

- Developing **regional growth strategies**.
- Improving **management standards** in SMEs.
- Designing **funding mechanisms and tools** for developing an **ecosystem for start-ups and the digitalisation of SMEs**.
- Preparing an **action plan** to support **creative industries**.
- Promoting tourism through **destination management organisations**.

### PROMOTING ENTREPRENEURSHIP IN CYPRUS

The Cypriot authorities identified entrepreneurship as a main pillar of economic growth. DG REFORM supported the creation of an overall policy for the development of an entrepreneurial ecosystem. Based on policy recommendations, the Cypriot authorities implemented and adopted a policy statement on entrepreneurship and prepared legislation and an action plan.

The support provided included the following measures:

- creating a dedicated registry to promote social entrepreneurship;
- providing a start-up visa;
- creating tax incentives for innovative firms;
- having Cyprus join the Global Entrepreneurship Monitor.



## COMPETITIVENESS

# COMPETITION AND CONSUMER POLICY

In a more globalised and digitalised economy where a large number of transactions take place online or through pricing algorithms, **competition and consumer protection** authorities find it challenging to carry out their duties via traditional means. In response, the EU Member States are looking for tailored capacity-building programmes on the most advanced techniques in market monitoring, investigation practices, ex post evaluation and impact assessment. They are also seeking to step up their efforts in effectively monitoring the granting of State aid and assessing its impact on productivity, competition and the economy.



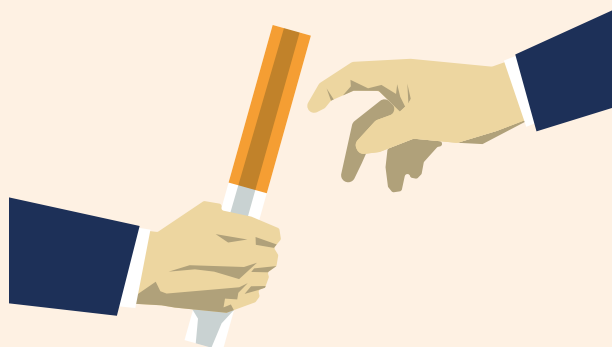
### EXAMPLES OF SUPPORT

- Improving the system of **detecting competition infringements**.
- Effectively using **IT tools in competition investigations**.
- **Evaluating competition and consumer protection decisions** and providing recommendations.
- Carrying out **impact assessment** of State aid schemes.
- Enhancing functionalities of **State aid registries**.



## BUILDING THE CAPACITY OF THE COMPETITION AUTHORITY IN SPAIN

DG REFORM is providing support to the Spanish competition authority to help detect market irregularities and potential infringements to competition rules. The project, launched at the end of 2019, aims at developing tools for the detection of collusion and other anticompetitive practices in public tenders, analysing algorithm-generated prices as well as their implications for competition, using open source intelligence techniques and improving the existing leniency programme.



## COMPETITIVENESS

# DIGITAL ECONOMY, RESEARCH AND INNOVATION

**Digital technologies** have a profound impact on our way of living and doing business. Member States need to have the capacity to reap the benefits of our increasingly digitalised society and face the challenges it brings. They are looking to design policies and deploy **innovative solutions** to give businesses the confidence, competences and means to digitalise and grow. A systematic and forward-looking research and innovation strategy is crucial to a more productive and green economy.



### EXAMPLES OF SUPPORT

- Designing tools for **technology transfer, commercialisation of research** and development and **better integration in value chains**.
- Proposing technical solutions and skill capabilities for the **digitalisation of the construction sector**.
- Supporting **entrepreneurial discovery** processes, cooperation between **academia and businesses** and **smart specialisation**.
- Designing an **industry strategy**, an **action plan** for its implementation and a **governance model** for its monitoring.



