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**COMMISSION STAFF WORKING DOCUMENT**

**Evaluation of the Executive Agency for Small and Medium-Sized Enterprises (EASME)**

*Accompanying the document*

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL AND THE COURT OF AUDITORS**

**Evaluation of the Consumers, Health, Agriculture and Food Executive Agency, the  
Educational, Audiovisual and Culture Executive Agency, the Executive Agency for  
Small and Medium-Sized Enterprises, the European Research Council Executive  
Agency, the Innovation and Networks Executive Agency and the Research Executive  
Agency**

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## Glossary

<i>Term or abbreviation</i>	<i>Meaning or definition</i>
CIP	Competitiveness and Innovation Programme
Commission	European Commission
COSME	Programme for Competitiveness of Enterprises and Small and Medium-sized Enterprises
DG	Directorate-General
DG GROW	European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
EASME	Executive Agency for Small and Medium-sized Enterprises
EISMEA	European Innovation Council and SMEs Executive Agency (former EASME)
EIC	European Innovation Council
EMFF	European Maritime and Fisheries Fund
ERCEA	European Research Council Executive Agency
ESI FUNDS	European Structural and Investment Funds
EU	European Union
HaDEA	European Health and Digital Executive Agency
Horizon 2020	Framework Programme for Research and Innovation
HR	Human resources
IAS	Internal Audit Service
IEE II	Intelligent Energy Europe Programme
INEA	Innovation and Networks Executive Agency
INNOSUP	Horizon 2020 “Innovation in SMEs” programme
LIFE	Programme for the Environment and Climate
REA	European Research Executive Agency
SILC II	Sustainable Industry Low Carbon Scheme

## 1. INTRODUCTION

The purpose of this evaluation is the periodical (triennial) evaluation of the operation of the Executive Agency for Small and Medium-Sized Enterprises (EASME).

EASME is governed by:

- its Act of Establishment<sup>1</sup>, which sets out the mandate of the agency
- the Act of Delegation<sup>2</sup>, which specifies the tasks to be carried out by the agency and the powers delegated to it for this purpose. These tasks relate to the implementation of dedicated parts of certain EU financial programmes.
- the Framework Regulation for executive agencies<sup>3</sup>
- the decision establishing the EASME steering committee.

In line with the Commission's Better Regulation principles<sup>4</sup>, the evaluation applies different criteria to guide the analysis of the agency's performance. The evaluation assesses whether the agency has fulfilled its tasks in an effective and efficient way, whether there are overlaps, gaps and/or inconsistencies in the way the agency manages its programme portfolio, and whether there is a clear delineation of tasks between EASME and the parent Directorates-General (DGs) or other executive agencies (coherence).

The evaluation also assesses whether the functioning of the agency has yielded the expected positive results, as estimated in the cost-benefit analysis for delegating tasks to the agency<sup>5</sup>. And it identifies potential areas of improvement. However, because this evaluation concerns the executive agencies set up by European Commission, there is no assessment of 'EU added value' or relevance<sup>6</sup>.

The estimations of the 2013 cost-benefit analysis have been tested to provide evidence about the validity of the assumptions, by considering the actual costs and benefits of programme implementation by the agency in a structured way. The aspects covered by the cost-benefit analysis are specified in Article 3(1) of the Framework Regulation<sup>7</sup> and the guidelines on establishing and operating executive agencies<sup>8</sup>.

The evaluation does not cover the achievements of the programmes managed by EASME, which are subject to separate mid-term and *ex post* evaluations. The evaluation of EASME is, nevertheless, providing useful input for these programme evaluations, as the performance of an agency affects the efficiency and effectiveness of the programmes it manages.

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<sup>1</sup> 2013/771/EU: Commission Implementing Decision of 17 December 2013 establishing the 'Executive Agency for Small and Medium-sized Enterprises' and repealing Decisions 2004/20/EC and 2007/372/EC.

<sup>2</sup> Commission Decision C(2013)9414 of 23 December 2013.

<sup>3</sup> Council Regulation 58/2003 of 19 December 2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, OJ L 11 of 16 January 2003, p. 1.

<sup>4</sup> Commission's Better Regulation guidelines SWD (2021) 305 final and [toolbox](#).

<sup>5</sup> Cost-benefit analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the executive agencies - Final report for the Commission of 19 August 2013.

<sup>6</sup> The assessment of the evaluation criterion 'EU added value', i.e. why the EU should act, is not perceived to be a relevant criterion for the evaluation of EASME, as the agency carries out tasks which the Commission has transferred to it. The EU added value of the programmes that EASME manages is assessed when evaluating the programmes themselves. The previous needs which EASME was meant to address and whether they are still pertinent (relevance) will also be assessed as part of the programme evaluation.

<sup>7</sup> The cost-benefit analysis takes into account a number of factors such as: identification of the tasks justifying outsourcing; the costs of coordination and checks; the impact on human resources; possible savings within the EU's general budget framework; efficiency and flexibility in the implementation of outsourced tasks; simplification of the procedures used; proximity of outsourced activities to final beneficiaries; visibility of the EU as promoter of the EU programme concerned; and the need to maintain an adequate level of know-how inside the Commission.

<sup>8</sup> Appendix II of the Guidelines for the establishment and operation of executive agencies financed from the EU budget (C (2014) 9109 from 2 December 2014; pp. 64-72).

The evaluation examines the efficient use of resources and the effective achievement of the tasks entrusted to the agency. It also looks at whether the delegation to the agency of the management of different EU programmes delivered the anticipated simplification and economies of scale and whether there is scope for simplification and further efficiency gains.

Also the continued relevance of all objectives and tasks entrusted to EASME were assessed, as well as the coherence of its programme portfolio and the delineation of tasks between it and other executive agencies.

The evaluation covers all the tasks carried out by the agency during 2017-2021. The evaluation is supported by a study carried out by an external contractor<sup>9</sup>, and builds on the work of another evaluation that covered the first 3 years of EASME under the 2014-2020 multiannual financial framework.

## **2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?**

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

The reference period of the evaluation was from January 2017 to March 2021, so it does not cover the executive agencies set up to manage programmes under the 2021-2027 multiannual financial framework, including EASME's successor, the European Innovation Council and SMEs Executive Agency (EISMEA).

The evaluation covered the programmes delegated in part to and managed by EASME in 2017-2021, namely:

- part of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) 2014-2020<sup>10</sup>
- part II and part III of the EU Framework Programme for Research and Innovation<sup>11</sup>
- part of the Programme for the Environment and Climate Action (LIFE) 2014-2020<sup>12</sup>,
- part of the European Maritime and Fisheries Fund (EMFF)<sup>13</sup>
- part of the legacy of the Competitiveness and Innovation Programme (CIP) 2007-2013<sup>14</sup>.

New evaluation knowledge will inform internal decision-making in the successor agency of EASME – the European Innovation Council and SMEs Executive Agency (EISMEA) – as well as the parent DGs, about possible improvements to the implementation of the legacy programmes and the next generation of programmes in the Commission.

Furthermore, the results of this evaluation will be useful for accountability purposes. The final evaluation reports on the performance of the six agencies will allow the Commission to report the results of the retrospective cost-benefit analysis to the budgetary authority (the European Parliament and the EU Council). And it will inform various EU institutions about the cost savings achieved as a

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<sup>9</sup> PPMI Consortium: Public (Policy Management Institute and IDEA Consult). Study supporting the evaluation of CHAFEA, EACEA, EASME, ERCEA, INEA & REA (2017/2018-2021), Final Report: EASME.

<sup>10</sup> Regulation - 1287/2013 - EN - EUR-Lex (europa.eu)

<sup>11</sup> Regulation - 1291/2013 - EN - EUR-Lex (europa.eu)

<sup>12</sup> Regulation - 2021/783 - EN - EUR-Lex (europa.eu)

<sup>13</sup> Regulation - 508/2014 - EN - EUR-Lex (europa.eu)

<sup>14</sup> Competitiveness and Innovation Framework Programme (CIP) (2007-2013) | EUR-Lex (europa.eu)

result of using the executive agencies (instead of in-house management by the Commission), as well as identifying potential areas for improvement.

The results of this evaluation will be communicated to the steering committee for each agency, the European Parliament, the EU Council and the European Court of Auditors.

EASME's mandate was to provide high quality support to its beneficiaries, turning EU policy into action. Furthermore, it sought to ensure that projects funded by the programmes it managed would deliver results and provide the Commission with valuable input for its policymaking tasks<sup>15</sup>.

The intervention logic (below) closely follows the provisions and logic provided in the key documents defining the objectives, tasks and activities of EASME. The overall needs that EASME was set up to address were derived from Council Regulation (EC) No 58/2003<sup>16</sup> laying down the statute for executive agencies, which defines the factors against which the need to establish an executive agency should be assessed.

Commission Decision C(2014)9109<sup>17</sup>, along with its annex, provides guidelines for the establishment and operation of executive agencies. As regards the key contextual factors and events that frame the relevant evaluation period, these are derived from the context of EASME.

The objectives of the agency reflect those set out in the decision on EASME's establishment<sup>18</sup>, and they relate to the overall objective of implementing certain parts of the delegated programmes and legacy programmes. It should be noted, however, that throughout the evaluation, the general and specific objectives of the programmes delegated to the agency are considered, as well as the agency's operational objectives and their related indicators, as defined in its annual work programmes.

The key inputs are human resources, financial resources, IT tools and communication channels.

The key processes are summarised from EASME's delegation acts, which provide a very detailed description of EASME's business processes in relation to each programme managed.

The main outputs of EASME's performance relate to the management of the programmes. The achievement is determined by meeting key performance indicators (standard indicators of financial management), and these are reflected through the key metrics related to proposal and project management lifecycle (e.g. number of calls, number of running projects, etc.). The key feedback to policy-related outputs were also considered.

Outcomes relate to the key results (immediate outcomes) achieved during the evaluation period and impacts (medium-to-long term outcomes). One of the key measures that informed the measurement of these results was the satisfaction of unsuccessful applicants, beneficiaries and experts with regard to the performance of the agency.

Furthermore, facilitating a positive public perception of the EU was among EASME's objectives as regards impacts. This was expected to be achieved by strengthening engagement and communicating effectively. In addition, better-informed policymaking by the parent DGs and contribution to their policy priorities (and those of the programmes managed by the agency) are also among the outcomes assessed.

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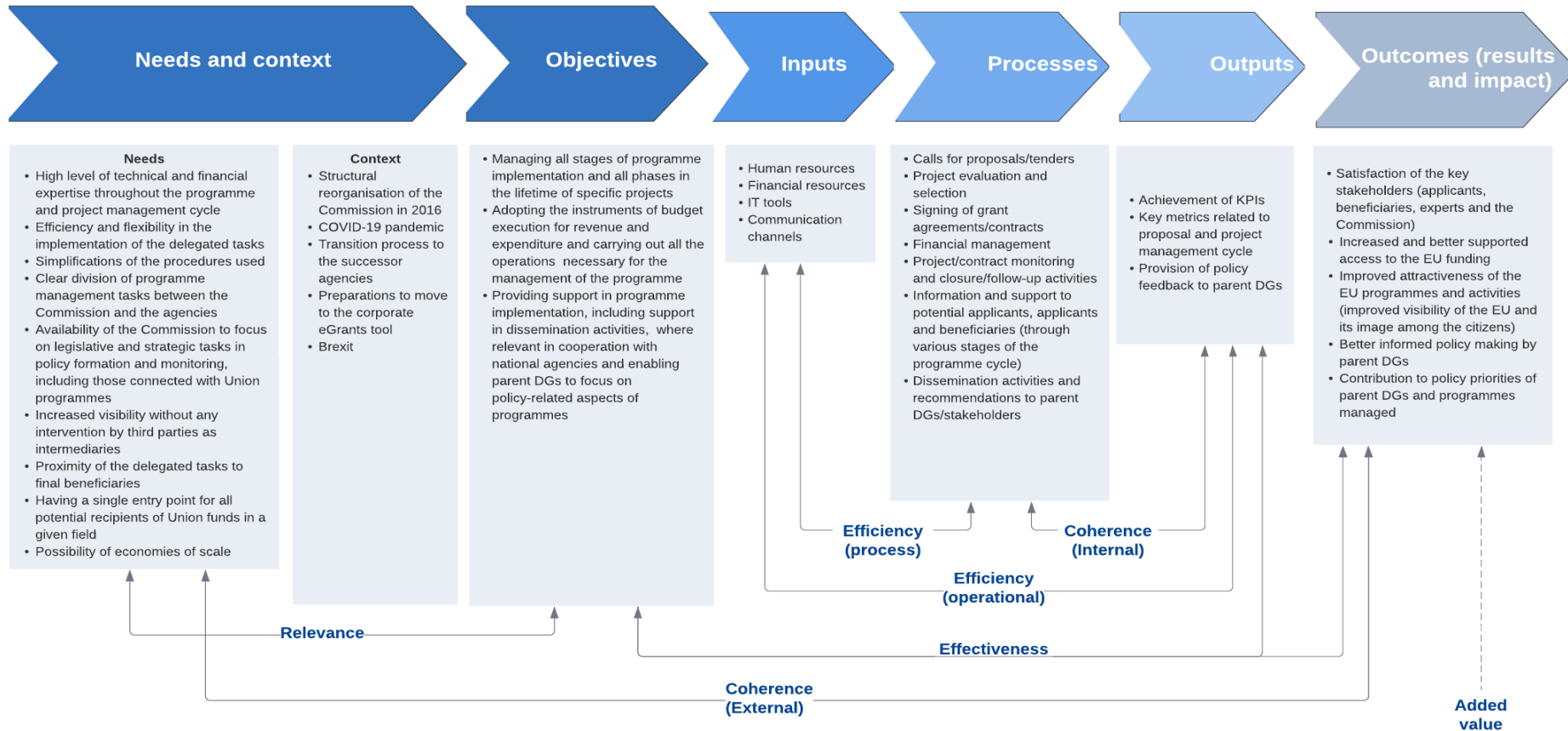
<sup>15</sup> Annual activity report of EASME, 2018, p. 3.

<sup>16</sup> Council Regulation (EC) No 58/2003 of 19 December 2002

<sup>17</sup> Commission Decision C(2014) 9109 of 2 December 2014

<sup>18</sup> 2013/771/EU: Commission Implementing Decision of 17 December 2013 establishing the 'Executive Agency for Small and Medium-sized Enterprises' and repealing Decisions 2004/20/EC and 2007/372/EC.

Figure 1. EASME's intervention logic:



Source: Study supporting the triennial evaluation of the Agency

This evaluation looks at the tasks assigned to the agency as regards the programme. EASME was responsible for monitoring the projects, making the necessary checks and recovery procedures, and performing budget implementation tasks covering revenue and expenditure within the meaning of the EU Financial Regulation<sup>19</sup>, and in particular:

- managing the operations and procedures leading to the adoption of Commission award decisions and to the conclusion of grant agreements, and managing the ensuing decisions and agreements;
- providing support to implement programmes;
- concluding public procurement procedures and managing the ensuing contracts, including the operations required to launch and conclude such procedures.

The results of the quantitative cost-benefit analysis are also presented. These include a workload analysis and evaluation of key workload drivers, assumptions and productivity indicators (operational budget delegated to the agency, number of proposals, number of projects and average grant size, etc.). These factors underpinned the workload analysis and staffing estimates in the 2013 cost-benefit analysis and/or the specific financial statement, compared with the actual situation.

Issues which impacted this evaluation were linked to the staffing changes which occurred in 2021, with the revised format for the executive agencies. While information and data were available, it took some time to identify the relevant staff. Interviews varied in the level of detail or context provided, as not all interviewees were able to provide exhaustive insights on the performance of EASME in all the years under consideration.

Other interviewees were only able to focus on a specific programme – which provides useful detail on agency processes but may be limited as regards the aspects linked to the agency and its parent Directorates-General. See Annex II for more detail on the methodology.

## **2.2 Point(s) of comparison**

The current evaluation of EASME assesses the actual costs and benefits of programme implementation (executive agency scenario) when compared with the alternative scenario of management by the Commission (in-house scenario).

Accordingly, the reference points for the present evaluation are the 2013 *ex ante* cost-benefit analysis and the specific financial statement drafted at the time the agency was set up.

The analysis of the agency's performance during the reference period assesses the progress made since the previous evaluation (2014-2016).

The 2013 cost-benefit analysis estimation was that the savings resulting from the delegation of tasks to EASME in 2017–2020 would be EUR 68.15 million, compared to

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<sup>19</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, OJ L 193, 30.7.2018, p.1.



the in-house scenario. The specific financial statement estimated efficiency gains of EUR 78.61 million over the same period.

The specific financial statement estimated the total number of full time equivalents required to manage the programmes delegated to EASME in 2020 to be 502 (the peak programming year in terms of workload).

The total initial operational budget for EASME in 2020 was estimated to EUR 6 719 billion in commitment appropriations and EUR 5 699 billion in payment appropriations.

Considerable efficiency gains were expected over the period, compared to the in-house scenario, along with non-quantifiable benefits such better programme management and service delivery, more visibility for the EU programmes and closer contacts with beneficiaries.

The evaluation study used the following data collection methods, with specific methodological approaches applied to ensure data triangulation (confirmation from different sources):

- document review and desk research;
- semi-structured interviews;
- online survey and statistical analysis of survey data;
- retrospective cost-benefit analysis.

The results of the previous evaluation also served as a basis for comparison, in order to continue with a similar survey basis.

### **3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?**

#### **Current state of play**

EASME was created in 2013<sup>20</sup> by expanding powers previously entrusted to EACI<sup>21</sup> by delegating operational tasks to implement parts of Horizon 2020, COSME, LIFE and the EMFF. It also dealt with certain legacy actions from the CIP which ran from 2007-2013, with projects finalised by 2019.

There were 7 parent DGs<sup>22</sup>, and there is a strong focus on small and medium-sized enterprises running through the projects.

This evaluation assesses whether the aims of delegating the programmes have been achieved (see section 2), and whether the distribution of tasks, agreed in the memorandum of understanding, has been respected for the 2017-2021 period.

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<sup>20</sup> Commission implementing decision of 17 December 2013 establishing the 'Executive agency for Small and medium-sized Enterprises' and repealing Decisions 2004/20/EC and 2007/372/EC (2013/771/EU).

<sup>21</sup> Commission Decision 2007/372/EC of 31 May 2007 amending Decision 2004/20/EC in order to transform the Intelligent Energy Executive agency into the Executive agency for Competitiveness and Innovation.

<sup>22</sup> (1) DG for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), (2) DG for Research and Innovation (DG RTD), (3) DG for Communications Networks, Content and Technology (DG CNECT), (4) DG for Climate Action (DG CLIMA), (5) DG for Energy (DG ENER), (6) DG for Environment (DG ENV) and (7) DG for Maritime Affairs and Fisheries (DG MARE).

An important aspect of the evaluation is to assess whether the cost-benefit analysis carried out in 2013 has yielded the expected results, and what simplification and economies of scale have occurred. Building from the evaluation carried out for 2014-2016, this evaluation looks at the period from 1 January 2017 to end March 2021 (when the new agencies were established).

From a headcount of 417 in 2016, EASME's staff increased progressively to 434 in 2017 and 483 in 2020. The operational budget for commitments delegated to EASME increased from EUR 1 383.7 million in 2017 to EUR 1 421.8 million in 2020. The agency's administrative budget also increased, from EUR 43 million in 2017, to EUR 49.2 million in 2020.

The series of organisational and procedural changes that started with the implementation of the programmes under the 2014-2020 multiannual financial framework continued, including maximising the use of IT tools, further work on simplifying procedures and the delegation of decision-making to lower levels of management.

Both the EMFF and COSME had higher numbers of projects implemented via procurement rather than grants, which means less streamlining of procedures within sectors due to the different needs and workflows. However, the use of IT tools and simplification in procedures positively impacted all projects managed by the agency.

The complexity of the different programmes delegated to the Agency impacted the implementation of common IT tools, but also the sharing of good practice. Feedback to the parent DGs on policy was hampered by the diversity of the programmes, meaning that one system could not be implemented across the agency but rather each programme used its own system. Developing synergies across programmes was also limited, despite agency efforts.

EASME bilateral meetings with programme staff in the DGs worked to close the gaps between what was feasible and desired at technical level, both for projects and budget management. In addition, the steering committee, by bringing parent DGs at senior management level together with the agency, allowed for transparent communication and sharing of ideas on policy and synergies, in addition to progress reports on the management of the agency and its activities.

External stakeholders included project beneficiaries, intermediary organisations and unsuccessful applicants, as well as external experts to evaluate large calls for proposals. The agency continued its efforts to communicate with all internal and external stakeholders in the reference period, and this included agency staff.

Staffing<sup>23</sup> of EASME was at 95% of the staffing plan by the end of the evaluation period. Attracting staff from the Commission continued to be challenging, although recruitment overall remained positive. Internally, EASME continued to apply flexibility to staffing allocations where possible, looking at areas where programmes or departments needed reinforcement in peak periods.

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<sup>23</sup> See section 2.2.6 of the supporting study for more detail on staffing numbers and policy and section 5.2 for costs.

The use of a flexibility mechanism (endorsed by the steering committee), which allowed up to 10% of programme staffing to be reallocated<sup>24</sup> according to real needs, was mainly triggered by the understaffing of the LIFE programme.

The communication setting up the agency, along with the specific financial statement, had envisaged staffing decreasing from 38 in 2016 to 33 in 2017, based on the phasing out of legacy projects under CIP eco-innovation. However, the workload for LIFE was underestimated in the cost benefit analysis. While the analysis assumed that the number of proposals to be evaluated by the agency would be around 450, in reality the number is in the order of 1 500<sup>25</sup>.

Towards the end of the evaluation period, preparations for the new multiannual financial framework started, and this, together with the impact of the COVID-19 pandemic, meant considerable uncertainty for staff in 2020.

The agency reacted with several measures both for current staff and to aid recruitment. HR activities took place remotely to ensure business continuity and to deliver on the workplan. New online courses, which were designed specifically for the pandemic, aimed to help and encourage staff (courses such as mindfulness and personal efficiency). Other HR activities ensured that recruitment could continue to attract new staff into the agency.

IT developments and increased use of IT tools brought changes, as they impacted on the staffing required for call processes but also on the time required by applicants and beneficiaries. The programmes delegated to EASME were not all equally suitable for the use of these IT tools and a period of adaptation was required for some programmes.

In addition, the programmes with a higher use of procurement had different needs, including the use of less standardised grants. The inclusion of standardised grant agreements and co-financing rates simplified the process for programmes other than Horizon 2020. IT improvements are also positively reflected in the feedback from both successful beneficiaries and unsuccessful applicants.

External challenges such as Brexit and in particular the COVID-19 pandemic (see section 4.1) meant that the agency had to react and adjust to continue delivering on the programme implementation and project supervision, and this was a particular factor in the evaluation period.

The preparation of the supporting study encountered some problems, which led to delays during the process of collecting and harmonising data. Moving EASME's programmes and related databases to four different agencies (EISMEA, HaDEA, REA, CINEA), along with considerable staff turnover in 2021, added complexity to information gathering.

This included data on programmes and calls, desk material and documents, as well as lists of potential interviewees from projects that had been managed by EASME between 2017 and 2021.

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<sup>24</sup> Redeployment could not exceed 10% of staffing allocated to a given programme in a given year

<sup>25</sup> Steering committee reporting 2017

## **4. EVALUATION FINDINGS (ANALYTICAL PART)**

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

#### **4.1.1 Effectiveness**

The data evaluated under the ‘effectiveness’ heading looked at whether the agency had implemented the delegated programmes within the objectives of the framework laid down by the Commission. A further question is to what extent this was done in the most effective manner and whether stakeholders are satisfied. A key question relates to the ability of the agency to provide feedback to policy to its parent DGs, and an assessment was also carried out on the ability of the agency to react and adapt to the particular challenge of the COVID 19 pandemic.

In interviews, unsuccessful applicants, beneficiaries and experts all found the administrative burden reasonable, often indicating it is easier than national funding programmes and that this has improved over time. On the other hand, some respondents mentioned that fewer reporting requirements would be welcome, especially for SMEs.

From the evaluation of the EIC Pilot, it can be concluded that beneficiary SMEs under Innosup consider the administrative burden of the pilot projects to be acceptable. They particularly appreciate the structure of lump sum payments in certain Innosup projects that reduce the administrative burden and allow for resources to be focused on project execution. However, start-ups and smaller companies did indicate that the process was too complex and cumbersome for them<sup>26</sup>.

Within the agency, the diversity of calls combined with the high number of calls puts a strain on EASME staff. From applicants’ perspective, EU programmes are becoming more complex and companies face difficulties in navigating and using programmes.

The input by EASME staff during the launch procedures for projects was highly appreciated by beneficiaries. Beyond the intended structuring and launching of the project, these initiatives provided a platform to these companies for networking and business development.

The application procedures for project calls have the potential to be further simplified as for many of the calls applicants find that preparing a proposal is cumbersome and resource intensive.

Both unsuccessful applicants and beneficiaries have suggested that digital portals be simplified and standardised instruction materials offered on navigating such platforms. The digital platforms used for grant preparation are perceived by unsuccessful applicants and beneficiaries to be cumbersome and difficult to navigate<sup>27</sup>.

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<sup>26</sup> European Commission, Evaluation study on the European Innovation Council (EIC) Pilot, April 2022, ISBN 978-92-76-53253-8, p. 47, p. 134

<sup>27</sup> Supporting study - Interviews with unsuccessful applicants and beneficiaries

Unsuccessful applicants described the level of explanation offered by EASME for why their call was rejected as very specific, detailed and helpful for designing future applications<sup>28</sup>.

Companies who have applied for grants and have had prior experience with other funding opportunities have indicated the need to hire external consultants to help them submit proposals. In fact, half of the applicants spent between 1% and 10% of their proposal budget on external consultancy work<sup>29</sup>. This constitutes a barrier for companies to apply for EU funding.

Concerning the application process and the information provided to applicants, most beneficiaries and unsuccessful applicants who responded to the survey (strongly) agree that requirements for the application process are reasonable and proportionate, and that the application process was clear and transparent. However, concerning the evaluation process, responses differ greatly between beneficiaries and unsuccessful applicants.

Most of the beneficiaries found that they received useful feedback on their application and rated the evaluation process as clear and transparent. Nonetheless, several interviewed beneficiaries indicate that the reviewers did not always understand the true value of their proposal, and that the evaluation process generally depends too much on an individual reviewer. This view was given credence by the fact that some beneficiaries are very happy about the feedback they received, while others are not<sup>30</sup>.

On the other hand, unsuccessful applicants, on balance, have negative views of the evaluation process: 48% of respondents found that they did not receive useful feedback; 43% found they had not received a clear explanation for rejection; and 44% found that the outcome of their application was not fair. However, 44% of respondents considered that the evaluation process was clear and transparent.

A good indicator for the success of the evaluation process, is the number of re-evaluations sought out by applicants. The number of re-evaluation requests varied between 32 and 157 per year between 2017 and 2020, which is between 0.0% and 0.7% of the total number of proposals submitted – well below the target of 3%.

The number of re-evaluation requests that lead to re-evaluation ranged between 2 and 3 per year in 2017-2020, indicating the robustness of the evaluation process.

Experts contracted to evaluate proposals consider that the selection and registration process for them was clear, and that the contract procedures were completed in a timely manner, with necessary documents and information available.

The parent DGs were satisfied with the level of information provided by the experts and their capacity to contract experts with the required expertise<sup>31</sup>.

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<sup>28</sup> European Commission, Supporting study on the evaluation of EASME, PPMi, IDEA Consult (2023) Interviews with unsuccessful applicants and beneficiaries

<sup>29</sup> Supporting study - results of the surveys of beneficiaries and unsuccessful applicants

<sup>30</sup> Interviews with beneficiaries

<sup>31</sup> European Commission, Supporting study on the evaluation of EASME, PPMi, IDEA Consult (2023) Interview with parent DGs

Feedback to policy is an essential part of the agency tasks. The previous evaluation (2014-2016) identified a need for increased capacity both in terms of staffing and mandate, to deliver the expected feedback to the parent DG and improve its reporting<sup>32</sup>.

For the Directorate-General for Energy, the feedback to policy was instrumental in enriching the policy design relating to energy efficiency. Innosup projects (the Helpdesk project in particular) have proven very effective in providing relevant feedback that EASME could deliver to the relevant parent DGs<sup>33</sup>.

For the LIFE programme, feedback to policy is especially important, as its main rationale is to develop and improve environmental and climate policy. The memorandum of understanding with Directorate-General for Environment and Directorate-General for Climate Action specifies who oversees which policy integration activities (for example the DGs are responsible for analysing policy needs in the call for proposals, while EASME is responsible for information and data on key strategic indicators relevant to the DGs' priority objectives).

EASME performs its feedback to policy to parent DGs both in an informal and a structured manner. In June 2019<sup>34</sup>, EASME launched a working group on feedback to policy in response to the discussions between the Commission and the executive agencies. It was concluded that, given the large divergence between programmes, there is no one-size-fits-all in providing feedback.

Individual feedback to policy was perceived to be the most common practice applied by EASME. More structured feedback could be considered for more complex programmes and is preferred by certain DGs (Directorate-General for Communications Networks, Content and Technology, Directorate-General for Research and Innovation).

For instance, under societal challenge 'Raw materials', EASME staff started writing biannual reports for their parent DG in 2016, with factsheets for each project. These biannual reports account for 50% of the feedback to policy, while the other 50% consists of regular interaction at meetings, one-off requests and ongoing collaboration<sup>35</sup>.

Some areas for improvement can also be raised concerning feedback to policy in EASME. According to interviewees from the EASME staff, the Commission could more clearly define its feedback expectations towards the agency. DGs should also regularly exchange information on future policy development, to be able to provide fit-for-purpose feedback to policy<sup>36</sup>.

The agency proposed to improve feedback to policy by inviting the DGs to nominate one representative each, for the purpose of establishing a continuous dialogue between themselves and the agency on improvements in feedback mechanisms<sup>37</sup> – although

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<sup>32</sup> European Commission, Evaluation of the Executive Agency for Small and Medium-sized Enterprises (EASME), June 2019, ISBN 978-92-76-09259-9, pp. 11-12.

<sup>33</sup> European Commission, Evaluation study on the European Innovation Council (EIC) Pilot, April 2022, ISBN 978-92-76-53253-8, p. 71

<sup>34</sup> EASME, 26th meeting of the EASME steering committee, 26 June 2020, Agenda item 3.3: feedback to policy

<sup>35</sup> Interviews with EASME staff

<sup>36</sup> EASME, 26th meeting of the EASME steering committee, 26 June 2020, Agenda item 3.3: feedback to policy

<sup>37</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 21st July 2019

concerns about resource allocation for this feedback process were also considered, especially in the context of the draft cost-benefit analysis<sup>38</sup>.

While executive agencies do have a mandate to provide feedback to policy, the key performance indicators used do not reflect performance in the feedback given to policymaking DGs.

For communication, the agency indicated three key objectives, addressing both internal and external communication:

- 1) promoting the programmes, resulting project successes and EU added value,
- 2) increasing staff motivation and engagement, to bring out full potential at work,
- 3) maintaining a positive image of EASME among key stakeholders within the EU institutions.

According to the survey supporting this evaluation, e-mails were the communication channel that have provided beneficiaries with the most relevant information. Video conferences, telephone contact, face-to-face exchanges as well as EASME's website were also considered useful by beneficiaries in their search for information.

By contrast, EASME's social media was considered useful by only 32% of beneficiaries.

Interviewed stakeholders (beneficiaries, unsuccessful applicants, experts and national coordination offices, NCOs) are generally very positive about their relations with project and financial officers at EASME. Multiple interviewees specifically mentioned the value of project officers in answering questions in a timely manner.

The 2020 qualitative analysis of the costs and benefits of delegating certain tasks to executive agencies<sup>39</sup> found that project advisers/officers lacked the time to maintain close relationships with clients, due to their high workload. However, the survey conducted for this study paints a more positive picture, indicating that most beneficiaries and unsuccessful applicants are satisfied with EASME's ability to respond to questions within a reasonable time during the application and selection process (62%), while only 15% of respondents were not satisfied.

Moreover, the great majority of respondents indicated that the selection results were announced within the communicated deadlines in the call for proposals.

On the other hand, 25% and 26%, respectively, of respondents did not know who to contact when submitting or preparing their application.

Concerning the implementation phase of their project or grant, satisfaction rates of beneficiaries with EASME's communication efforts are even higher. Most beneficiaries indicate that they are (very) satisfied with EASME's ability to respond to questions in

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<sup>38</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 21st February 2020

<sup>39</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of EU programmes 2021-2027 to the executive agencies: Qualitative Analysis

reasonable time (88%), as well as the availability and responsiveness of EASME staff (89%).

Moreover, the answers and guidance provided by EASME was deemed satisfactory by most beneficiaries. Finally, only 11% of beneficiaries did not know how or who to contact during the implementation phase, which is much lower than during the application phase.

Regarding the guidance provided by EASME to experts, the survey indicates that different levels of guidance are given to different experts: a large portion of experts (41%) only receive initial guidance before their first assessment. However, a similarly large portion of experts (36%) indicate they receive continuous support, or they receive guidance for every assessment and task. Another 18% indicates that they only receive sporadic guidance. Nonetheless, most experts are satisfied with the provision of information by EASME.

To conclude, EASME applies guiding documents for staff on how to interact with clients, ensuring proximity to applicants, beneficiaries and experts. Most beneficiaries and unsuccessful applicants are satisfied with the relationships they have with EASME staff and say the response time is satisfactory. The same applies to the level and quality of information received. Nonetheless, there is still room for improvement on clarifying who applicants can contact during their application process.

During the evaluation period, EASME organised many events in close collaboration with its parent DGs, including information days, kick-off meetings, networking workshops, R&I Days, the Raw Materials Week and the EU Sustainable Energy Week (EUSEW).

EASME also took part in organising international events promoting the results of EU-funded projects. Moreover, the agency also contributed directly to other stakeholder events promoting funding opportunities and guiding potential applicants in relevant procedures, using social media as one of their main channels for announcing the launch of calls, news about EU programmes and the timing of events such as information days. The EASME website was also used actively to promote its projects<sup>40</sup>.

Raw Materials week was organised annually with panels, presentations, booths, etc., with the content being prepared in close collaboration with DG GROW and results of the event as well as the achievements and results of projects themselves being communicated through a biannual report to DG GROW<sup>41</sup>.

Communication and – via proxy – knowledge valorisation from the Commission could be further improved through the work of the executive agencies. One example put forward by Directorate-General for Climate Action is that of green hydrogen as an opportunity to further enforce communication channels between parent DGs, EASME and external stakeholders in the EASME network<sup>42</sup>.

The channels used by EASME to communicate on EU funding opportunities and the role of the EU were reasonably successful, as reflected by how beneficiaries and unsuccessful applicants receive the communications message and materials prepared by the agency.

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<sup>40</sup> EASME, Annual Activity Reports 2017, 2018, 2019, 2020

<sup>41</sup> EASME, Annual Activity Report 2019

<sup>42</sup> Interview with parent DG



31% of potential applicants learn about funding opportunities through the websites of EASME or the Commission, while 23% learn about it from professional colleagues in their own or other organisations, and 15% from other national sources.

The COVID-19 pandemic had a significant impact on the agency's work, as was the case for all departments and services of the European Commission dealing with the implementation of projects and programmes. There was a need to launch calls and actions which would respond to the specific needs of the pandemic, and this also increased the workload in the financial units.

In terms of programme implementation, minor delays occurred in implementing delegated projects, due to the outbreak of the pandemic and the resulting economic situation in the Member States<sup>43</sup>.

The Enterprise Europe Network was quick to react to the pandemic challenges to help SMEs in the most flexible way. Special services were put in place to help companies source urgently-needed medical or protective equipment, to adapt production lines or to find new buyers or suppliers.

Furthermore, a lot of face-to-face brokerage events and capacity-building activities were moved online to make sure companies could still benefit from Enterprise Europe Network services despite the lockdown.

EASME made IT tools available, helping the network collaborate more efficiently. Training events were moved online and contacts between staff and beneficiaries were intensified, to give them as much help as possible to implement their projects. Within the network, SME clients appreciated how the network stayed by their side during this crisis, with 85% being either satisfied or very satisfied<sup>44</sup>.

Together with the Task Force of the European Innovation Council, the agency's unit dealing with the EIC-accelerator has organised a call for proposals to find innovative solutions helping contain this crisis, as well as (co-) hosting a pan-European hackathon to connect civil society, innovators, partners and investors across Europe in developing innovative solutions for coronavirus-related challenges (20 900 participants)<sup>45</sup>.

EASME collaborated with the Directorate General for Research and Innovation for an extensive COVID-19 portfolio analysis. The agency contacted beneficiaries with potential contributions through the projects either for combating the crisis or for dealing with the aftermath<sup>46</sup>.

The EIC Pilot is deemed by users to be unfit to respond to short term needs as was the case during the early stages of the COVID-19 pandemic. In 2020 the EIC Pilot Accelerator put in place several calls that have received unprecedented amounts of applications. The quality of submitted projects, however, was lower than previous rounds<sup>47</sup>.

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<sup>43</sup> EASME 2021 HIGH RISKS REGISTER (November 2020)

<sup>44</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 26th June 2020

<sup>45</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 26th June 2020

<sup>46</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 26th June 2020

<sup>47</sup> European Commission, Study on the effectiveness of public innovation support for SMEs in Europe, Annex E INNOSUP evaluations, March 2021, ISBN 978-92-9460-580-1

The increased number of applications in 2020 following additional COVID-related calls resulted in delays, high workload for staff and project complications. Overall, beneficiaries were satisfied but they do comment on frustration with staff turnover at EASME. Nonetheless, beneficiaries in the EIC Pilot appreciate the flexibility and agility of EASME.

The flexibility and continued professionalism proven by the agency is reflected in how beneficiaries, unsuccessful applicants and experts perceived EASMEs response to the COVID pandemic, as shown by the following figures:

- 92%<sup>48</sup> of (574) beneficiaries appreciate the flexibility shown by EASME and the Commission in adapting deadlines and agreeing to other changes necessary to preserve projects despite COVID-19 restrictions.
- 82% of (825) beneficiaries and unsuccessful applicants and 91% of (646) experts consider that the agency smoothly transitioned to virtual meetings.
- 80% of (834) beneficiaries and applicants and 90% of (733) experts found that the agency maintained the quality of its services throughout the pandemic.
- 80% of (817) beneficiaries and applicants and 90% of (724) experts found that the agency effectively disseminated relevant information on calls and projects.

The agency followed the instructions of the Directorate-General for human resources and security and the Secretariat General regarding staff management in the pandemic period, and an interagency task force was established in the second half of 2020 to tackle the consequences of the crisis. The task force was led by the Head of Department for Administration and Finance and included colleagues from the Business Continuity Management team and logistics. It was intended to coordinate the presence of staff in the building, the reporting of COVID-19 cases as well as teleworking conditions and other measures.

The agency conducted a risk assessment exercise (involving the whole agency) to monitor the impact of COVID-19. New staff and especially single people were struggling to adapt to the new work arrangements early on during the pandemic. Burnout rates among EASME staff have been increasing since COVID-19<sup>49</sup>.

According to the large majority of interviews from both beneficiaries and staff in parent DGs, EASME managed to adjust its operations with a very high level of flexibility and competence, while maintaining business continuity<sup>50</sup>.

#### **4.1.2 Efficiency**

Efficiency covers the management and execution of programmes managed by the agency, and how sound the financial and human resource management has been during the evaluation period. These aspects are covered by key indicators taken from agency performance but also with additional survey data.

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<sup>48</sup> Strongly agree or agree

<sup>49</sup> Supporting study - interviews with EASME staff

<sup>50</sup> Supporting study - interviews with EASME staff and beneficiaries

The timely execution of programme management functions is evaluated by looking at the performance on key indicators such as time-to-inform, time-to-grant, time-to-pay and the share of payments that is executed within the legal deadline. Survey responses from beneficiaries and experts included in this section reflect their satisfaction level with regards to the timely execution of payments.

The average time-to-inform was not later than the target for most years and programmes. The two exceptions were in 2020 - for the EIC Pilot Phase II and for Fast Track to Innovation.

The average time-to-grant – which combines the time-to-inform with the time-to-sign – was also not later than the target for most of the programmes and years. However, the target was systematically missed for Horizon EIC PILOT Phase I, due to the high number of proposals each year.