## DEPLOYING ARTIFICIAL INTELLIGENCE AT FLANDERS INVESTMENT AND TRADE IN **BELGIUM**

In order to reap the benefits of technological progress and to support local businesses in the global economy, the Flemish trade and investment promotion agency decided to deploy artificial intelligence (AI) in the sector. In 2019, DG REFORM engaged external consultants to design a blueprint for the organisation to use AI, modernising its services to

businesses and enhancing efficiency using modern technologies. The project delivered an assessment of readiness of the organisation to deploy AI and provided a road map for implementing a data-driven culture and enterprise architecture, as well as proposals for enhancing skills and knowledge.

## COMPETITIVENESS

# INVESTMENT MANAGEMENT, PUBLIC-PRIVATE PARTNERSHIPS AND STATE-OWNED ENTERPRISES

**Investment** in the European Union remains below pre-financial crisis levels. Member States are looking for ways to better manage their public resources and assets in order to boost productivity, public finances and growth. This includes strengthening the design and implementation of sound **public investment projects and public-private partnerships** (PPPs) to ensure value for money as well as enhancing the governance of **state-owned enterprises** for increased efficiency, better functioning of markets and improved public services.



### EXAMPLES OF SUPPORT

- Strengthening national authorities' capacity for the selection and management of public **investment projects**.
- Supporting the reform of national **concessions/PPP frameworks** and improving the PPP policy model.
- Improving authorities' capacity to **design and manage PPP projects**.
- Modernising the **state-owned enterprises' corporate governance framework** in line with international good practices.



## IMPROVING THE GOVERNANCE FRAMEWORK OF STATE-OWNED ENTERPRISES IN BULGARIA

In line with a reform commitment for joining the Exchange Rate Mechanism, Bulgaria requested support to modernise the governance framework of state-owned enterprises according to good international practices. DG REFORM and the OECD supported Bulgaria in:

- reviewing the regulatory and operational framework for state-owned enterprises;
- aligning state ownership legislation with OECD guidelines on corporate governance of state-owned enterprises;
- preparing a draft law on public enterprises and implementing provisions.

As a result, Bulgaria adopted a new law and set up the Agency for Public Enterprises and Control.

## SUSTAINABILITY

### ENERGY

Decarbonising the **energy system** is critical to reach the EU's climate objectives in 2030 and 2050. At the same time, energy needs to be secure and affordable for consumers and businesses. For this to happen, Member States have to transform their energy systems into a fully integrated, digitalised and competitive EU energy market that is based largely on renewable sources. In addition to regulatory reforms, Member States need to enable and promote further investments in clean energy, including energy efficiency.



#### EXAMPLES OF SUPPORT

- Adapting the **legislative and regulatory framework** to increase **renewable energy** shares.
- Defining policy measures to promote **energy efficiency**.
- Designing **competitive electricity markets**.
- **Removing barriers** to financing and service markets for **clean energy**.
- Supporting **strategic planning** through energy modelling and analysis.

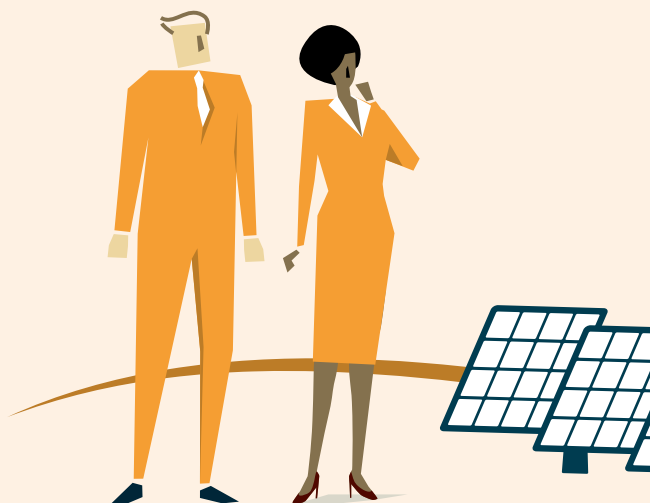


#### NATIONAL ENERGY AND CLIMATE PLAN IN GREECE

Greece requested technical support to develop a comprehensive long-term energy and climate plan and to address barriers to investments in renewable energy, energy efficiency and clean transport. DG REFORM supported Greece through the German Development Agency to:

- improve the governance and analysis of long-term energy and climate planning;
- improve data about energy efficiency potentials in companies;
- develop support schemes for clean energy in transport;
- analyse investment needs and innovative financing instruments for clean energy.