The share of payments executed within the legal deadline was above 98% for all years covered by this evaluation. The share of timely payments increased between 2017 and 2019, but then fell slightly in 2020 and in the first quarter of 2021.

In the table below the share of payments made within the legal deadlines is represented per programme. Most payments are executed in time, ranging between 97.4% and 100% per programme.

*Share of payments within the legal deadlines, 2017-2020*

	2017	2018	2019	2020
COSME	99.9%	100.0%	100.0%	100.0%
Horizon INNOSUP	100.0%	100.0%	100.0%	100.0%
Horizon EIC PILOT & Fast Track to Innovation	97.4%	99.5%	99.8%	99.7%
EMFF	100.0%	100.0%	100.0%	100.0%
Horizon Energy	99.0%	98.5%	100.0%	100.0%
Legacy IEE		100.0%		
Horizon ENV & RESOURCES	99.4%	100.0%	100.0%	100.0%
LIFE		97.8%	98.6%	98.3%
Legacy CIP ECO-innovation	97.4%	100.0%	100.0%	

*Source: Study supporting the triennial evaluation of the Agency, taken from annual activity reports and annexes, 2017, 2018, 2019, 2020*

The average time-to-pay has remained relatively stable for each legal deadline over 2017-2019 and always remained within the legal deadline<sup>51</sup>.

94% of interviewed beneficiaries are satisfied with the payments and their timeliness<sup>52</sup>. The prefinancing and mid-term payments are highly appreciated by beneficiaries. Nonetheless, several beneficiaries mentioned that the retention of funding until the end of the project is an issue for cascade funding directed towards SMEs, and they suggest that the retention of funding should not apply for third party funding.

<sup>51</sup> For 2020, no average time-to-pay was presented in the annual activity report.

<sup>52</sup> N=549 (516 out of 549)

Furthermore, one interviewee (beneficiary) mentioned there is too little flexibility in payments where one partner within the project consortium is not delivering, as this leads to no one getting paid.

Experts find that the payment terms are satisfactory. On the other hand, only 63%<sup>53</sup> of surveyed experts agree that their payment matched the efforts they had spent on the task. From the interview programme it appears that most of the experts found their fee reasonable, though one expert did indicate that the fees received by experts are low compared to industry rates, but that it remains worthwhile as it helps them gain market intelligence.

The IAS audit on the management of experts in Horizon 2020 grants also recommended that “EASME should ensure that the paid amount corresponds to the days in the attendance session” and that a “clear justification for the rejections should be recorded in the payment summary sheet”. In the corresponding action plan<sup>54</sup>, EASME ensured that this would be implemented by March 2021.

To conclude, EASME was operating efficiently regarding timely execution of programme’s management functions. Key indicators for timely execution are the time-to-inform and time-to-grant, which generally remained below the set targets. Furthermore, between 98% and 99.8% of payments were executed on time on a yearly basis between 2017 and 2020, close to the target of 100%.

Beneficiaries and experts are also satisfied with the timeliness of payments (94% (of 549) beneficiaries agreed that the payment process was smooth, while 92% (of 995) experts agreed the process had gone smoothly.

The management and control arrangements cost is the ratio between administrative and implemented operational budget, and the evaluation looks at whether these arrangements were cost effective. The ratio was at an average of 3.0% for commitments (ranging between 2.6% and 3.4%), and 3.3% for executed payments between 2017-2020. The ratio for commitments and payments remained well within the target of 5.5%<sup>55</sup>.

In comparison to other Commission executive agencies, EASME’s ratio between administrative and operational budget for commitments and payments was close to the average of 3.4% in 2020<sup>56</sup>.

Retrospective checks are aimed at detecting and correcting instances of error or fraud that were not identified in the advance (*ex ante*) checks. The main result finding the retrospective checks was the residual error rate, i.e. the level of errors in financial transactions which remain undetected and uncorrected until the end of the programme lifecycle.

The residual error rate remained within target for most programmes. The exception was the legacy programmes CIP-IEE II and CIP-Eco-Innovation, where the residual error rate was systematically exceeded, and COSME, where the residual error rate was exceeded in

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<sup>53</sup> N=1011 Strongly agree or agree (637 out of 1011)

<sup>54</sup> EASME (2021 February 26), Action plan EASME – IAS audit on the management of experts in Horizon grants

<sup>55</sup> EASME, [Annual Activity Report 2017](#)

<sup>56</sup> See Annex 6, Study on the evaluation of EASME PPMI, IDEA Consult (2023)

2018 and 2020. In every case where the targets were exceeded, mitigating measures were taken, such as better informing beneficiaries and improving advance checking mechanisms.

In terms of budget, the execution of the operational budget was at 100% for the years 2017-2020, both for commitment and payment appropriations<sup>57</sup>. It is noteworthy, however, that EASME's 2020 risk register points out a risk of double funding of the projects managed by EASME because of a lack of tools for project officers to perform effective double funding checks on project applications.

For the administrative budget<sup>58</sup>, between 98% and 100% of commitments and payments were executed, which is close to the target of 100%. With regards to payments, between 85% and 92% were executed. The forecast administrative budget, which covers the running costs of the agency (i.e. staff expenditure, office costs, IT and other services) should not be fully spent when it is not deemed necessary, and the agency carried out budget amendments several times a year to adjust the forecast.

Process efficiency is the extent to which grants and tenders were managed efficiently. An indicator in this regard is the number of proposals and ongoing projects 'per operational head' (in full-time equivalents, or FTEs). Compared to other agencies, EASME had the largest number of proposals per FTE<sup>59</sup>, even given the significant decrease in 2020.

On the other hand, the number of running projects 'per operational head' is average compared to other agencies. The actual operational budget 'per operational head' (in FTEs, and in terms of commitments) within EASME was also average compared to other agencies, amounting to EUR 3.91 million in 2020.

This indicates that EASME staff were relatively efficient compared to other agencies, given that they manage many more proposals, while being able to manage a similar number of projects and operational budget.

The high level of proposals but similar number of running projects compared to other agencies indicates relatively low success rates, i.e. the number of selected (funded) projects vs eligible proposals, for the programmes managed by EASME.

The total success rate for EASME has decreased over the evaluation period, from 8% in 2017 to 5% in 2020. The low success rate is mainly due to the competitive nature of the EIC pilot's SME instrument: the success rate of the EIC Pilot is comparable to those of private investment funds and acceleration programmes<sup>60</sup>.

For other programmes, such as COSME or Horizon INNOSUPP, the success rates are considerably higher, though they vary largely between years. This variation is mainly due to changes in the number of funded proposals, rather than the number of submitted proposals.

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<sup>57</sup> Budget and financial monthly indicators, January to December 2017, 2018, 2019, 2020

<sup>58</sup> Administrative budget refers to the budget allocated for the day-to-day running of the agency

<sup>59</sup> See Annex 6, Supporting study on the evaluation of EASME, PPMI, IDEA Consult (2024)

<sup>60</sup> EASME, [Annual Activity Report 2018](#)

To conclude, EASME has achieved its targets of operational budget execution, as it executed 100% of its operational budget. Regarding the administrative budget, budget execution in 2020 was at 98% for commitments and payments, and at 92% for payments.

Furthermore:

- EASME has a very high number of proposals ‘per operational head’ compared to other agencies (up to 61 proposals per FTE in 2019);
- The number of running projects ‘per operational head’ (10 in 2020) was more in line with other agencies.
- Success rates, which can be regarded as one of the indicators for cost-effectiveness, were rather low and decreased further from 8.0% in 2017 to 5.0% in 2020 – though this can be attributed to the low success rate of EIC Pilot proposals.

**Simplification** is a core area for efficiency gains. Two main aspects were evaluated:

- IT tools;
- procedures.

IT tools have enabled significant time savings and staff rationalisation. This is particularly the case for call processes. For instance, for the management of SME Instrument phase 1 grants, IT tools (standardised communication, automatic reminders, etc.) helped reduce the size of the staff required to manage the grants from 15 to 5 people<sup>61</sup>.

For Horizon, the use of common IT tools and a support centre has brought significant gains in terms of efficiency and a consistent approach toward beneficiaries<sup>62</sup>. The results of the survey conducted among beneficiaries and unsuccessful applicants support this statement. Respondents agree that a wider use of common IT-tools across different programmes and programmes strands has made the process of project application/implementation much more efficient<sup>63</sup>.

EASME has also invested proactively in developing its digital tools during the period covered by the evaluation:

- in March 2017, an internally developed IT system called ePAD was rolled out for the planning and monitoring of EMFF actions<sup>64</sup>;
- EASME is the first agency to use e-submission for procurement procedures<sup>65</sup>. This resulted in a more efficient submission and evaluation process<sup>66</sup>.

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<sup>61</sup> Interviews with unsuccessful applicants, beneficiaries and EASME staff

<sup>62</sup> EASME (2019), SB simplification measures 2017 – 2019

<sup>63</sup> Results of the surveys of beneficiaries and unsuccessful applicants

<sup>64</sup> EASME steering committee Secretariat, 14<sup>th</sup> meeting of the EASME steering committee 30<sup>th</sup> June 2017

<sup>65</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 14th December 2017

<sup>66</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 21st February 2019

- subsequently the agency extended the eGrants suite to EMFF grant projects<sup>67</sup>.
- EASME also made IT tools available to the Enterprise Europe Network to support its response to COVID-related calls that required swift implementation (see 4.1.1).

To achieve efficiency gains, EASME introduced e-tendering and e-submissions in 2017 for several key procurement procedures. In 2018, the agency then phased in electronic invoicing, including its suppliers<sup>68</sup> as well as the eGrants system. This helped it manage a high volume of proposals and grant agreements and simplified administrative procedures for applicants.

In 2017, IT tools for evaluating grant applications were not working as expected (SEP Submission and SEP Evaluation), especially for remote work using the PEAS tool (keyword matching between expert and proposal). This was due to teething problems with the tools and the situation has improved since then with regular training for EASME staff and refinements to the tools themselves<sup>69</sup>.

Another issue identified in 2017 was that EASME had no mandate for the internal governance structure for LIFE IT systems, as they are owned by the Directorate-General for the Environment. In general, the agency has neither a sufficiently formal role nor resources to influence the governance of corporate IT systems.

Nevertheless, reliable and efficient IT tools necessitate continued investment. While the introduction of eGrants has resulted in more efficient procedures, there are still problems with specific programmes such as COSME, due to the unique nature of small and recurrent contracts with small beneficiaries.

A qualitative analysis of the costs and benefits of delegating certain tasks to executive agencies<sup>70</sup> found that constant improvements to IT tools are needed to simplify procedures and ensure both grant agreement preparation and project management are effective.

Interviews with unsuccessful applicants, beneficiaries and EASME staff reveal that the way users are involved in developing IT tools can be further improved. The intended users were not sufficiently involved in the design, development and updating of IT tools, leading to applicants being dissatisfied<sup>71</sup>. They specifically mention that user friendliness is suboptimal, and in some instances, users have to rely on help from external consultants to navigate the IT tools designed for submitting proposals and reporting within their projects.

In EASME's 2020 risk register<sup>72</sup>, the transition from LIFE IT tools to Horizon 2020 tools was recorded as challenging. It was not clear how the dedicated support for LIFE IT would transition to the Horizon 2020 tools, and continuity and comparability between the tools

<sup>67</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 14th December 2017

<sup>68</sup> Annual report on EU agencies for the financial year 2017 (OJ C, C/434, 30.11.2018, p. 213, [https://www.europol.europa.eu/sites/default/files/documents/eca-annual\\_report\\_on\\_the\\_eu\\_agencies\\_for\\_the\\_financial\\_year\\_2017.pdf](https://www.europol.europa.eu/sites/default/files/documents/eca-annual_report_on_the_eu_agencies_for_the_financial_year_2017.pdf))

<sup>69</sup> Risk register 2017 EASME, Ref. Ares(2018)453546 - 25/01/2018

<sup>70</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis

<sup>71</sup> Results of the surveys of beneficiaries and unsuccessful applicants

<sup>72</sup> Risk register 2020, EASME

was also flagged as an issue. These key aspects led to inefficient project management in the short term.

According to the internal Scoreboard for Simplification measures, such measures were introduced at different levels and for different implementation mechanisms in 2017-2020<sup>73</sup>. A taskforce with representatives from different units issued concrete proposals, adopted by management as from 1 January 2020. The main changes made resulted in shorter approval flows and faster booking of business travel, the removal of redundant documents and tasks, and more cost-effective controls.

The internal scoreboard also refers to other simplification measures such as:

- removing the approval requirement for the monthly forecast of business travel,
- eliminating the need for a separate travel request form,
- the number of project monitoring visits using a risk-based approach,
- travel orders to be authorised by the Head of Unit instead of Head of Department (with a few exceptions to approved by the Head of Department and the Director),
- measures to reduce the environmental impact of business travel.

Delegating tasks internally is a practice that has greatly contributed to making EASME procedures simpler and more flexible and has enabled EASME to operate in a more seamless way. Delegating by giving more power to lower levels led to time savings and streamlined processes.

For instance, delegating authorisation to lower levels (where possible) reduced the time needed for the approval of commitments and payments. This is the case with the EDES approval flow for bankruptcy cases and non-payment of taxes. The final authorisation could be given by the Head of Department C instead of the Director. The need for approval from the legal department was also reduced in 2019<sup>74</sup>.

Another example of this practice is the possibility to delegate authorisation power to Head of Sector when the Heads of Unit are unavailable<sup>75</sup>. Successful delegation practices can also be found in HR processes, as evidenced by the simplification of HR approval flows for selection procedures. Decision-making power to launch selection procedures to fill existing posts by means of internal mobility within the agency, and publication of the related internal vacancy notice<sup>76</sup>, was delegated from Director to Head of Unit C2.

Nevertheless, delegating also has its limits. Delegating small budgets and short-term measures was not considered efficient in all instances, as it duplicates operational, financial and coordination costs – as demonstrated by a qualitative analysis of costs and benefits of delegating certain tasks to executive agencies<sup>77</sup>.

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<sup>73</sup> EASME (2019), SB simplification measures 2017–2019.

<sup>74</sup> EASME (2019), SB simplification measures 2017 – 2019.

<sup>75</sup> EASME (2019), SB simplification measures 2017 – 2019.

<sup>76</sup> EASME (2019), SB simplification measures 2017 – 2019.

<sup>77</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis



For example, managing EMFF-Direct was a big challenge due to its small scale and diverse set of projects. The unit responsible also lacked stability in terms of priorities and rules, such as eligibility criteria, and standardised procedures and IT tools.

In the previous evaluation (2014-2016), grant evaluation and planning of calls were identified as the main areas for further potential simplification<sup>78</sup>. According to interviews with EASME officials, as part of the qualitative analysis of the costs and benefits of delegating certain tasks to executive agencies, EASME has simplified organisational processes and procedures to the extent that very few additional efficiency gains could still be realised.

One good practice identified was for example the introduction of eGrants for EMFF, which resulted in a faster and more efficient submission and evaluation process<sup>79</sup>. Nevertheless, according to interviewees from the agency, there are some areas where improvements could still be made as regards receiving information on calls<sup>80</sup> in due time.

Reducing paperwork and administrative burden is also important for simplifying procedures. This applies both to EASME and to applicants. Beyond the delegation measures mentioned above, EASME has put in place a series of measures that have reduced paperwork. For instance, a paperless policy that helped further reduce paper signatories and documents in 2018<sup>81</sup> and several simplification measures related to HR and benefitting staff<sup>82</sup>.

On the applicants' side, EASME introduced two-stage calls for the Environment strand, which reduced paperwork for unsuccessful applicants and led to an increase in proposals for the LIFE-programme.

For COSME, the application of lump sums for some parts of the programme (e.g. European Destination of Excellence Network) helped reduce the administrative burden. The use of simplified cost options (lump sums, unit costs and flat rates) instead of real-cost funding is also considered by beneficiaries and unsuccessful applicants to be an effective solution, making project application/implementation easier<sup>83</sup>.

Under the SME Instrument, the management of phase 1 grants (of which there were over 1 000 per year) required 15 people. This number was reduced to 5 through simpler reporting, IT tools, standardised communication, automatic reminders, etc. The beneficiaries benefited from internal simplification at the agency in terms of reduced time to pay and time to inform<sup>84</sup>.

Simplified reporting also made the operation of the agency more efficient. In cooperation with the Directorate-General for Maritime Affairs and Fisheries, EASME prepared a Commission Decision that allows the use of simplified unit costs for salary costs of SME

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<sup>78</sup> European Commission, Evaluation of the Executive Agency for Small and Medium-sized Enterprises (EASME), June 2019, ISBN 978-92-76-09259-9, pp. 38-39.

<sup>79</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis

<sup>80</sup> Interviews with EASME staff

<sup>81</sup> EASME (2019), SB simplification measures 2017 – 2019.

<sup>82</sup> EASME Annual Activity Report 2017 - simplification of the catering order process; simplification of the approval flow for interim and external training requests; paperless policy; and the reduction of paper signatories and documents

<sup>83</sup> Results of the surveys of beneficiaries and unsuccessful applicants

<sup>84</sup> Interviews with EASME staff

owners. This simplifies reporting by beneficiaries and verifications by EASME staff<sup>85</sup>. The simplification of reporting templates for a structured collection of results was also considered to have made project implementation and reporting easier<sup>86</sup>.

Regarding monitoring and reporting processes, beneficiaries report a high degree of satisfaction in project implementation. Specifically:

- 88% (506 out of 575) considered that project reporting requirements were clear and consistent throughout project implementation, and 84% (484 out of 576) considered these requirements to be in line with the scope of the project.
- Monitoring activities carried out by EASME staff were perceived to be useful for projects execution (86% or 495 out of 576) and the processes were clear to the affected stakeholders (88% or 508 out of 577).

Retrospective (*ex post*) audits are considered to be arduous and time consuming but relevant. The COSME programme in particular saw extensive contradictory procedures resulting from such audits (sometimes due to misunderstanding of the rules). Introducing rules that are better adapted to the specific nature of these projects may potentially have avoided this situation and improved efficiency.<sup>87</sup>

The qualitative analysis of the costs and benefits of delegating certain tasks carried out in 2020 to executive agencies<sup>88</sup> indicates that insufficient resources were allocated to EASME because of a lack of stability in delegated actions (EMFF and COSME), and the additional tasks assigned to EASME in 2014-2020, which created additional work for EASME staff, without any increase in FTEs.

It was concluded that any further increase in delegation should come with an increase in staffing levels. It was also noted that specific attention should be given to the high workload associated with feedback to policy when calculating resources – this was flagged as a critical task of an executive agency.

Along the same lines, in 2017 the IAS audit on management of human resources in EASME<sup>89</sup> recommended that EASME should further improve its methodology and guidance for workload assessment, re-run the workload assessment and identify gaps between resources needed and resources available. EASME implemented these recommendations in 2018<sup>90</sup> in line with the approved action plan<sup>91</sup>.

Estimations of staffing requirements in the agency were carried out by EASME based on:

- 1) cost-benefit analysis,
- 2) multi-annual analysis of the workload for Horizon, COSME, LIFE, EMFF and the legacy programmes managed by EASME<sup>92</sup>,

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<sup>85</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 14th December 2017

<sup>86</sup> Results of the surveys of beneficiaries and unsuccessful applicants

<sup>87</sup> Interviews with EASME staff

<sup>88</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis

<sup>89</sup> European Commission, Final Audit Report on Management of Human Resources in EASME, June 2017

<sup>90</sup> EASME Annual Activity Report 2018

<sup>91</sup> European Commission, Action Plan: IAS audit on Management of Human Resources in EASME

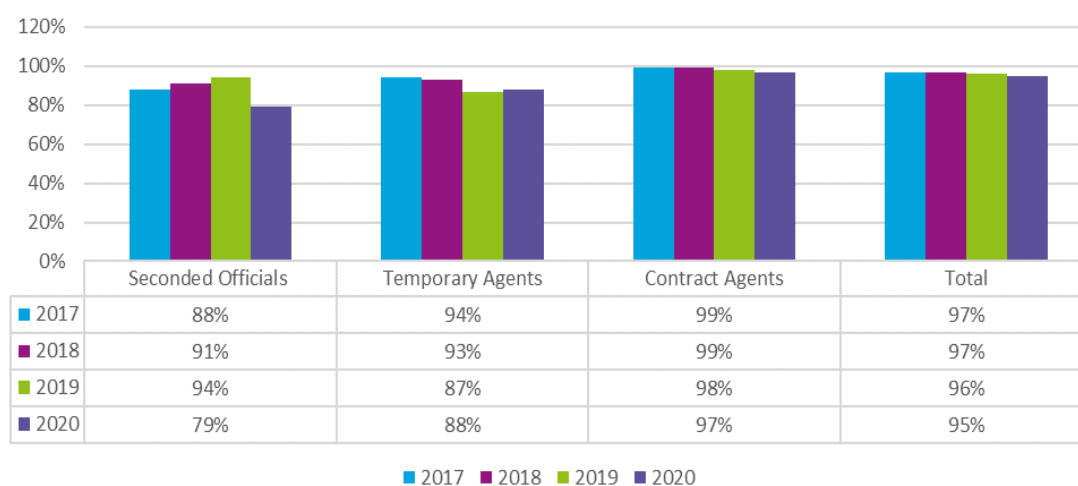
<sup>92</sup> European Commission, Final Audit Report on Management of Human Resources in EASME, June 2017, p. 5

- 3) a data collection method assessing the workload for the agency<sup>93</sup>,
- 4) assessment of the evolution of business needs, based on workload indicators, leading to a competency framework analysis.

The final workload assessment also took into consideration the establishment plan and flexibility mechanism agreed by the parent DGs, which was approved in 2017 to reallocate resources towards the LIFE programme, which had been structurally understaffed<sup>94</sup>.

This issue follows from a significant increase in the number of projects to be managed, combined with a very limited increase in resources<sup>95</sup>. The actual workload related to the management of LIFE therefore deviated from the initial cost-benefit analysis estimates. This understaffing was already raised as an issue in the 2014-2016 evaluation of EASME and remained an issue during the current evaluation period.

*Figure 2. Filling rate of staffing plan (actual staff divided by planned number of staff in staffing plan)*



*Source: Study supporting the triennial evaluation of the Agency, based on EASME annual activity reports and annexes 2017, 2018, 2019, 2020*

95% of posts were filled by the end of 2020, which is lower than the set target of 98% and represents a slight decrease compared to 2017 (97%) (Figure 2).

Filling rates for contract agents, which represent the bulk of staff, are high. On the other hand, only 79% of the planned number of seconed officials in the staffing plan were in place in 2020.

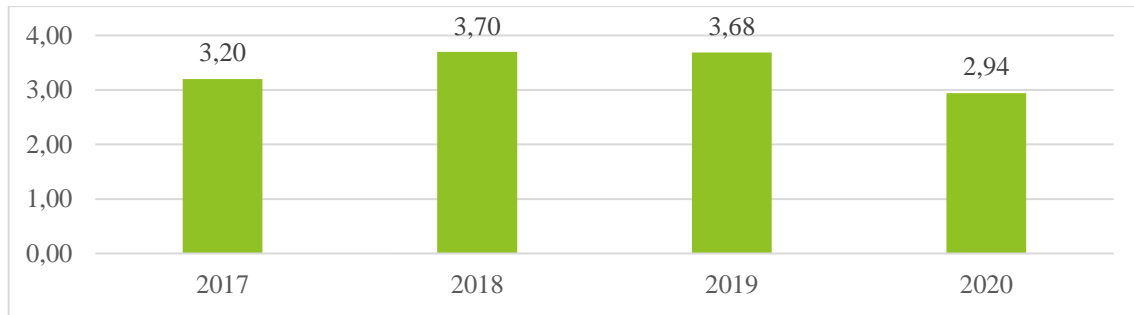
The average programme expenditure (in commitments) per staff member was between 3.20 and 2.94 million EUR (Figure 3). A decrease was observed in 2020, resulting from a decrease in the operational budget and an increase in the number of staff.

<sup>93</sup> European Commission, Action Plan: IAS audit on Management of Human Resources in EASME, July 2017, p. 1

<sup>94</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 17th February 2017

<sup>95</sup> European Commission, Evaluation of the Executive Agency for Small and Medium-sized Enterprises (EASME), June 2019, ISBN 978-92-76-09259-9, p. 48

Figure 3. Average programme expenditure (in commitments) per staff member, in million EUR



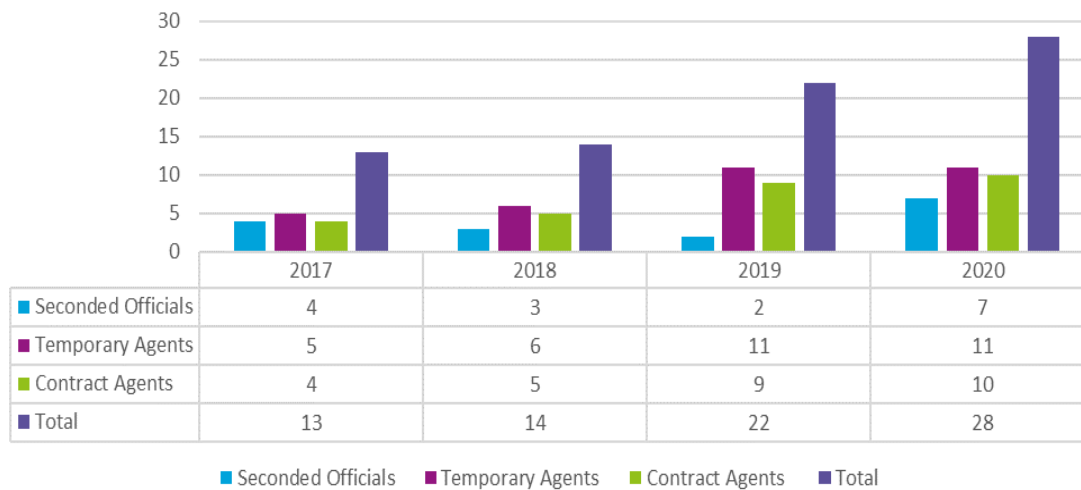
Source: Study supporting the triennial evaluation of the Agency based on EASME annual activity reports and annexes 2017, 2018, 2019, 2020

The total number of vacancies at the end of the year increased steadily, from 13 in 2017 to 28 in 2020 (Figure 4). Given the relatively low number of total positions for temporary agents and seconded officials, the open vacancies for these positions are more problematic (as also indicated by the filling rate in Figure 2).

The delays in recruiting seconded officials were largely due to a lack of interest in joining EASME, as well as lengthy procedures<sup>96</sup>. The 2020 cost-benefit analysis<sup>97</sup> also indicated that EASME is generally successful in attracting sufficient and qualified employees.

However, officials (especially at Head of Sector level) are less attracted to positions in the executive agencies. EASME is aware of this difficulty and marked the difficulties in recruiting and replacing seconded officials as a risk in its 2017 risk register<sup>98</sup>.

Figure 4. Number of vacancies by the end of each year, 2017-2020



Source: EASME annual activity reports 2017, 2018, 2019, 2020

The average time to recruit (measured from the moment a post becomes vacant until the new recruit is in place) increased yearly from 2018 (2.6 months) to 2020 (6.6 months).

<sup>96</sup> EASME annual activity report 2017

<sup>97</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis

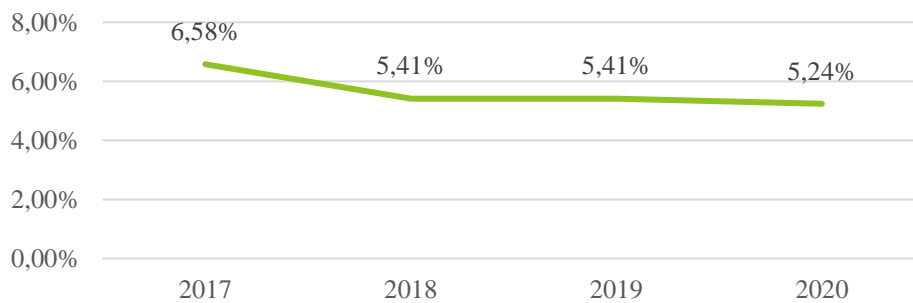
<sup>98</sup> Risk register 2017 EASME - 25/01/2018

In 2019, the increase was attributed to the high number applications received (93% increase in CV's screened). In 2020, the increase was attributed to the impact of COVID-19, which affected the timing of the tests, as well as the freeze in certain recruitments due to the new Commission mandate<sup>99</sup>.

The IAS audit on management of human resources in EASME<sup>100</sup> recommended that EASME should further improve its management of recruitment and selection processes. In response, the agency created a recruitment taskforce and implemented the recommended changes<sup>101</sup> in line with the approved action plan.

Finally, the turnover rate fell from 6.58% in 2017 to 5.23% in 2020 (see Figure 5 below). EASME indicates that most of the staff that left took up positions in other EU institutions<sup>102</sup>.

Figure 5. Turnover rate, 2017-2020



Source: Study supporting the triennial evaluation of the Agency, based on EASME annual activity reports and annexes 2017, 2018, 2019, 2020

The number of vacancies increased sharply from 13 in 2017 to 28 in 2020 (as shown in Figure 4) and is especially problematic in the case of seconded officials. EASME indicates this is a risk and points to a lack of attractiveness of the job and lengthy procedures. The average time to fill a position also increased over the years, reaching 6.6 months in 2020. Finally, the turnover rate decreased to 5.24% in 2020.

In terms of wellbeing, 72% of staff indicated that they felt that the agency cared about this aspect, an increase compared to 2016 (70%) although this decreased to 51% in 2020<sup>103</sup>, perhaps understandable given the pandemic situation and the uncertainties linked to the change in the agency's structure in 2021.

A Commission staff survey was held in 2018 and EASME gauged staff satisfaction in 2020. The staff engagement index, which measures staff's emotional, cognitive and physical connection to the job, organisation and people within it, remained stable in 2020 at around 70%, but did not reach its target of 72%.

<sup>99</sup> EASME annual activity report 2020

<sup>100</sup> European Commission, action plan: IAS audit on Management of Human Resources in EASME, July 2017

<sup>101</sup> EASME annual activity report 2018

<sup>102</sup> EASME annual activity reports and annexes 2017, 2018, 2019, 2020

<sup>103</sup> EASME annual activity report 2020

The previous staff survey results from 2016 showed two main areas for improvement: managerial excellence and career development of staff. The previous evaluation also highlighted a perception of limited career opportunities for EASME staff<sup>104</sup>.

In its 2017 risk register, EASME indicates staff retention and decreasing staff engagement levels as a risk, and attributes this to limited job profiles, limited scope of technical knowledge required from staff, strict regulations reducing the internal mobility of contract agent staff and the agency's dependence on EPSO for organising CAST selections for contract agents. This dependency slows down their selection, especially for specialist profiles, but also makes career progression for staff very limited<sup>105</sup>.

To improve the career development of staff and managerial excellence, EASME adopted an HR strategy and action plan<sup>106</sup>. To boost career opportunities, several initiatives were taken, such as job shadowing, a competency framework (IAS also recommended in the 2017 IAS audit to address identified gaps between workforce needs and current workforce), and better training of HR officers, to allow career guidance advice to be given to staff. A "360° feedback" exercise took place for managers.

In addition to its initiatives on increasing career opportunities and improving managerial excellence, EASME also made efforts to increase staff engagement in 2017 by creating "The Sounding Board" (an initiative that was maintained in the following years and to which 80 colleagues actively contributed in 2018<sup>107</sup>), organising TED talk sessions to encourage staff to network and get inspired, and by continuing its onboarding plan for newcomers.

Nonetheless, the targets set in 2017<sup>108</sup> for the 2018 staff survey in terms of satisfaction around career opportunities and managerial excellence were not reached, though they generally improved. The satisfaction of employees with their professional future improved compared to 2016, and came closer to the target of 42%, but remained relatively low, with an overall general satisfaction level of 41%.

In terms of managerial excellence, staff satisfaction with middle management was at 54% in 2018 and remained below its target of 60%, and satisfaction with senior management was 66% - below its target of 70%<sup>109</sup>. Finally, only 55% of EASME staff thought effective action had been taken on the results of the 2016 survey, and only 59% thought that effective action would be taken on the results of the 2018 survey.

The EASME development plan, following the Commission staff survey in 2018, indicated several areas for improvement, with quick wins identified for 2019, as well as action in the medium term (2020) and long term (2021). The areas of improvement that were identified include the professional future of its staff and middle management.

In July 2018, a multi-annual HR strategy was adopted, closely aligned with the identified improvement areas and was the result of a participatory process with contributions from

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<sup>104</sup> European Commission, Evaluation of the Executive Agency for Small and Medium-Sized Enterprises (EASME), SWD(2020) final, 29.04.2020, p. 16.

<sup>105</sup> Risk register 2017 EASME - 25/01/2018

<sup>106</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 30th June 2017

<sup>107</sup> EASME annual activity report 2018

<sup>108</sup> EASME annual activity report 2017

<sup>109</sup> European Commission, SPEAKUP Staff survey 2018, EASME results

management, the staff committee, sounding board groups and staff<sup>110</sup>. The strategy is built around three strands - creating an attractive workplace, building a modern leadership and developing professional growth<sup>111</sup>.

One of the initiatives was the creation of the Staff Engagement and Business Transformation team (SEBT) or “EASME together”, to help EASME become a highly modern and attractive workplace in 2018<sup>112</sup>.

The results of this were already visible in the 2018 staff survey, where satisfaction in terms of collaboration increased (to 86%), and a large majority of staff felt that listening to staff is important within EASME (79%) and that their opinion was of value (79%).

The staff engagement index, which is a key indicator in the Commission staff survey, remained relatively constant, at 71% in 2018 and 70% in 2020. Key areas of improvement remained the same across the evaluation period (managerial excellence and career development for staff). After each staff survey, an action plan was developed with initiatives clustered around these two areas.

### **4.1.3 Coherence**

This section looks at tasks and responsibilities and whether there are any overlaps, gaps or inconsistencies in programme portfolio or delimitation of responsibilities between the agency and its parent DGs.

As per the previous evaluation (2014-2016) the division of tasks was clearly outlined in the legal framework (Act of Delegation, Memorandum of Understanding between EASME and all the parent DGs). However, it appeared from the interviews that this legal framework might not have been clear or known to all Commission and EASME staff. For example, in the area of feedback to policy, DGs had different views of the level of the agency’s involvement and the level of information to be shared with the DGs.

EASME staff have confirmed that the role of the various parent DGs has developed organically as part of the bilateral partnerships<sup>113</sup>. The interviews with EASME staff noted a lack of standard practice across the programmes. Each programme and parent Directorate-General partnership is managed differently, with a specific underlying memorandum of understanding and delegations of power<sup>114</sup>.

In March 2018, EASME made the financial unit a separate entity the operational unit, to differentiate the two and give more operational autonomy to the financial unit. The same structure was emulated in CINEA and continues under EISMEA. The result of this separation is perceived to be successful, as the financial unit has gained more operational autonomy, and has made decisions that are now perceived to be more objective. However, there are indications that it makes collaboration more cumbersome and less efficient, as

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<sup>110</sup> EASME steering committee Secretariat, Final minutes of the EASME steering committee 10th October 2018

<sup>111</sup> EASME annual work programme 2019

<sup>112</sup> EASME annual activity report 2018

<sup>113</sup> Based on the interview programme carried out for the supporting study

<sup>114</sup> European Commission MoUs with EASME

the contact is not as fluent as when the financial unit was integrated into the operational unit<sup>115</sup>.

Looking at how the role and responsibilities of the agency were communicated to outside stakeholders, there is an awareness of EU funding but not as much knowledge of the role of the agency.

While 98% of potential applicants and beneficiaries are well aware of the fact that the projects are funded by the EU (911 out of 930), awareness of the role of EASME specifically is less apparent, as only 47% (438 out of 933) know what programme management tasks the agency is responsible for and what tasks the Commission is in charge of.

In the context of the SME Instrument, beneficiaries believe that the agency staff do not always have the relevant profile to oversee highly complex projects that require technical expertise. This feedback is also echoed by beneficiaries, who commented on communication difficulties when presenting the content of their proposals<sup>116</sup>.

Concerning experts hired to evaluate proposals, the mandate of EASME is somewhat clearer, with 69% (689 out of 999) indicating that the delineation of tasks between the agency and the Commission is clear to them and 85% (853 out of 1004) indicating that they knew the programme management itself was outsourced to the agency.

With regard to whether or not the delegation of the programmes and other tasks to EASME enabled the Commission to better focus on its policy-related tasks, overall this is considered to be effective. This ensures that parent DGs were able to focus on the policy-making aspects of the programme, but also that the agency is effectively implementing those initiatives for which they have operational responsibility<sup>117</sup>. (See also section 4.1 Effectiveness).

Regarding how the Commission monitored the developments in – and operations of – the agency, the focus is on the extent to which the supervision structures, monitoring, and reporting requirements, as well as other forms of information flow and feedback, provided an adequate overview of programme implementation.

According to interviewees from both EASME and parent DGs, weekly meetings involving deputy heads of unit and heads of unit were a key element in streamlining the information flow between EASME and parent DGs. The director of EASME put an emphasis on communicating information between relevant stakeholders via the agency website. This contributed to an improved transfer of knowledge between the agency, the DGs and relevant stakeholders.

Organising regular meetings with different units was also described as good practice for financial units. These meetings are considered a constructive way for financial units to gain insights into the challenges faced by the different programmes.

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<sup>115</sup> Interviews with EASME and steering committee members

<sup>116</sup> Interviews with beneficiaries carried out for the supporting study

<sup>117</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of 2021-2027 EU programmes to the executive agencies: Qualitative Analysis



Nevertheless, some interviewees from parent DGs and members of the EASME steering committee point out that improvements could be made regarding knowledge sharing between the DGs and the agency. The Directorate-General for Communications Networks, Content and Technology highlighted a lack of time and effort put into understanding mutual expectations. Interactions between the parent DGs and EASME were thought to take place mainly in times of difficulty, rather than as a way of regularly sharing knowledge. Other interviewees indicate that the physical distance between the agency and the parent Directorate-General is a barrier to an effective information flow.

Regarding the exchange of reports, interviews with the Directorate-General for Energy indicate that it was very satisfied with the information flow to and from EASME. The EASME structure has proven effective in employing experts that extract relevant information and transfer this information in a timely manner to the parent DG.

The success is attributed to the dynamic and flexible structure of the agency. On the other hand, quarterly reports were initially requested from EASME, but this has proven to be cumbersome and inefficient. Interviewees from the DGs indicate that biannual reports, complemented with regular liaison meetings were sufficient to provide DG ENER with relevant input<sup>118</sup>.

Among innovative HR tools that contributed the sharing of knowledge both within and between the agencies, it is worth mentioning the two job-shadowing exercises that took place in 2017 and 2019-20.

The first took place from the beginning of November 2017 to mid-January 2018. It was an intra-agency exercise that involved 45 participants. Participants expressed a high degree of satisfaction, and the exercise was perceived as very useful to mutual learning. The job-shadowing allowed staff to share best practice and facilitated knowledge-sharing and collaboration across the agency.

The main difficulties were related to the timing and duration of the exercise. The exercise was carried out in a demanding period of high workload for most participants, and they indicated that a different period (either some additional months or a year-long activity) would have been beneficial. It would allow them to follow the entire project life cycle over a year and not just a small part of it. Endorsement from management was also considered essential to ensure the success of the exercise<sup>119</sup>.

The second job-shadowing exercise was an inter-agency exercise carried out from October 2019 to April 2020<sup>120</sup>, and extended until end of June 2020. It concluded with a high satisfaction rate among participants. The report found positive impacts on knowledge sharing among the agencies. The project promoted the exchange of best practice, favoured cooperation and networking across departments.

It also has far-reaching impacts, as the bonds and networks created during the job-shadowing endured and continue to enrich the job of participants beyond the exercise itself. It also allowed EASME to improve the support it provides in terms of programme

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<sup>118</sup> Interviews with parent DGs

<sup>119</sup> JOB SHADOWING PILOT PROJECT 2017 FINAL REPORT, February 2018

<sup>120</sup> Inter-Agency Job shadowing 2019-2020, Final report, Feedback and evaluation, p.7

implementation and to facilitate mutual understanding. “Job shadowing proved to be a more effective learning opportunity than classical training courses”<sup>121</sup>. The report also contains recommendations to transform job shadowing into a consolidated work practice.

According to interviewees from both EASME and parent DGs, while staff mobility is described as a form of continuous capacity building within the parent DGs, staff mobility from DGs to agencies is still somewhat lacking, as Commission staff appear reluctant to join agencies<sup>122</sup>.