As a result, Greece successfully submitted its national energy and climate plan for 2021-2030 and long-term strategy for 2050.



## SUSTAINABILITY

### CLIMATE

**Climate action** is at the heart of the European Green Deal. While the EU already has a strong track record in reducing its greenhouse gas emissions while maintaining economic growth, more needs to be done in the coming years. The EU's target to reduce domestic greenhouse gas emissions by at least 40 % by 2030, as well as to reach a competitive, low-carbon economy by 2050, will require the implementation of a coherent set of climate policies in all Member States.



#### EXAMPLES OF SUPPORT

- Designing and improving **national climate adaptation strategies**.
- Proposing national implementation modalities of funding mechanisms under the **EU emissions trading system**.
- Developing measures to improve **coastal protection** in order to mitigate climate change impacts.



#### NATIONAL CLIMATE CHANGE STRATEGY IN HUNGARY

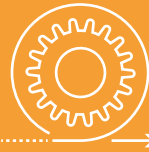
The Hungarian National Climate Change Strategy is being successfully implemented, but is currently lacking adequate monitoring system for tracking the impact of climate policy measures. DG REFORM, in cooperation with the Swedish Environmental Protection Agency, is supporting the Ministry of Innovation and Technology in analysing and integrating best monitoring and evaluation practices as well as in developing specific recommendations to improve the monitoring system. This support will provide a robust monitoring and evaluation framework for climate and energy policies, actions and strategies at national level, and will improve the capacity of government officials and environmental engineers to streamline climate change adaptation into environmental impact assessments.



## SUSTAINABILITY

### JUST TRANSITION

All EU Member States, regions and sectors have to contribute to the transition to a climate-neutral economy. However, the scale of the challenge is not the same for all. Regions dependent on fossil fuels and carbon-intensive industries will be particularly affected and will undergo a profound economic, environmental and social transformation. In order to ensure that the **transition towards the green economy** is made in a fair and inclusive manner, EU Member States are looking for ways to mobilise resources and take actions to ensure targeted support for the regions and sectors that are most affected by this transition.



#### EXAMPLES OF SUPPORT

- Assessing **transition challenges and needs**.
- Preparing an **action plan** with a **road map** of measures needed for the transition to a climate-neutral economy.
- Proposing **governance mechanisms**.
- Supporting **stakeholder consultations** to build a consensus on how to make a transition to a climate-neutral economy.



#### SUPPORTING A JUST TRANSITION FROM COAL IN SLOVAKIA

The region of Upper Nitra in Slovakia has relied for a long time on coal for electricity generation and district heating. On the request of the Slovak authorities, DG REFORM engaged external consultants in order to prepare a strategy for the transition out of coal, in close cooperation with a wide range of stakeholders. In particular, the project delivered an action plan for the economic transformation of the region, with concrete steps for diversifying economic activities, stimulating job creation and mitigating environmental impacts through the rehabilitation of the mining land. In July 2019, the government adopted the action plan and proceeded with its implementation.



## SUSTAINABILITY

### ENVIRONMENT AND NATURAL RESOURCES

Environmental degradation is expected to increasingly affect economic activity, through more frequent extreme weather conditions, influences on human health and less reliable access to material resources and ecosystem services. The protection of the EU's natural capital, the transition to a resource-efficient economy and the safeguarding of citizens from environment-related pressures are key elements of the European Green Deal. Member States are engaging in reforms to address these challenges by further developing the capacities of their **environmental policies and strategies**.