## 4.2 Cost-benefit analysis

The retrospective cost–benefit analysis for 2017 to March 2021 was based on the results of the 2013 advance cost-benefit analysis, the assumptions laid down in the specific financial statement<sup>123</sup> and the actual costs of EASME.

The 2013 advance (*ex ante*) cost-benefit analysis estimated that delegating programme implementation to EASME would result in savings of around EUR 97.9 million over 2014-2020, compared to having them managed by the Commission (the in-house scenario).

The retrospective cost-benefit analysis revealed that the actual costs of the executive agency scenario amounted to EUR 189.3 million during 2017-2020. To evaluate the extent to which the actual costs corresponded to the initial specific financial statement (SFS) estimates, the same assumptions that led to these estimates were followed<sup>124</sup>.

The statement estimates (EUR 241.1 million in 2017-2020) were based on the EU contribution, but EASME’s administrative budget also included contributions from the EEA/EFTA and non-EU countries (EUR 3.9 million during 2017-2020) to manage its additional operational budget.

Consequently, based on the EU contribution alone, the actual costs of the executive agency scenario were EUR 185.4 million, which means that savings amounted to EUR 55.7 million and accounted for 23.1% of the specific financial statement estimates.

Staff-related expenditure (Title 1) was higher than estimated in the specific financial statement due to salary indexation, promotions and/or increasing staff seniority. For example estimated costs in 2018 were EUR 29.6 million, rising to EUR 31.7 in 2020, whereas actual costs were EUR 34.4 in 2018, rising to EUR 39.4 in 2020.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. During 2017-2020, the actual cost savings deriving from a cost difference between the executive agency scenario and the in-house scenario amounted to EUR 98 million (or 34.1% of the estimated costs under the in-house scenario).

Comparing the savings initially estimated in the specific financial statement and cost-benefit analysis with the actual savings from delegating tasks to EASME, it was found

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<sup>121</sup> Inter-Agency Job shadowing 2019-2020, Final report, Feedback and evaluation, p.7

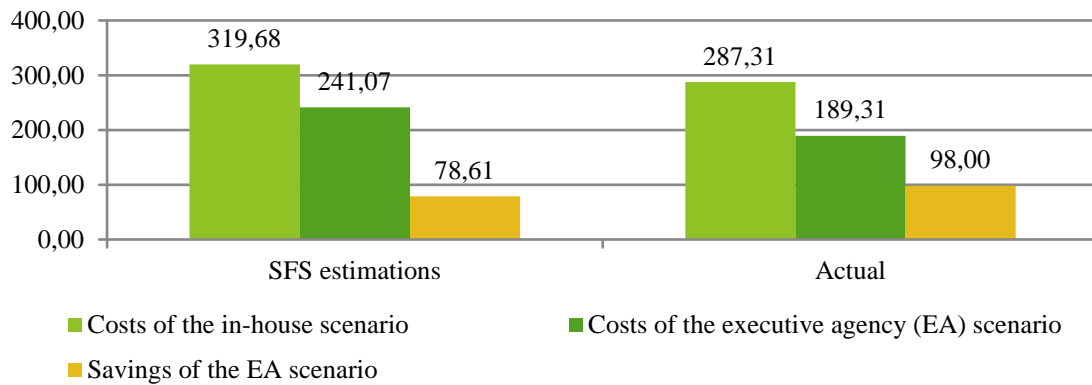
<sup>122</sup> Interviews with EASME staff and parent DGs

<sup>123</sup> The specific financial statement for EASME C(2013)9414 was updated via C(201)6944, to take account of the addition of the “Fast Track to Innovation” pilot scheme.

<sup>124</sup> Costs in CBA were calculated in constant 2013 prices; the specific financial statement used these estimates without further indexation.

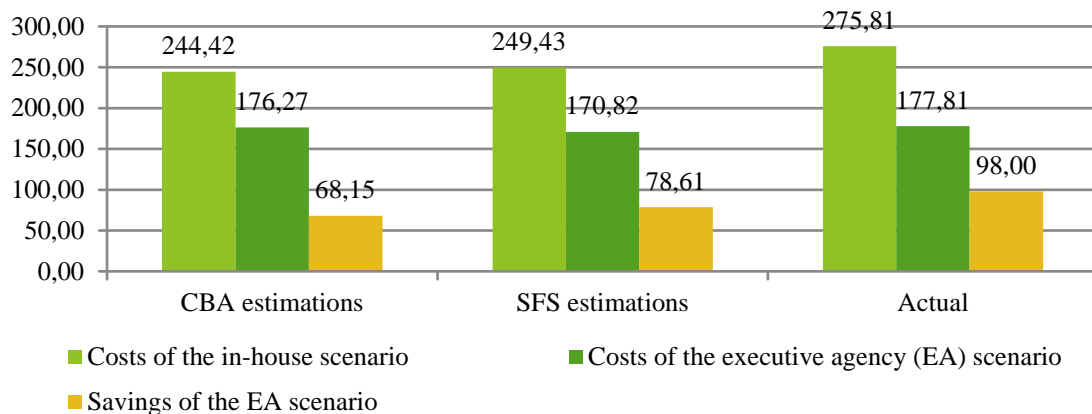
that the actual savings during 2017-2020 were 24.7% higher than the initial statement estimates (EUR 98 million, compared with EUR 78.6 million), and 43.8% higher than the initial cost-benefit analysis estimates (EUR 98 million, compared with EUR 68.2 million) (see figures 6 and 7).

Figure 6: Estimated costs and savings of the executive agency scenario 2017-2020, EUR million



Source: Study supporting the triennial evaluation of the Agency

Figure 7: Estimated costs and savings of the executive agency scenario 2017-2020 (Title I and Title II expenditure), EUR million



Source: Study supporting the triennial evaluation of the Agency

The workload analysis in the retrospective cost-benefit analysis revealed that the actual operational budget, in terms of executed commitment appropriations for 2017-2020 was close to the specific financial statement estimates (EUR 6.707 billion actual instead of EUR 6.719 billion in terms of commitment appropriations).

An additional budget coming from EEA/EFTA and other non-EU countries amounted to EUR 90 million<sup>125</sup> in the same period, and this is not accounted for in the specific financial statement.

<sup>125</sup> The bulk of this budget EUR 89.3 million relates to Horizon 2020, with EUR 0.58 million coming from COSME.

The actual operational budget executed by EASME in 2017-2020 was higher for LIFE (109% of the specific financial statement estimates) and Horizon (101.5% of the specific financial statement estimates, with the higher operational budget for Horizon mainly related to EEA/EFTA and non-EU contributions).

The actual commitments for COSME and EMFF were lower than initially estimated and constituted respectively 95% and 47% of the specific financial statement estimates. Since 2018, the agency managed a redesigned SME instrument and Fast Track to Innovation schemes under the umbrella of the EIC pilot. Due to the changes in the operational budget and functioning of the agency, the number of authorised posts in EASME was correspondingly adjusted through the budget procedure<sup>126</sup>.

Implementation instruments such as grants for various types of projects, tenders and the distribution of the programme budget between tenders and grants are all factors which affect workload. Other influencing factors include the number of applications and the corresponding success rate and the number of grants/contracts and the average grant/contract size.

The workload level related to managing the SME instrument in the 2013 cost-benefit analysis was estimated based on the number of grants. However, the workload related to evaluating a very high number of applications was not properly addressed. Some of the programmes managed by EASME (such as COSME, LIFE and EMFF) were implemented through complex and fragmented implementation instruments, which increased the level of workload.

To meet these challenges, the agency monitored the workload level within and across the programmes and management tasks, initiated requests for additional resources and redeployed its resources, subject to the permitted flexibility level.

The productivity level initially estimated in the 2013 cost-benefit analysis was achieved by the agency (in terms of budget per head). This increased by 34% – from EUR 2.85 million in 2013 to EUR 3.83 million in 2020.

## **5. CONCLUSIONS AND LESSONS LEARNED**

### **5.1 Conclusions**

EASME has ensured the effective implementation of the programmes. The execution of the operational budget was at 100% in all years of the evaluation period (2017-2020). In terms of administrative budget, between 98% and 100% of commitments were executed, and between 85% and 92% of payments.

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<sup>126</sup> Due to the impact of the European Fund for Strategic Investment (EFSI) and the correspondingly reduced EASME's operational budget, the number of authorised staff was reduced (-6 posts), additional posts were allocated for LIFE programme to reflect a higher operational budget (+6 posts), a post was deducted for SEDIA (-1 post from 2019) and additional posts allocated for managing the European Innovation Council (+5 posts from 2019).

The ratio between the administrative and operational budget – an indicator for the management and control cost of the agency – was at an average of 3% for commitments and remained well within the target of 5.5%<sup>127</sup>.

Moreover, the supervisory and control systems in place proved to be generally effective, though they could be improved for some programmes.

The residual error rate, i.e. the level of errors in financial transactions which remain undetected and uncorrected during the advance checks, is an important indicator in this regard. For the legacy programmes CIP-IEE II and CIP-Eco-Innovation, the residual error rate was systematically exceeded, and for COSME the residual error rate was exceeded in 2018 and 2020.

However, in all of these cases, mitigating actions were taken by EASME – such as better informing beneficiaries and improving advance check mechanisms.

Programme implementation was executed in a timely manner, with key indicators such as time-to-inform and time-to-grant generally remaining below the set targets. Payments were also largely executed on time, with 98.0% to 99.8% of payments made on time every year between 2017 and 2020, close to the target of 100%<sup>128</sup>.

IT tools have enabled significant time savings and allowed for staff rationalisation. This is particularly the case for calls processes, and the agency has invested proactively in developing its digital tools. These tools are one way that simplification measures are implemented. They facilitate grant agreement preparation procedures as well as project management operations – though they do require constant improvement.

In a process initiated in 2016, EASME extended IT tools to cover e-tendering and e-submissions for procurement procedures, eventually including electronic invoicing and leading to significant efficiency gains for the agency. These tools were further refined with the help of EASME staff and feedback from applicants and experts. Improvements to and simplifications of the tools still needed to be addressed when transitioning to the new agency structure in 2021.

Simplification measures were introduced at different levels and for different implementation mechanisms in 2017-2020, with a high degree of success. Delegating by giving more decision-making authority to lower levels of management led to efficiency gains and streamlined processes. EASME adopted simplification measures that made the process of project application/implementation easier.

Beneficiaries were satisfied with key procedures, such as grant implementation, amendment, checks and audits, as well the promptness with which EASME staff provided information on grant preparation and announcements.

In terms of staffing, EASME may not be sufficiently staffed to ensure effective and efficient operation. For the LIFE programme, EASME was structurally understaffed, due

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<sup>127</sup> EASME, annual activity report 2017

<sup>128</sup> The above-mentioned indicators are referred in the efficiency section.

to the expansion in the workload, compared with the initial assumptions in the cost-benefit analysis.

The number of vacancies increased sharply, from 13 in 2017 to 28 in 2020. It is especially problematic in the case of seconded officials (only a 79% staff filling rate, with 7 open vacancies for seconded officials in 2020). The turnover rate decreased slightly from 6.6% in 2017 to 5.2% in 2020.

A healthy work-life balance and work environment were one of EASME's priorities. In 2018, 72% of EASME staff felt the agency cared about their well-being, but this decreased sharply in 2020 to 51%, most likely due to COVID-19 restrictions.

The staff engagement index remained stable for EASME at between 70% and 71%. Key areas of improvement remain the same - career development of staff and managerial excellence.

The results of the 2017-2020 retrospective cost-benefit analysis showed that the actual costs of the executive agency scenario were below the specific financial statement estimates. The overall actual costs of the executive agency scenario<sup>129</sup> constituted EUR 189.3 million during 2017-2020.

As noted in section 4.2, the assumptions which led to the specific financial statement estimates have been followed, so only the EU contribution is taken into account. The specific financial statement estimates (EUR 241.1 million during 2017-2020) were compared to the actual costs of the executive agency scenario (EUR 185.4 million), which means that the actual savings amounted to EUR 55.7 million, accounting for 23.1% of the specific financial statement estimates.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario, and the actual cost savings (difference between the executive agency scenario and the in-house scenario) constituted EUR 98.0 million (or 34.1% of the estimated costs under the in-house scenario).

Comparing the savings initially estimated in the specific financial statement/cost-benefit analysis with the actual savings from delegating tasks to EASME, the actual savings during the 2017-2020 period were found to be:

- 24.7% higher than the initial specific financial statement estimates (EUR 98.0 million compared to EUR 78.6 million)
- 43.8% higher than the estimates in the initial cost-benefit analysis (EUR 98.0 million compared to EUR 68.2 million).

As forecast in the specific financial statement and the advanced cost-benefit analysis, the savings in the executive agency scenario resulted primarily from a higher share of

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<sup>129</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and non-EU contributions.

lower-cost external personnel (CAs) employed within EASME and a lower overall number of staff.

The programme portfolio managed by EASME during the evaluation period corresponded to the portfolio envisaged for delegation in the advance (*ex ante*) cost-benefit analysis and specific financial statement.

The actual operational budget in executed commitment appropriations for the 2017-2020 period was close to the specific financial statement estimates.

At the same time, part of the parameters for the delegated programmes deviated from the initial cost-benefit analysis assumptions. EASME monitored the actual workload and the main factors contributing to it and consequently initiated the redeployment of administrative resources (subject to the allowed flexibility level).

Analysis revealed that EASME managed to achieve the productivity level<sup>130</sup> initially estimated in the 2013 cost-benefit analysis and in the Commission Communication on delegation. The budget ‘per head’ ratio in EASME increased from EUR 2.85 million in 2013 to EUR 3.83 million in 2020<sup>131</sup> (an increase of 34%).

## 5.2 Lessons learned

The main lessons identified in this evaluation are linked to the set up and structure of the agency. More coordinated arrangements between the lead DGs and the agency would lead to a smoother running process for the programmes.

Delegating similar programmes to the same agency should lead to a more straightforward and efficient delegation process, while having fewer parent DGs can also simplify the relationship and procedures between the DGs and the agency.

Although the delegation decisions have been taken for 2021-2027, the review of programme allocation has seen this reduction take place in practice in EISMEA, the successor agency. A more coordinated approach to preparing the memorandum of understanding in the current implementation period would appear to have met some of these concerns.

Within programmes there is an advantage to running projects for longer periods or with a repetitive structure and content. This allows the agency to build up expertise, which then translates into efficiency gains.

The IT tools have created a more efficient and user-friendly interface for both the agencies/DGs and stakeholders. However, there is room to improve, and this should remain a continuous process, for example by building in further capacity to assist feedback to policymaking and key performance indicators for projects. The tools have helped with efficiency gains, but they should not create an extra administrative burden for stakeholders. They should take stakeholder feedback into account.

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<sup>130</sup> In terms of the ‘budget per head’ ratio.

<sup>131</sup> In commitment appropriations.

Human resources are key to ensuring the success of the agency, and flexibility in resource allocation is important to ensure that changes during the programming period can be met. Continued attention should also be given to the career development, to ensure staff are motivated and engaged. The new agency structure provides a more reactive human resource policy, including working across agencies to provide more flexibility.



## **ANNEX I: PROCEDURAL INFORMATION**

The evaluation of all the six agencies was made in a coordinated manner based on a supporting study carried out by an external contractor (PPMI Consortium). The preparation for the evaluation started in 2022, when an Interservice group was set up by all lead parent DGs and the concerned central services (Directorate-General for budget and the Secretariat-General). The group meetings (i.e. 6) were chaired by the Common Implementation Centre, set up within the Directorate-General for research and innovation, who also ensured the secretariat. The evaluation of each agency was led by the respective lead parent Directorate-General (PLAN/2022/1912). The Commission also launched a ‘call for evidence’ on 10 March 2023 on its ‘Have your say’ portal. The call was open for feedback on agencies activities until 7 April 2023.

The methodology used for the evaluation was consistent across the agencies in accordance with the criteria provided in the Commission’s Better Regulation guidelines. The assessment of the evaluation criteria ‘EU added value’, i.e. why the EU should act, was not considered relevant as each agency carries out tasks which the Commission transferred to it. The EU added value of the programmes that each agency manages is assessed in the context of the programme evaluations.

Evidence was taken from sources such as the Commission databases, annual reporting exercises, adopted decisions. The supporting study was prepared using a mixed-methods approach at the levels of methodologies and methods and worked on a qualitative methodological approach (based on documentary review and desk research, interviews, answers to open-ended survey questions and qualitative cost-benefit analysis) combined with a quantitative methodological approach (based on administrative and monitoring data, surveys and quantitative cost-benefit analysis), as detailed in Annex II.

## ANNEX II: METHODOLOGY AND ANALYTICAL MODELS USED

### 1. Evidence-based and mixed-methods approach

Taking into consideration its nature and purpose, this evaluation relied on an evidence-based approach. Data were gathered and analysed according to the logic of triangulation, meaning that the answer to each of the evaluation question is based on several sources of information. However, the scope for triangulation depends on the specificities of each question. For example, some evaluation questions – or, rather, evaluation criteria – only require information from one specific source (e.g. surveys). Throughout the Report, the sources of evidence used to inform the answers to specific evaluation questions are clearly indicated. Proposed conclusions and policy recommendations were discussed with the Interservice Steering Group to ensure broad agreement and understanding of the evaluation process and its results.

Since this project required the evaluation of the operations of multiple agencies and their performance results, a mix of different methods was used during the evaluation process. This mixed-methods approach is defined as the coordinated use of more than one social science paradigm, methodology and/or method to improve the understanding of the phenomena under investigation. For this evaluation of the operation of the agencies, the evaluation team working on the supporting study employed a mixed-methods approach at the levels of methodologies and methods by connecting:

- a qualitative methodological approach, which is based on documentary review and desk research, interviews, answers to open-ended survey questions and qualitative cost-benefit analysis;
- a quantitative methodological approach, which is based on administrative and monitoring data, surveys and quantitative cost-benefit analysis.

These methodological approaches to mixing methods were used in a complementary manner, i.e. the results of quantitative methods were used to enhance the team's understanding of the qualitative results, and *vice versa*. These methods were applied in differentiated manner, according to the nature of the evaluation questions and the issues outlined in the technical specifications. While all of the study questions and issues were analysed both qualitatively and quantitatively, in answering some of the evaluation questions, greater focus placed on the qualitative methodological approach, while other questions were addressed primarily by relying on quantitative evidence. A more in-depth description of how different methods of data collection and analysis informed specific tasks and evaluation questions is provided in the subsection below.

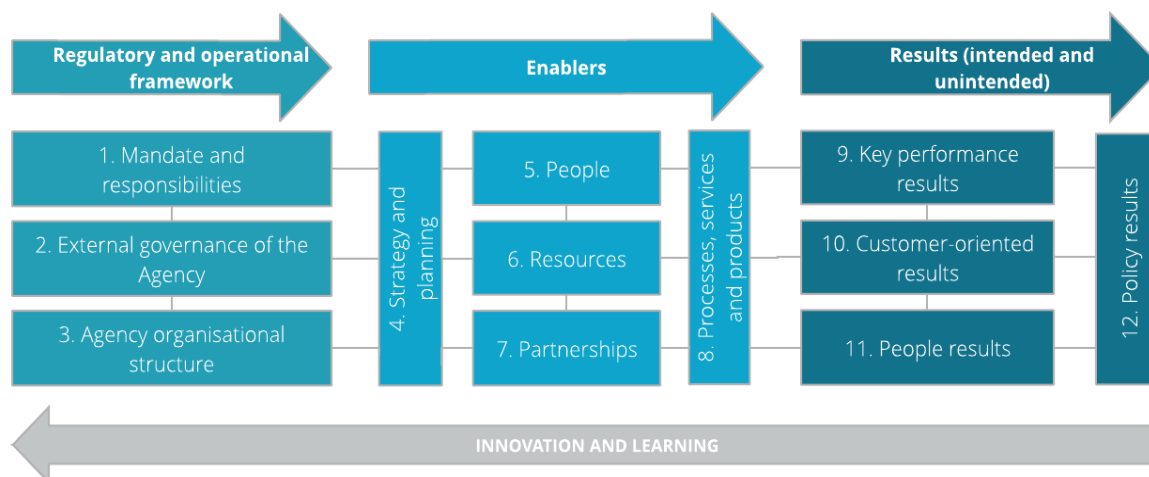
### 2. Organisational model for the evaluation of the executive agencies

This evaluation followed a holistic approach to organisational analysis, which identifies all important elements of an organisation's activities, and the general relationships between them. To properly organise a descriptive, explanatory and prescriptive study of the agencies, it is necessary to identify the main sets of factors operating in each organisation's context of organisations, as well as the enablers (causes) and results of organisational performance, and to link them together into a single framework. To achieve this, an organisational model

developed based on the model used in the Common Assessment Framework Common Assessment Framework, 2013 was used.<sup>132</sup>

The structure of the organisational model used in this study comprises three sets of organisational factors: (1) regulatory and operational framework, (2) enablers and (3) results (see the figure below). All of these organisational factors are integrated into to the evaluation questions and their operationalisation.

### *Organisational model for the evaluation of the Commission's executive agencies*



Source: Study supporting the triennial evaluation of the Agency,, based on the Common Assessment Framework 2013 model.

### **3. Extensive consultation strategy**

The evaluation was informed by a strategy of extensive consultation with key stakeholders. This aimed to gather factual information, data and knowledge about the way each of the agencies performed its tasks, as well as the subjective opinions and views of stakeholders regarding the performance of the agencies during the evaluation period. The design for the stakeholder consultation comprised surveys of unsuccessful applicants, as well as beneficiaries, and external experts who assisted the agencies during the evaluation period, plus an extensive interview programme involving relevant DGs of the Commission and the staff of the agencies. More information about the scope of the stakeholder consultation is provided in the subsection below.

#### a) Agency-specific methods and data that informed the evaluation findings

The methods applied to inform the supporting study and this evaluation, are desk research, scoping and main phase interviews, cost-benefit analysis (cost-benefit analysis) and survey programme.

The main problems encountered were related to substantial setbacks during the collection and harmonisation process of data and information received. The start of the evaluation study in the middle of the summer break delayed some initial steps such as identification and execution of scoping interviews, or transmission of documents and data. On top of that, the shift of the full EASME's portfolio and related databases to four different agencies (EISMEA, HaDEA, REA, CINEA, including associated staff turnover) in 2021 added an

<sup>132</sup> The CAF Resource Centre of the European Institute of Public Administration, CAF 2013: Improving Public Organisations through Self-Assessment, p. 9.

additional level of complexity to the transmission of information (programmes' and calls' data, desk-material and documents, lists of potential interviewees etc.) that had been managed by EASME between 2017 and 2021. Data and information had to be compiled from four different agencies, and in some cases, staff who were able to compile and send the data had to be identified first. As a result, all components of the analysis (desk-research and processing of documentary evidence, identification of interviewees and execution of interviews, identification of applicants, beneficiaries and experts to be included in the survey, survey launch etc.) were substantially delayed. Programme data, desk-material and documents had been required on 25/08 by e-mail but were not available until mid-November. The survey launch was delayed for reasons of quality control and late delivery of data from other agencies, although the results are fully integrated in the analysis. The information received from the four agencies involved (EISMEA, HaDEA, REA, CINEA) provided a broad and good basis for analysis of different elements in the evaluation. The results of the cost-benefit analysis are complemented with a workload analysis. Finally, the analysis integrates the findings from the surveys with beneficiaries, unsuccessful applicants, and experts.

#### b) Documentary review and desk research

The implementation of the documentary review and desk research consisted of two interrelated sets of evidence:

- A review of relevant literature/documents, informing the analysis of the political, legal and administrative context the agency operates in, as well as shedding light on performance dimensions of the agency such as IT organisation, HR management, administrative simplification, experts' selection, calls management etc., and supplementing interviews' findings. These included previous evaluations of EASME (internal or external), legal acts, Memoranda of Understanding between EASME and several parent DGs, annual activity reports, annual work programmes, IAS and CAS reports, risk registers, steering committee meeting minutes, Coordination meetings minutes, action plans (e.g. report on staff mobility, report on COVID-19 impact, HR Strategies and action plans etc.), internal memos and notes, previous or internal evaluations, among others. In total more than 320 documents were processed.
- An analysis of statistical and monitoring data collected by the agency on the financial and non-financial performance. The main data sources were the 2017, 2018, 2019, 2020 and 2021 Activity Annual Reports and the corresponding annexes, Dashboards 2017-2021, Final Accounts 2017-2020, and data on beneficiaries, non-successful applicants and experts received directly from the agencies. Also, other more specific sources on IT strategy, HR strategy and data, etc. complemented this analysis.

In addition to being one of the key sources of evidence to answer the evaluation questions, the desk research has also been used by the supporting study team to prepare the interview and survey questionnaires and the survey contact lists.

#### c) Interview programme

During August and early September 2022, 3 scoping interviews<sup>133</sup> were conducted with EASME officials and Directorate-General GROW.

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<sup>133</sup> The contractor also conducted 1 main-phase interview during this period, as one of the interviewees from DG CLIMA was retiring on 31/08/2022.

The supporting study team have completed 38 interviews (scoping, main-and follow-up phase) with 47 interviewees<sup>134</sup>.

#### d) Survey programme

The survey programme for EASME included all programmes and targeted running projects in the evaluation period 2017-2021. It included the following target groups:

- Survey A: Survey of beneficiaries and applicants, i.e. both granted organisations (SME, company, public organisation (for/not for profit), government body etc.) with a proposal submitted and evaluated in the evaluation period and project running in the evaluation period, and unsuccessful applicants with a proposal submitted and negatively evaluated in the evaluation period;
- Survey B: Survey of external experts / evaluators involved in evaluations between 2017 and April 2021.

For beneficiaries and external experts/evaluators, the full population was targeted. For unsuccessful applicants, a randomly chosen sample of maximum 5,000 contacts were selected from the population of unsuccessful applications for invitation to the survey.

As regards the scope of the beneficiaries' survey, the following three categories of projects were selected:

1. Projects submitted, evaluated and completely executed between January 2017 and 01/04/2021;
2. Projects submitted, evaluated and largely executed between January 2017 and 01/04/2021, but still on-going after 01/04/2021;
3. Projects submitted, evaluated and with Grant Agreement signed between January 2017 and 01/04/2021, but not necessarily started on 01/04/2021.

As regards the scope of the unsuccessful applicants' survey, projects that were submitted and negatively evaluated between 01/01/2017 and 01/04/2021 were targeted.

Data allowing the identification of panels of applicants, beneficiaries and experts (i.e. participation data to calls under the different programmes managed by EASME) were delivered in batches between end September and Mid-November 2022. Some data could have been further complemented but since they were not critical for the subsequent stages of operation, they were left aside<sup>135</sup>.

After cleaning and harmonisation procedure, the final panels ready for survey launch consisted of 5.830 unique respondents for the beneficiaries and 4.797 unique respondents for the unsuccessful applicants (survey A) and 4.300 unique respondents for the experts' survey (survey B).

For Survey A (beneficiaries and unsuccessful applicants), the response rates are as follows (see Table 6 below): 10% response rate overall (9% after cleaning), of which 8% with complete answers (8% after cleaning) and 2% with partial answers (1% after cleaning). Beneficiaries recorded, as expected, a higher response rate than unsuccessful applicants (13% versus 8%; 11% versus 6% after cleaning). In total 159 responses were deleted; the

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<sup>134</sup> For specific programmes that were managed by EASME, a number of group interviews were conducted with several interviewees were carried out. Therefore, the number of interviews differs from the number of interviewees.

<sup>135</sup> E.g. in LIFE data it was not possible to make the distinction between coordinators and partners. Since only coordinators were surveyed, the issue was solved by adding a question and a routing in the survey.

largest majority (149/159) because they took less than one minute to answer the entire survey or because they only answered the background questions. In the analysis answers from beneficiaries and from unsuccessful applicants were treated together. In Survey B (experts), response rates are higher, as expected: 29% response rate overall (24% after cleaning), of which 25% with complete answers (24% after cleaning). In total 210 responses were deleted; the largest majority (194/210) because they took less than one minute to answer the entire survey (n=88), because they only answered the background questions (n=39), because they answered partially (n=39), or because they were experts only in 2021 (n=28)<sup>136</sup>.

#### *Main statistics related to the implementation of the surveys*

	INVITATIONS SENT	RESPONSES SUBMITTED	REMOVED AFTER CLEANING	RESPONSES INCLUDED IN THE ANALYSIS	RESPONSE RATE
Survey A: unsuccessful applicants	4797	367	59	308	8%
Survey A: beneficiaries	5830	731	100	631	13%
Total survey A	10627	1098	159	939	10%
Survey B: external experts	4300	1236	210	1026	29%

#### **4. Cost-benefit analysis**

The quantitative cost-benefit analysis is presented, covering in particular the workload analysis and evaluation of key workload drivers, assumptions and productivity indicators (operational budget delegated to the Agency, number of proposals, number of projects and average grant size, etc.) – underpinning the workload analysis and staffing estimates in the 2013 cost-benefit analysis and/or Specific financial statement, compared with the actual situation. It also provides conclusions regarding the cost-effectiveness of the executive agency scenario, and the actual savings due to externalisation.

The qualitative aspects of the cost-benefit analysis which reflect the cost-benefit analysis questions provided in Article 3(1) of Regulation (EC) No 58/2003 were integrated into the overall evaluation framework.

#### **5. Limitations of the methodological approach and findings**

The high quality, variety and abundance of the administrative and monitoring data collected and provided by the Agency, as well as the information in their annual activity reports and other sources, allowed the study team to perform sound analyses of the performance of EASME. In addition, the longitudinal dimension of the data collected enabled the study team to examine and assess changes in the Agency’s performance over time and to identify both positive and negative trends. The foreseen number of interviews was largely carried out in due time, allowing to incorporate also qualitative information and specific insights into the analysis and to validate findings from the quantitative analyses. Further detailed insights were collected through surveys and allowed to integrate the beneficiaries, applicants, and expert perspectives in the analysis.

<sup>136</sup> The data did not allow identifying the specific call, i.e. before or after April 2021.

Nonetheless, this evaluation is not without limitations. First of all, response rates to the survey, which aimed to corroborate and further expand the analysis of administrative and monitoring data, could have been higher (8% for unsuccessful applicants, 13% for beneficiaries and 29% for experts). This is due to a combination of specific factors such as:

- The nature of the target group and type of organisations surveyed (large part of respondents being from SMEs and/or small organisations).
- The fact that the surveys were kept open for a relatively short period of time (ten days including two weekends).
- Finally, some of the target groups were already surveyed recently in the context of other (evaluation) studies. Although the study team anticipated on this in the invitation emails, survey fatigue can therefore not be excluded.

While the response rate could have been higher, it is still largely sufficient to perform analyses and the total number of observations is higher than in previous evaluations<sup>137</sup>.

Some dimensions of the analysis could be biased by a lower number of observations. For instance, the very large majority of experts were recruited for the evaluation of proposals, while a small minority of them were involved in monitoring and evaluation of projects. Elements related to monitoring and evaluation will therefore be based on less observations than those related to the application and selection phases.

The analysis usually makes the distinction between applicants and beneficiaries. In the cases where it doesn't, the results might be skewed by a sample bias given the fact that the sample contains slightly more beneficiaries than unsuccessful applicants. The latter, for instance, tend to report an overall lower level of satisfaction towards the Agency than beneficiaries. This sample bias remains, however, very limited (8% of unsuccessful applicants' population versus 13% of beneficiaries' population).

This evaluation also comprised exploratory and in-depth interviews to improve the understanding of the governance, interactions, internal processes and performance of the agency and the value it brings to its stakeholders. While all the interviews conducted proved to be especially useful for the contextualisation, complementing and deepening of the quantitative findings and statistical trends observed, not all interviewees were able to provide exhaustive insights on the performance of EASME in all the years under consideration. For instance, some interviewees from parent DGs were interacting with the agency only recently and were only able to shed light on recent interactions. Other interviews focused on very specific processes or programmes (instruments) only, which was very useful to allow the supporting study team to deepen their understanding of these processes or programmes (instruments) but contributed only to a limited extent to the more overarching analysis of, for instance, the relation between the agency and the parent Directorate-General. Nevertheless, the collection of interviews jointly provided largely sufficient inputs.

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<sup>137</sup> European Commission, Evaluation of the Executive Agency for Small and Medium-sized Enterprises (EASME), June 2019, ISBN 978-92-76-09259-9, pp. 3-4. In this evaluation (covering the 2014-2016 period), only 16 complete responses for beneficiaries were recorded (against more than 600 in the current case); the total number of responses (unsuccessful applicants, beneficiaries and experts together) amounted 1864 units in the 2014-2016 evaluation against more than 2300 units in this supporting study.

**ANNEX III: EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)**

Please refer to [section 4 of the external supporting study](#) for detailed answers to the evaluation questions.



#### **ANNEX IV: OVERVIEW OF BENEFITS AND COSTS**

The benefits and costs are detailed in the Cost Benefit Analysis in section 4.2 and annex V.

## ANNEX V: COST BENEFIT ANALYSIS

### 1. Background to the quantitative cost-benefit analysis

A detailed cost-benefit analysis (cost-benefit analysis) of all the executive agencies (including EASME) was conducted in 2013 for the 2014-2020 Multiannual Financial Framework. This cost-benefit analysis compared the following four scenarios, based on varying levels of delegation and the distribution of programmes between different executive agencies:

- An in-house scenario that assumed new programmes would be managed by the Commission, while the executive agencies would remain responsible for the delivery of legacy work (2007–2013 Multiannual Financial Framework programmes).
- An initial delegation scenario defined by the Commission.
- Two alternative delegation scenarios with different options for delegation among executive agencies.

A description of the programme portfolio of EASME under different scenarios is presented in the table below.

*Table 1. Programme portfolio of the EASME under different cost-benefit analysis 2013 scenarios*

Initial scenario	Alternative scenario 1 (changes relative to the initial scenario)	Alternative scenario 2 (changes relative to the initial scenario)
<p><b>New programmes (2014-2020 Multiannual Financial Framework)</b>            COSME            Parts of Horizon 2020: <i>Leadership in enabling industrial technologies</i>:            Space research            The Sustainable Industry Low Carbon Scheme initiative            Light and fast (ODI) scheme (ODI budget will be fully implemented through the SME instrument)            Parts of Horizon 2020: <i>Innovation in SMEs</i>            Horizon 2020: <i>Climate action, resource efficiency and raw materials</i>            Eco-innovation            Materials demonstration projects            Environment and climate action research projects            Parts of Horizon 2020 SME instrument            The new LIFE programme            European Maritime and Fisheries Fund (EMFF) – Integrated Maritime Policy (IMP) and control measures  <b>Legacy programmes (2007-2013 Multiannual Financial Framework)</b>            EIP eco-innovation            EIP – Enterprise Europe Network, Your Europe Business portal and the IPR helpdesk</p>	<p><b>New programmes (2014-2020 Multiannual Financial Framework)</b>            Management of EMFF scientific advice measures by EASME (in addition to IMP and control measures)  <b>Legacy programmes (2007-2013 Multiannual Financial Framework)</b>            Transferring the legacy of FP7-Space to EASME</p>	<p><b>New programmes (2014-2020 Multiannual Financial Framework)</b>            Delegation of the new space programme to REA (instead of EASME)            EASME to manage CIP-IEE II and IEE III (instead of INEA)            Centralised management of the entire Horizon SME instrument in EASME            Management of EMFF scientific advice measures by EASME (in addition to IMP and control measures)</p>

*Source: Study supporting the triennial evaluation of the Agency, based on cost-benefit analysis.*

It was concluded that alternative scenario 2 (hereafter, the ‘executive agency scenario’) was the most efficient in terms of cost savings and qualitative benefits. It was estimated that to

manage EUR 13,267 million (an increase of 127% compared to 2013), the six agencies would need 2,887 full-time employees (FTEs) by 2020 (an increase of 71%, i.e. an additional 1,200 FTEs compared to 2013). This compared favourably to the ‘in-house scenario’, which would require 3,088 FTEs to manage the same programmes. A further conclusion was that the executive agencies will benefit from economies of scale as they become larger.

In order to achieve further efficiency gains, the Commission proposed a few adjustments stemming from an improved level of productivity and aimed at containing administrative costs through a 5% staff reduction. This significantly increased the ratio of budget “per head” in the case of the EASME – from EUR 2.85 million in 2013 to EUR 3.80 million in 2020 (Table 2). Overall, the Agency was expected to achieve efficiency gains stemming from various sources:

- Simplification measures proposed for the 2014-2020 programmes;
- Continuous innovation and learning striving for organisational excellence;
- Optimising the delivery of some functions

*Table 2. Budget managed and human resources in EASME compared to all executive agencies between 2013 and 2020*

Executive agency	Budget managed in 2013 (EUR, million)	FTEs in 2013	Budget per head 2013 (EUR, million)	Budget to be managed by Agency in 2020 (EUR, million)	Envisioned FTEs in 2020	Envisioned FTEs in 2020 (adjusted)	Budget per head in 2020 (EUR, million)	Budget per head in 2020 (EUR, million) (adjusted)
EASME	453	159	2.85	1,946	537	498	3.62	3.80
All agencies	5,846	1,687	3.47	13,267	2,887	2,630	4.60	5.46

*Source: Study supporting the triennial evaluation of the Agency, based on Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC (2013) 493)*

These adjusted results of the cost-benefit analysis were used in the specific financial statement<sup>138</sup>. With regard to the forecasts of the administrative budget, the specific financial statement differs from the cost-benefit analysis in the following aspects:

- As explained above, the staff number in EASME was reduced under the executive agency scenario. The in-house scenario was not adjusted.
- The costs in the cost-benefit analysis were calculated in constant 2013 prices (i.e. neutralising the effect of inflation). However, in the specific financial statement these estimates were used as current prices without any further indexation. In real terms, this constituted another reduction of the administrative budget with the impact of such reduction gradually increasing over time.

The table below summarises the assumptions used in the cost-benefit analysis and specific financial statement for both scenarios (in-house and executive agency).

<sup>138</sup> specific financial statement for Establishing the Executive Agency for Small- and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC.

Table 3. Assumptions used in ex ante cost-benefit analysis and specific financial statement

Assumptions cost-benefit analysis	Assumptions specific financial statement
<b>In-house scenario</b>	
<p><b>Description of the scenario</b> Legacy 2007-2013 programme managed by EASME until 2017. Any left-over legacy would then be handed over to the Commission. New programmes managed by the Commission.</p> <p><b>Staffing mix</b> European Commission: Establishment plan posts/ Temporary Agents (Tas) – 70%; External personnel/ Contract Agents (Cas) – 30%. EASME: Establishment plan posts (Tas) – 25%; External personnel (Cas) – 75%.</p> <p><b>No. of staff</b> See Figure 2.</p> <p><b>Average cost assumptions (EUR per employee)</b> European Commission: Establishment plan posts (Tas) – EUR 108,000; External personnel (Cas) – EUR 47,000; External personnel/ Seconded national experts (SNEs) –EUR 55,000; Overheads – EUR 23,000. EASME Establishment plan posts (Tas) – EUR 103,250; External personnel (Cas) – EUR 49,672; Overheads – EUR 21,775. Average cost assumptions are based on Directorate-General for budget estimations. Costs relating to programme support<sup>[5]</sup> (Title III expenditure) have not been included in the calculations, as these are likely to be the same across all scenarios. As such, these do not affect the cost difference between the different scenarios.</p>	<p>The cost-benefit analysis assumptions were not modified in the specific financial statement (except for constant vs current prices).</p>
<b>Executive agency scenario</b>	
<p><b>Description of the scenario</b> New and legacy programmes managed by EASME.</p> <p><b>Staffing mix</b> Same as the in-house scenario</p> <p><b>No. of staff</b> See Figure 2. Number of staff includes 12.9 FTEs in the Commission for the supervision and coordination with EASME.</p> <p><b>Average cost assumptions</b> Same as the in-house scenario</p>	<p><b>Description of the scenario</b> Same as in the cost-benefit analysis.</p> <p><b>Staffing mix</b> Same as in the cost-benefit analysis.</p> <p><b>No. of staff</b> See Figure 2. Number of staff includes 11.9 FTEs in the Commission for the supervision and coordination with EASME.</p> <p><b>Average cost assumptions</b> Same as in the cost-benefit analysis. Also cost estimates for Title III expenditure (Programme support expenditure) were added.</p>

Source: Study supporting the triennial evaluation of the Agency, based on cost-benefit analysis and specific financial statement.