#### EXAMPLES OF SUPPORT

- Revising **national waste management** and **circular economy plans**.
- Upgrading governance mechanisms for **water and waste water management**.
- Supporting the implementation of **maritime spatial planning** and **coastal protection management**.
- Improving **environmental permitting** and **inspections**.



#### IMPROVING WASTE MANAGEMENT IN GREECE

A key challenge for Greece is to improve the management of waste in line with the circular economy. DG REFORM supported the Greek authorities in improving the framework conditions for the implementation of the Greek national waste management plan in order to close the gap with regard to the national targets for 2020. In particular, the project contributed to improving municipal waste management, clarifying specific regulatory issues and enhancing the framework conditions for managing specific waste categories.





## SUSTAINABILITY

### SUSTAINABLE DEVELOPMENT

The EU is fully committed to being a frontrunner in implementing the 2030 Agenda for Sustainable Development, together with its Member States. The 17 **sustainable development goals** (SDGs) are about making people's lives better and protecting the planet from degradation, so that it can support the needs of present and future generations. As of 2020 the European Commission has reinforced its analysis and monitoring of the achievement of SDGs in the European Semester process. In parallel, Member States are mainstreaming SDGs in their policymaking and developing targeted policies to move towards a more sustainable development.



#### EXAMPLES OF SUPPORT

- Developing a **sustainable development strategy** for 2050.
- Developing an **action plan** to improve well-being for rural residents and ensure the economic sustainability of **rural areas**.
- Implementing the sustainable development strategy **mainstreaming the SDGs in decision-making** at all levels of government.



#### POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT IN ITALY

In order to implement the 2030 Agenda for Sustainable Development, the Italian government adopted a national sustainable development strategy in 2017. DG REFORM, together with the OECD, is supporting Italy in the implementation of this strategy. The support aims at creating a more coherent and effective approach to sustainable development by mainstreaming SDGs into Italy's policymaking and addressing related governance challenges.

The project includes an in-depth analysis of the current governance approach, workshops to strengthen capacities and the development of an action plan for improving policy coherence with the sustainable development strategy.

## SUSTAINABILITY

### TRANSPORT AND MOBILITY

Transport allows people, services and goods to move freely within the European Union. It is a cornerstone of EU integration, connecting people across different regions and countries, and a major contributor to the economy. Demand for transport continues to rise as economies become more integrated. This brings opportunities but also new challenges. In particular, transport represents almost a quarter of the EU's greenhouse gas emissions and is one of the main causes of air pollution in cities. Member States are looking for ways to develop **smart, sustainable and efficient transport solutions**. This requires putting users first and providing them with more affordable, more accessible, healthier and cleaner alternatives.



#### EXAMPLES OF SUPPORT

- Analysing **policies, economic instruments** and **legal frameworks**.
- Carrying out **cost-benefit analyses**.
- Developing modelling on **investment scenarios and impacts**.
- Developing **policy recommendations, action plans** and **road maps**.
- Designing **communication strategies** and plans.



### IMPROVING INLAND WATERWAY TRANSPORT IN **BELGIUM**

Belgium has one of the highest levels of road congestion in the EU. This affects the competitiveness of the port of Antwerp, a major economic hub. With the help of external consultants, DG REFORM supported the Antwerp Port Authority in its effort to move freight from road to rail and inland waterways and to improve the coordination of inland navigation. The project provided expertise to help identify the key criteria for success as well as the necessary preliminary steps, and to examine the sustainability of technical solutions. These tools contribute to reducing congestion, improving navigability and enhancing the competitiveness of the port.

## CONTACT DETAILS



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**KASPAR RICHTER**

### **Main contact point for applying for the Structural Reform Support Programme**

**REFORM-SRSP@ec.europa.eu**

### **Further details on the work related to growth and business environment**

**REFORM-03@ec.europa.eu**

### **Find out more**

- DG REFORM:  
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- Structural Reform Support Programme:  
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