EASME's specific financial statement was updated in 2014<sup>139</sup>, which related to the allocation of an additional programme Fast Track to Innovation Fast Track to Innovation pilot scheme to the mandate of the Agency. This amendment had an impact on the administrative resources allocated to the Agency and the Commission and therefore was considered in the retrospective cost-benefit analysis.

## 2. Actual staffing and costs of EASME

During the 2017-2020 period of operations, the administrative budget actually implemented by EASME<sup>140</sup> amounted to EUR 182.4 million (see table below). The specific financial statement estimations (EUR 233.4 million) were based on the EU contribution only, and EASME's administrative budget also included contributions from EEA/EFTA and third countries (EUR 3.9 million during the period 2017-2020) to manage an additional operational budget. Based on the EU contributions, the actual administrative budget of the EASME amounted to EUR 178.5 and was 23.5% lower than estimated in the specific financial statement, with savings of EUR 54.9 million. However, as explained below, all of these savings were related to Title III expenditure, which was overestimated in the specific financial statement.

The costs in the 2013 cost-benefit analysis were calculated in constant 2013 prices (i.e. neutralising the effect of inflation), but in the specific financial statement these estimations were used as current prices without any further adjustment for inflation. In order to analyse this, the table below also presents a comparison of the specific financial statement estimated and EASME's actual budget, where specific financial statement estimations were adjusted to reflect current prices. Current prices were established using a fixed 2% annual deflator starting from 2014<sup>141</sup>.

Table 4. EASME administrative budget 2017-2020, million EUR

Administrative budget		2017	2018	2019	2020	Total 2017-2020
Title I. Staff Related Expenditure	specific financial statement	28.571	29.611	30.716	31.793	120.691
	Actual	31.243	34.494	36.776	39.426	141.939
Title II. Infrastructure and Operating Expenditure	specific financial statement	9.970	10.393	10.835	11.284	42.482
	Actual	6.509	6.523	8.619	7.332	28.983
Title III. Programme Support Expenditure	specific financial statement	12.682	16.463	19.786	21.323	70.254
	Actual	4.293	2.639	2.949	1.619	11.500
Total	specific financial statement	51.223	56.467	61.337	64.400	233.427
	Actual	42.045	43.656	48.344	48.377	182.422
	EEA/EFTA contribution and	0.677	1.003	1.100	1.151	3.932

<sup>139</sup> C(2014)6944 of 2.10.2014, amending Decision (2013)9414 adding the 'Fast Track to Innovation pilot scheme to the EASME mandate.

<sup>140</sup> Based on executed commitment appropriations

<sup>141</sup> 2% annual deflator is provided for in Article 6(2) of the Multiannual Financial Framework Regulation.

	participation of candidate countries and/or third countries					
	Actual (EU contribution)	41.368	42.653	47.244	47.226	178.491
Savings (specific financial statement-Actual)		9.178	12.811	12.993	16.023	51.005
Savings (specific financial statement-Actual EU contribution)		9.855	13.814	14.093	17.174	54.936
specific financial statement adjusted for current prices using 2% annual deflator		55.445	62.344	69.075	73.975	260.840
Savings (specific financial statement adjusted for current prices-Actual)		13.400	18.688	20.731	25.599	78.418
Savings (specific financial statement adjusted for current prices-Actual EU contributions)		14.078	19.691	21.831	26.749	82.350

Source: Study supporting the triennial evaluation of the Agency, based on specific financial statement, final annual accounts, draft general budget of the EU.

Staff-related expenditure (Title I) was higher than the initial estimates. This resulted from average staff costs being higher than initially estimated – the average actual costs for temporary agents during 2017-2020 amounted to EUR 115.5 thousand (cost-benefit analysis/specific financial statement estimates – EUR 103.3 thousand), the actual costs for contract agents were EUR 62.8 thousand (cost-benefit analysis/specific financial statement estimates – EUR 49.7 thousand). Such deviation reflected unsustainable initial cost-benefit analysis/specific financial statement assumptions: 1) as noted before, the average costs were not adjusted for inflation while the actual average staff related costs were rising over 2014-2020 due to salary indexation, promotions and increasing staff seniority and 2) the average costs for contract agents in EASME were based on the weighted average staff costs of all agencies disregarding the fact that actual contract agents costs in EASME were higher. During the 2017-2020 period, the actual average staff costs of temporary agents at EASME were lower compared to the average staff costs set by Directorate-General for budget, however, the actual costs of contract agents were higher (Table 16).

The actual number of EASME staff<sup>142</sup> financed from the EU contribution was within specific financial statement estimated range in 2017-2020 (as indicated in Table 5 below). The composition of staff (the ratio between temporary agents and contract agents) corresponded to the specific financial statement estimates. EASME also employed additional contract agents financed from EEA/EFTA and third country contributions to manage the additional budget.

Table 5. Actual and estimated number of EASME staff

	2017	2018	2019	2020
Planned No of EASME staff according to the specific financial statement (financed from the EU general budget) <sup>143</sup>				
temporary agents	110	116	120	126
contract agents	337	352	365	376
Total	447	468	485	502
Authorised posts through the budgetary procedure <sup>[11]</sup>				

<sup>142</sup> Actual number of staff at the end of the year.

<sup>143</sup> According to the latest specific financial statement version, including posts for the management of Fast Track to Innovation.

temporary agents	110	115	120	126
contract agents financed from the EU general budget contributions	337	347	369	380
Total authorised posts financed from the EU general budget	447	462	489	506
contract agents financed from EEA/EFTA and participation of candidate countries and/or third countries		5	5	5
Total	447	467	494	511
Actual (occupied at the end of the year)				
temporary agents	101	106	107	108
contract agents financed from the EU general budget contributions	333	342	360	372
Seconded National Experts				
Total authorised posts financed from the EU general budget	434	448	467	480
contract agents financed from EEA/EFTA and participation of candidate countries and/or third countries		5	5	5
Total	434	453	472	485

*Source: Study supporting the triennial evaluation of the Agency, based on specific financial statement, final annual accounts and draft general budget of the EU.*

Infrastructure and operating expenditure (overheads, Title II) was around 30% lower than estimated in the specific financial statement. The actual average overheads of EASME were also lower compared to the average costs set by Directorate-General for budget (Table 16).

The actual programme support expenditure (Title III) was significantly (over 80%) below the specific financial statement estimates with increasing savings over 2017-2020, which was related to the overestimated Title III budget in the specific financial statement.

Lower actual expenditure under Title II and Title III allowed for offsetting higher expenditure under Title I.

*Table 6. Estimated and actual average staff costs and overheads, EUR*

	2017	2018	2019	2020
<b>Average costs set by Directorate-General for budget for the estimates of human resources and overheads in legislative financial statements</b>				
Average staff costs: temporary agents	115 000	119 000	123 000	125 000
Average staff costs: contract agents	47 000	50 000	52 000	55 000
Overheads	23 000	24 000	25 000	25 000
<b>Actual average costs<sup>144</sup> of EASME</b>				
Average staff costs: temporary agents	108 643	114 857	116 512	121 807
Average staff costs: contract agents	58 551	61 311	63 818	67 373
Overheads	14 998	14 399	18 261	15 117

*Source: Study supporting the triennial evaluation of the Agency*

<sup>144</sup> Average staff costs include professional development and social expenditure.

### **3. Cost-effectiveness of the executive agency scenario and actual savings due to externalisation**

To assess whether the conclusions of the *ex ante* assessment (the estimates of savings provided in the cost-benefit analysis and specific financial statement) are still valid when compared with the actual situation, and what the overall possible savings are, the following approach was adopted:

1. To use data on the actual performance of EASME (actual execution of the administrative budget, actual staffing, etc.) for the executive agency scenario.
2. To follow the assumptions laid down in the specific financial statement to ensure the comparability and validity of results, and to provide estimates of the comparable ‘actual’ in-house (Commission) scenario (the comparator), which would best reflect the actual situation.
3. To assess based on these estimates whether the conclusions of the *ex ante* assessments provided in the specific financial statement are still valid when compared with the actual situation, and what the overall possible savings are.

To deconstruct the ‘actual’ in-house (Commission) scenario (the ‘comparator’), estimates were based on the following assumptions:

- Number and composition of staff in the Commission under an in-house scenario corresponds to specific financial statement estimations<sup>145</sup>. Additional contract agents (5) were added to the estimated Commission staff number for 2018-2020, to reflect additional authorised staff in EASME financed from the contributions of EEA/EFTA and participation of candidate countries and/or third countries to manage additional operational budget not covered in the cost-benefit analysis/specific financial statement resource calculations.
- Commission staff costs and overheads correspond to the average costs set by Directorate-General for budget for the estimates of human resources and overheads in legislative financial statements for the respective year.
- Programme support expenditure (Title III) remains the same under both the in-house scenario and the executive agency scenario.

The table below presents the results of the analysis of the estimated actual costs of the in-house (Commission) scenario and the actual costs of the executive agency scenario.

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<sup>145</sup> Additional resources allocated under the SFS amendment/CBA for the delegation of FTI are also considered.



Table 7 - Estimated actual costs of the in-house (Commission) scenario and the actual costs of the executive agency scenario, EUR

	2017		2018		2019		2020		Total 2017-2020
	No.	Cost	No.	Cost	No.	Cost	No.	Cost	
<b>In-house scenario</b>									
Commission									
Title I. Staff related expenditure	519.5	49 141 300	549.4	53 765 900	569.9	57 708 200	589.6	61 072 000	221 687 400
Establishment Plan Posts	363.6	41 814 000	381.1	45 350 900	395.4	48 634 200	409.2	51 150 000	186 949 100
Contract Agents	155.9	7 327 300	168.3	8 415 000	174.5	9 074 000	180.4	9 922 000	34 738 300
Title II. Infrastructure and operating expenditure		11 948 500		13 185 600		14 247 500		14 740 000	54 121 600
Title III. Programme support expenditure		4 292 636		2 638 953		2 949 327		1 618 886	11 499 802
<b>TOTAL COST</b>	<b>519.5</b>	<b>65 382 436</b>	<b>549.4</b>	<b>69 590 453</b>	<b>569.9</b>	<b>74 905 027</b>	<b>589.6</b>	<b>77 430 886</b>	<b>287 308 802</b>
<b>Executive agency scenario</b>									
EASME									
Title I. Staff related expenditure	434	31 243 193	453	34 494 486	472	36 775 698	485	39 425 942	141 939 319
Establishment Plan Posts	101	10 555 273	106	11 686 730	107	11 952 762	108	12 634 525	46 829 290
Contract Agents	333	18 120 350	347	19 676 987	365	21 540 005	377	23 582 426	82 919 768
Interim supportive agents and trainees		772 885		1 044 769		1 015 431		871 088	3 704 173
Professional development and recruitment costs		1 794 685		2 086 000		2 267 500		2 337 903	8 486 088

	2017		2018		2019		2020		Total 2017-2020
	No.	Cost	No.	Cost	No.	Cost	No.	Cost	
Title II. Infrastructure and operating expenditure		6 509 165		6 522 876		8 619 320		7 331 885	28 983 246
Title III. Programme support expenditure		4 292 636		2 638 953		2 949 327		1 618 886	11 499 802
Total EASME cost:		42 044 994		43 656 315		48 344 345		48 376 713	182 422 367
Commission									
Title I. Staff related expenditure	11.9	1 368 500	11.9	1 416 100	11.9	1 463 700	11.9	1 487 500	5 735 800
Establishment Plan Posts	11.9	1 368 500	11.9	1 416 100	11.9	1 463 700	11.9	1 487 500	5 735 800
Contract Agents		0		0		0		0	0
Title II. Infrastructure and operating expenditure		273 700		285 600		297 500		297 500	1 154 300
Total Commission cost:		1 642 200		1 701 700		1 761 200		1 785 000	6 890 100
TOTAL COST	445.9	43 687 194	464.9	45 358 015	483.9	50 105 545	496.9	50 161 713	189 312 467
ESTIMATED SAVINGS	73.6	21 695 242	84.5	24 232 438	86.0	24 799 482	92.7	27 269 173	97 996 335

Source: Study supporting the triennial evaluation of the Agency

The analysis concluded that the overall actual costs of the executive agency scenario<sup>146</sup> constituted EUR 189.3 million during 2017-2020. The specific financial statement estimates (EUR 241.1 million during 2017-2020) were based on the EU contribution, but EASME's administrative budget also included contributions from EEA/EFTA and third countries (EUR 3.9 million during 2017-2020) to manage its additional operational budget. Consequently, based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 185.4 million, which means that the actual savings amounted to EUR 55.7 million and accounted for 23.1% of the specific financial statement estimates. However, all of these savings were related to Title III expenditure, which was overestimated in the specific financial statement.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a cost difference between the executive agency scenario and the in-house scenario constituted EUR 98 million (or 34.1% of the estimated costs under the in-house scenario).

Comparing the savings initially estimated in the specific financial statement and cost-benefit analysis with the actual savings from the delegation of tasks to EASME, the actual savings during the 2017-2020 period were 24.7% higher compared to the initial specific financial statement estimates (EUR 98.0 million compared to EUR 78.6 million), and 43.8% higher compared to the initial cost-benefit analysis estimates (EUR 98.0 million compared to EUR 68.2 million). See section 4.2, figures 6 and 7. As forecasted in the specific financial statement and the *ex ante* cost-benefit analysis, savings of the executive agency scenario resulted primarily from a higher share of lower-cost external personnel employed within the agency and a lower overall number of staff<sup>147</sup>.

#### 4. Workload analysis

The programme portfolio managed by EASME during the evaluation period corresponded to the portfolio envisaged for delegation in the *ex ante* cost-benefit analysis and specific financial statement. After the 2013 cost-benefit analysis, the EASME's mandate was expanded to include additional actions (such as the Fast Track to Innovation pilot scheme) and additional functions (such as the management of the European Innovation Council). These changes to EASME's mandate were reflected in the updated specific financial statement or the revision of the number of authorised posts through the budgetary procedure.

According to the specific financial statement estimates, EASME's operational budget in commitment appropriations allocated in 2017-2020 amounted to EUR 6.719 billion (Table 8). The actual operational budget in executed commitment appropriations for the same period was EUR 6.707 billion, close to the specific financial statement estimates. In addition to the EU contributions, EASME also managed the operational budget allocated by EEA/EFTA and third countries which amounted to EUR 90 million over 2017-2020 (1.3 % of the overall operational budget of the Agency), which was not accounted for in the specific financial statement. Consequently, the actual operational budget of EASME in 2017-2020 based on the EU contribution only was around 1.5% lower compared to the specific financial statement estimates. Most of EEA/EFTA and third countries' contributions related to Horizon (EUR 89.3 million over 2017-2020 or 2% of the Horizon operational budget of the Agency). EEA/EFTA and third countries' contributions to COSME constituted EUR 0.58 million (0.12% of the COSME operational budget of the Agency).

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<sup>146</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and third country contributions.

<sup>147</sup> The number of staff in the executive agency scenario was reduced; however, the in-house scenario was not modified in the specific financial statement.

Table 8. Specific financial statement estimated and actual EASME's operational budget 2017-2020 (commitment appropriations) by programme, million EUR

Programme	2017	2018	2019	2020	Total 2017-2020	Actual/specific financial statement estimates
<b>specific financial statement</b>						
COSME	107.085	118.272	130.053	142.098	<b>497.508</b>	
Horizon	976.693	1 036.391	1 106.732	1 209.236	<b>4 329.052</b>	
EMFF	87.315	88.913	89.706	94.440	<b>360.374</b>	
LIFE	274.081	388.039	424.079	445.426	<b>1 531.625</b>	
<b>Total</b>	<b>1 445.174</b>	<b>1 631.615</b>	<b>1 750.570</b>	<b>1 891.200</b>	<b>6 718.559</b>	
<b>Actual<sup>[2]</sup></b>						
COSME	112.32	115.03	117.89	126.74	<b>471.98</b>	<b>94.9%</b>
Horizon	946.59	1112.99	1 124.81	1 207.55	<b>4 391.94</b>	<b>101.5%</b>
EMFF	38.25	41.36	42.81	45.96	<b>168.38</b>	<b>46.7%</b>
LIFE	308.20	423.32	464.87	478.14	<b>1 674.53</b>	<b>109.3%</b>
<b>Total</b>	<b>1 405.36</b>	<b>1 692.70</b>	<b>1 750.38</b>	<b>1 858.39</b>	<b>6 706.83</b>	<b>99.8%</b>
<b>Actual/specific financial statement estimates</b>	<b>97.2%</b>	<b>103.7%</b>	<b>100.0%</b>	<b>98.3%</b>	<b>99.8%</b>	

Source: Study supporting the triennial evaluation of the Agency, based on specific financial statement and EASME's AARs.

The actual operational budget executed by EASME in 2017-2020 was higher for LIFE (109% of the specific financial statement estimates) and Horizon (101.5% of the specific financial statement estimates, a higher operational budget of Horizon mainly related to EEA/EFTA and third country contributions). The actual commitments for COSME and EMFF were lower than initially estimated and constituted respectively 95% and 47% of the specific financial statement estimates. In 2018 the European Commission launched a new EIC pilot initiative to strengthen breakthrough innovation and boost high-growth companies coming out of Horizon. Consequently, since 2018, the Agency managed under the umbrella of the EIC-pilot a redesigned SME-instrument and Fast Track to Innovation schemes and supported the work of EIC. Due to the changes in the operational budget and functioning of the Agency, the number of authorised posts in EASME was correspondingly adjusted through the budgetary procedure<sup>148</sup>.

EASME's operational budget in terms of executed payment appropriations during 2014-2020 was 10% lower than estimated in the specific financial statement (Table 9). This was primarily related to lower payments under the legacy programmes, and EMFF and LIFE programmes.

<sup>148</sup> The authorised number of staff differs from the initially programmed in the specific financial statement, which was related to the impact of the European Fund for Strategic Investment (EFSI) and correspondingly reduced EASME's operational budget and the number of authorized staff (-6 posts), additional posts for LIFE programme (+6 posts), deducted post for SEDIA (-1 from 2019) and additional post for the management of the European Innovation Council (+5 from 2019).

Table 9. Specific financial statement estimated and actual EASME's operational budget 2017-2020 (payment appropriations) by programme, million EUR

Programme	2017	2018	2019	2020	Total 2017-2020	Actual/specific financial statement estimates
<b>specific financial statement</b>						
COSME	131.615	57.514	159.032	75.417	<b>423.578</b>	
Horizon	877.091	948.628	954.813	1 019.383	<b>3 799.915</b>	
EMFF	55.792	59.798	62.993	75.091	<b>253.674</b>	
LIFE	196.791	260.952	334.706	362.351	<b>1 154.800</b>	
Legacy IEE II	26.744	16.700	4.106	0.720	<b>48.270</b>	
Legacy ECO-I	12.300	5.941	0.900		<b>19.141</b>	
<b>Total</b>	<b>1 300.333</b>	<b>1 349.533</b>	<b>1 516.550</b>	<b>1 532.962</b>	<b>5 699.378</b>	
<b>Actual</b>						
COSME	130.40	64.53	100.72	132.91	<b>428.56</b>	<b>101.2%</b>
Horizon	840.02	915.33	1 047.55	853.09	<b>3 655.99</b>	<b>96.2%</b>
EMFF	19.64	27.28	37.40	33.75	<b>118.07</b>	<b>46.5%</b>
LIFE	116.36	181.92	244.73	317.52	<b>860.53</b>	<b>74.5%</b>
Legacy IEE II	30.76	7.00			<b>37.76</b>	<b>78.2%</b>
Legacy ECO-I	10.06	4.69	0.42		<b>15.17</b>	<b>79.3%</b>
<b>Total</b>	<b>1 147.24</b>	<b>1 200.75</b>	<b>1 430.82</b>	<b>1 337.27</b>	<b>5 116.08</b>	<b>89.8%</b>
	<b>88.2%</b>	<b>89.0%</b>	<b>94.3%</b>	<b>87.2%</b>	<b>89.8%</b>	

Source: Study supporting the triennial evaluation of the Agency, based on specific financial statement and EASME's annual activity reports.

Besides the allocated operational budget, the Agency's workload was closely linked to the parameters of the delegated programmes. These parameters included the programmes' implementation instruments such as grants to various types of projects, tenders, distribution of the programmes' budget between tenders and grants. Additionally, factors such as the stability in delegated actions, the number of applications and the corresponding success rate, the number of grants/contracts and the average grant/contract size also influenced the Agency's workload. The workload level related to the management of the SME instrument in 2013 cost-benefit analysis was estimated based on the number of grants. However, the workload related to the evaluation of a very high number of applications was not properly addressed.

A part of the programmes managed by EASME (such as COSME, LIFE and EMFF) were implemented through complex and fragmented implementation instruments, which increased the level of workload. Such a diversity of instruments meant that the actual characteristics of the delegated programmes were complex and for some programmes deviated from the initial 2013 cost-benefit analysis assumptions. The Agency monitored the workload level within and across the programmes and management tasks, initiated requests for additional resources<sup>149</sup> and redeployed its resources subject to the allowed flexibility level.

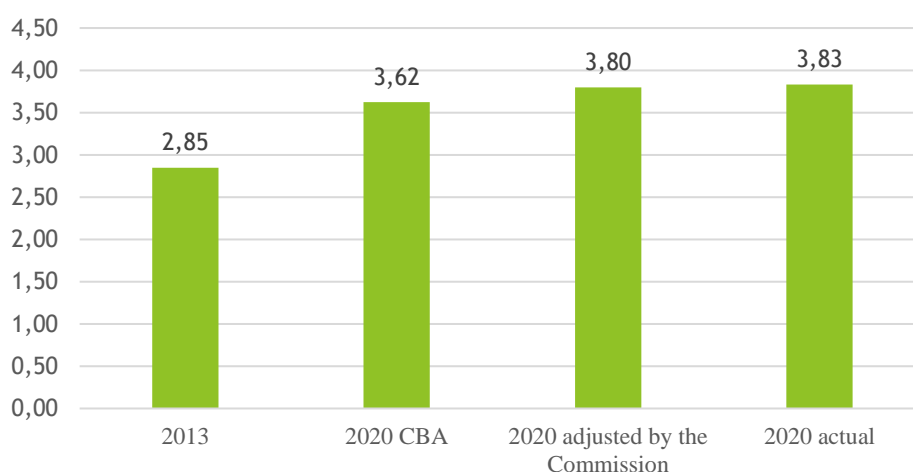
<sup>149</sup> Including staff in the Commission for ensuring supervision and coordination with EASME.

## ***Overall conclusions of the workload analysis***

The programme portfolio managed by EASME during the evaluation period corresponded to the portfolio envisaged for delegation in the *ex ante* cost-benefit analysis and specific financial statement. The actual operational budget in executed commitment appropriations for the 2017-2020 period was close to the specific financial statement estimates. At the same time, a part of the parameters of the delegated programmes deviated from the initial cost-benefit analysis assumptions. EASME monitored the actual workload and the main factors contributing to it and consequently initiated the redeployment of administrative resources (subject to the allowed flexibility level).

Analysis revealed that EASME managed to achieve the productivity level initially estimated in the 2013 cost-benefit analysis and the Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (please see chapter 1.1 of the supporting study for details). The budget ‘per head’ ratio in EASME increased from EUR 2.85 million in 2013 to EUR 3.83 million in 2020 (an increase of 34%).

*Estimated and actual budget ‘per head’ in EASME in 2013 and 2020, EUR million<sup>150</sup>*



*Source: Study supporting the triennial evaluation of the Agency, based on Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC (2013 )493) and EASME’s annual activity report.*

## **5. Qualitative analysis**

Qualitative aspects of the cost-benefit analysis (which reflect the cost-benefit analysis questions provided in Article 3(1) of the Regulation (EC) No 58/2003) were integrated into the overall evaluation framework.

### ***Identification of the tasks justifying outsourcing***

The delegation of programme implementation tasks is deemed effective overall and enabled the Commission to focus on policy-related aspects of the programmes. On the other hand, the delegated tasks specified in the Memorandum of Understanding between the Commission and EASME are not always clearly defined, for example on how to provide feedback to policy or if input is requested for drafting work programmes and calls. Moreover, there is no uniform structure for the specific Memorandum of Understanding per programme, and a low level of alignment in delegated tasks. A more coherent programme portfolio where delegated tasks are similar for the programmes managed,

<sup>150</sup> In commitment appropriations

would be beneficial. This has improved considerably with the transformation of EASME into EISMEA.

### ***Costs of coordination and checks***

The results of the 2017-2020 retrospective cost-benefit analysis showed that the actual costs of the executive agency scenario were below the specific financial statement estimates. The overall actual costs of the executive agency scenario<sup>151</sup> constituted EUR 189.3 million during 2017-2020. In order to evaluate to what extent, the actual costs corresponded to the initial specific financial statement estimates, it is important to follow the same assumptions that have led such specific financial statement estimates. The specific financial statement estimates (EUR 241.1 million during 2017-2020) were based on the EU contribution, but EASME's administrative budget also included contributions from EEA/EFTA and third countries (EUR 3.9 million during 2017-2020) to manage its additional operational budget. Consequently, based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 185.4 million, which means that the actual savings amounted to EUR 55.7 million and accounted for 23.1% of the specific financial statement estimates. However, all these savings were related to Title III expenditure, which was overestimated in the specific financial statement.

### ***Impact on human resources***

Retrospective cost-benefit analysis revealed that during 2017-2020 EASME managed to cope with the foreseen human resources. The composition of staff (the ratio between temporary agents and contract agents) corresponded to the specific financial statement estimates.

Nonetheless, there are indications that EASME may not be sufficiently staffed to ensure effective and efficient operations, as pointed out by the cost-benefit analysis done by the JRC in 2020<sup>152</sup>. This is especially due to the lack of stability in delegated actions (in case of EMFF and COSME) and additional tasks that were assigned in the period 2014-2020 without an increase in staff. Further, more attention should be given to the high level of workload attached to effective feedback to policy. Moreover, EASME has struggled with offering career perspective for its employees, which is partly due to the limited job profiles, the limited scope of technical knowledge required from staff, and strict regulations reducing internal mobility of contract agent staff.

### ***Possible savings within the general budgetary framework of the European Union***

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a cost difference between the executive agency scenario and the in-house scenario constituted EUR 98.0 million (or 34.1% of the estimated costs under the in-house scenario). Comparing the savings initially estimated in the specific financial statement and cost-benefit analysis with the actual savings from the delegation of tasks to EASME, the actual savings during the 2017-2020 period were found to be 24.7% higher compared to the initial specific financial statement estimates (EUR 98.0 million compared to EUR 78.6 million), and 43.8% higher compared to the initial cost-benefit analysis estimates (EUR 98.0 million compared to EUR 68.2 million). As forecasted in the specific financial statement and the *ex ante* cost-benefit analysis, savings of the executive agency scenario resulted primarily from a higher share of lower-cost external personnel (Cas) employed within the Executive Agency and a lower overall number of staff.

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<sup>151</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and third country contributions.

<sup>152</sup> Lapatinas, A., Katay, G. Vollbracht, I., Funck, A., Grigoletto, M. (2020), CBA for the delegation of certain tasks regarding the implementation of Union Programmes 2021-2027 to the executive agencies: Qualitative Analysis

### ***Efficiency and flexibility in the implementation of outsourced tasks***

According to the large majority of interviews (from both beneficiaries and parent DGs staff), EASME has adjusted its operations with a very high level of flexibility, competence, while maintaining business continuity. This was especially relevant given the impact of COVID-19 and the resulting need for flexibility.

Moreover, key indicators with regards to efficient operation of EASME were within target. In terms of timeliness, the Time-To-Inform and Time-To-Grant were within target, and the share of payments executed in time was between 98.0% and 99.8%. EASME's management and control cost was also below target and averaged 3.0% during the evaluation period.

### ***Simplification of the procedures used***

EASME has implemented several simplifications in IT tools and management procedures to improve efficiency in program management and implementation. This includes e-submission for procurement procedures (ePAD), delegation of tasks to lower levels, reducing paperwork, and using lump sums for parts of the COSME programme. EASME has also supported the Commission Decision to use simplified unit costs for SME owners and actively contributed to the next Multiannual Financial Framework by proposing measures to increase efficiency. Although improvements were made, efficiency gains could still be achieved by enhancing the interoperability of IT tools.

### ***Proximity of outsourced activities to final beneficiaries***

The survey indicates that most beneficiaries and unsuccessful applicants are satisfied with the relationships they have with EASME staff, both in terms of response time and the quality of information received. However, there is still room for improvement in clarifying who applicants can contact during their application process.

### ***Visibility of the Community as a promoter of the Community programme concerned***

EASME ensured a high degree of visibility of the EU institutions, amongst others by co-hosting a multitude of events. The survey further indicates that 98% of applicants and beneficiaries are aware that their programme is funded through EU budget.

### ***Need to maintain an adequate level of know-how inside the Commission***

An important aspect in maintaining an adequate level of know-how inside the Commission is organising feedback to policy from the agencies to the Commission. EASME provides feedback in both ad hoc and structured manners, depending on the parent Directorate-General. A good practice is the creation of Communities of Practice (COPs), which can contribute to breaking silos between different funding programmes and foster synergies in feedback to policy. Another good practice are job-shadowing exercises which is very beneficial for mutual learning and facilitating collaboration. Staff mobility between the Commission and the agencies are also very beneficial for capacity building.

To ensure an adequate level of know-how, a direct link between project and policy officers should be cultivated and a structure should be set up for feedback to policy with clear expectations towards EASME.



## ANNEX VI: STAKEHOLDER CONSULTATION - SYNOPSIS REPORT

This annex presents a concise overview and conclusions on the work carried out during the evaluation of EASME. It covers both types of stakeholder consultation activities (surveys and interviews) carried out by the study team.

In accordance with the requirements set out in the terms of reference and the Commission's Better Regulation guidelines and toolbox<sup>153</sup>, it provides an outline of the consultation strategy, explains the implementation of each consultation activity undertaken and how they are aligned with the original consultation strategy, as well as summarising and comparing the results of the consultation activities.

The purpose of this annex is to inform policymaking about the outcome of all the consultation activities and inform stakeholders about how their input has been taken into account.

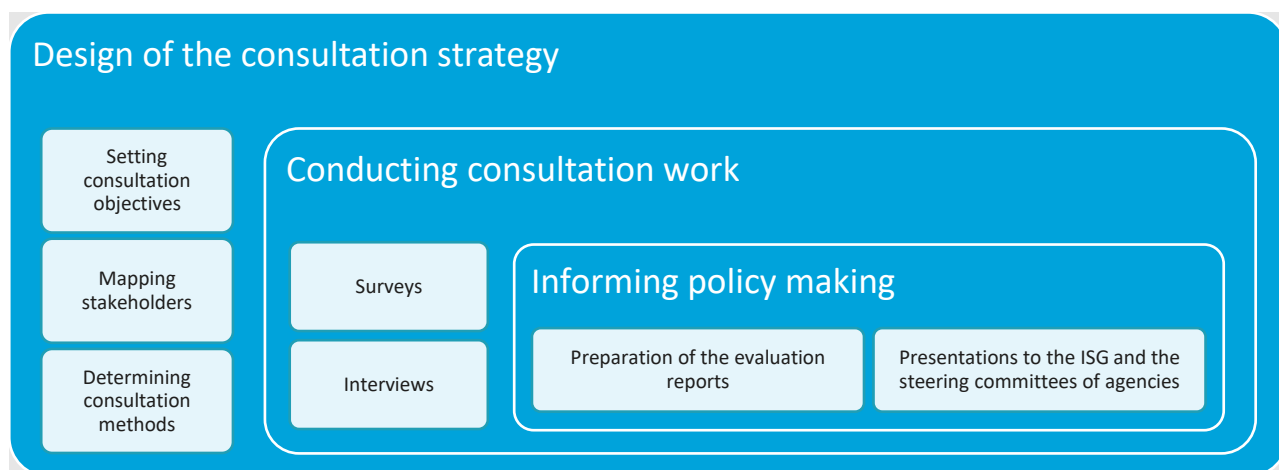
### 1. Outline of the consultation strategy

Stakeholder consultation is a formal process by which the Commission and its contractors gather information and views from stakeholders about the Commission's policies. The consultation strategy should clearly define the scope of the consultation and specify which stakeholders are to be reached, through which consultation tool and for what purpose.

In designing and executing the consultation strategy, the supporting study followed the relevant principles and steps for stakeholder consultation outlined in the Commission's Better Regulation guidelines.<sup>154</sup> The main steps in the stakeholder consultation included:

- designing the consultation strategy;
- conducting the consultation work;
- informing policymaking by drawing up reports (see the figure below, summarising the approach to the design and execution of the consultation strategy).

#### *Design and execution of the consultation strategy*



Source: Study supporting the triennial evaluation of the Agency, based on the Commission's Better Regulation Guidelines.

<sup>153</sup> European Commission, *Commission Staff Working Document. Better Regulation Guidelines*. Brussels, 3.11.2021 SWD(2021) 305 final. Available at: [https://commission.europa.eu/system/files/2021-11/swd2021\\_305\\_en.pdf](https://commission.europa.eu/system/files/2021-11/swd2021_305_en.pdf); European Commission, *'Better regulation' toolbox – November 2021 edition*. Available at: [https://commission.europa.eu/system/files/2022-06/br\\_toolbox-nov\\_2021\\_en\\_0.pdf](https://commission.europa.eu/system/files/2022-06/br_toolbox-nov_2021_en_0.pdf)

<sup>154</sup> European Commission, *Commission Staff Working Document. Better Regulation Guidelines, tools 53 and 54*.

The purpose of the consultation carried out as part of this evaluation was to gather the views of key stakeholders and the data needed to inform responses to the evaluation questions. Given the scope of the agency’s activities, the consultation sought to include various categories of stakeholders, in particular:

- Commission officials from the parent DGs;
- the staff of the agency;
- beneficiaries and unsuccessful applicants to the programmes managed by EASME;
- external experts contracted by the agency.

The implementation of the consultation strategy was also coordinated with the evaluations of other agencies, to the extent necessary.

The methods used for stakeholder consultation included two surveys and an extensive interview programme. During the evaluation, the contractor triangulated various data sources. The table below provides details of the types of stakeholders engaged for each consultation method, the results of which are presented in the forthcoming sections of this annex.

*Main information on stakeholder consultation activities*

CONSULTATION ACTIVITY		TARGET GROUPS	DATE
From	Survey A	Beneficiaries and unsuccessful applicants of the programmes managed by the agency	1–13 December 2023
	Survey B	External experts contracted by the agency	1–13 December 2023
Interview programme		<ul style="list-style-type: none"> <li>- Commission officials from parent DGs</li> <li>- EASME Directorate</li> <li>- Heads of sector and unit</li> <li>- Representatives of the EASME staff committee</li> <li>- Members of the EASME steering committee</li> <li>- Beneficiaries, NCOs and unsuccessful applicants for the programmes managed by EASME</li> <li>- External experts contracted by EASME</li> </ul>	1–13 December 2023

*Source: Study supporting the triennial evaluation of the Agency*

These different types of stakeholder consultation activities complement each other. While the survey of and interviews with unsuccessful applicants, beneficiaries and external experts informed questions regarding the agency’s effectiveness and efficiency, interviews with the Commission and EASME officials provided information not only on these questions, but also allowed coherence-related evaluation questions to be covered.

*Consultation activity and evaluation criteria covered*

	Effectiveness	Efficiency	Coherence
Interviews with the European Commission	✓	✓	✓
Interviews with EASME	✓	✓	✓
Interviews with unsuccessful applicants, beneficiaries and experts	✓	✓	
Survey of EASME beneficiaries and unsuccessful applicants	✓	✓	
Survey of external experts contracted by EASME	✓	✓	

*Source: Study supporting the triennial evaluation of the Agency*

## 2. Key results of consultation activities

### 2.1 Summarised results of the survey

The evaluation team implemented two surveys: survey A and survey B.

The design of survey A was presented to applicants and allowed us to differentiate between beneficiaries and unsuccessful applicants.

Survey B was presented to external experts.

The questions in both surveys were carefully crafted to ensure comparability across groups of respondents, as well as complementarity with the other evaluation methods used, including interviews. The surveys were launched for EASME and were active for around 2 weeks on the *Alchemer* survey tool.

The data gathered through the two surveys were analysed using both quantitative and qualitative methods. Because most of the survey questions were ‘closed’ (many of them being numerical in nature, due to Likert-style response scales) and therefore result in structured responses, researchers primarily used Excel and statistical software (STATA, SPSS) to run descriptive statistics, such as cross tabulations of key variables to identify patterns across/among different groups of respondents.

More detailed information on the survey methodology and tools used to process the data is presented in Annex 2.

#### *Main statistics related to the implementation of the surveys*

Target group	Full launch of the survey (majority of all invitations sent on this date)	Survey closure date	Population targeted/no. of invitations sent out	No. of responses received	Response rate*	No. of responses included in the analysis after cleaning
Beneficiaries	1 December	13 December	5 830	Partial*: 130 Complete: 601 Total: 731	Total: 13% Only including complete: 10%	Partial*: 60 Complete: 571 Total: 631
Unsuccessful applicants	1 December	13 December	4 797	Partial*: 92 Complete: 275 Total: 367	Total: 8% Only including complete: 6%	Partial*: 42 Complete: 266 Total: 308
Experts	23 November	8 December	4 300	Partial*: 167 Complete: 1 055 Disqualified: 11 Empty: 3 Total: 1 236	Total: 29% Only including complete: 25%	Partial*: 0 Complete: 10 26 Total: 1 026

*Note: response rate was calculated using the formula:*

$$\text{Response rate} = \frac{\text{No. of responses received}}{\text{No. of invitations sent out}} * 100\%$$

*Source: Study supporting the triennial evaluation of the Agency*

The survey data fed into all of the evaluation questions, in particular those aspects on which the opinions of respondents are of prime importance. All evidence from the surveys has been

incorporated into the evaluation's final report. A summary of the findings from the survey data is presented below.

### ***Effectiveness***

During the evaluation period (January 2017 to March 2021) the overall level of satisfaction was 55% for unsuccessful applicants (102 out of 217) and 90% for beneficiaries (488 out of 548).

They were satisfied with the overall quality of services provided by EASME.

The specific statement for beneficiaries was *'We are satisfied with the overall quality of the programme management services provided by the EASME during the whole application and (if relevant) project implementation period'*.

The slightly adapted version for unsuccessful applicants was *'We are satisfied with the overall quality of the services provided by the EASME during the whole application process'*.

The level of satisfaction of the overall communication by and interaction with EASME during the application process and project implementation period (for beneficiaries) are similar to the overall satisfaction level: 89% for beneficiaries and 47% for unsuccessful applicants.

In total, 73% (596 out of 838) of EASME's unsuccessful applicants and beneficiaries indicated that they will certainly apply for the funding again, and another 18% (143 out of 838) will "maybe" reapply.

The underlying reasons for not considering applying in future are related to the low success rate of applications for the programmes managed by EASME and the cumbersome application procedure.

Regarding the external experts contracted by EASME, 86% (870 out of 1 016) indicated that they would certainly like to work in this capacity for EASME in future, with 12% (124 out of 1 016) indicating "maybe".

The main reasons indicated for not considering this is that the total remuneration does not correspond to the actual time spent on the task and that the professional fee rate (currently 450€/day) is too low.

The agency's unsuccessful applicants and beneficiaries rated various aspects related to its external communication very positively. They agreed that the agency provides relevant and useful information, and that this information is user-friendly.

Both groups indicated that they most often find information about the funding possibilities through the Commission's website. Whereas other communication channels, such as EU delegations, advertising, media and social media were mentioned much less frequently.

Regarding the effectiveness of communication channels used by EASME while communicating with its beneficiaries, direct contact via email was identified as the most relevant and helpful communication tool, while other channels such as EASME's social media was ranked less relevant.

Video conferences and face-to-face contact were relevant channels for more than 50% of respondents (respectively 66% and 61% – meaning 289 out of 439 and 247 out of 405).

There was a significant percentage of "Do not know/ cannot answer" responses for the following channels:

- social media (28% of total responses: 159 out of 571);
- face-to-face contact (30% of total responses: 172 out of 577);
- telephone contact (25% of total responses: 146 out of 581);

- video conferences (24% of total responses: 138 out of 577).

This might indicate that these channels are used by beneficiaries much less frequently.

The most important factors mentioned by the respondents when dealing with EASME are:

- the accessibility and clarity of information provided by EASME (87%: 674 out of 777);
- the knowledge and courtesy of EASME's employees (87%: 648 out of 743);
- EASME's ability to perform the service promptly (86%: 640 out of 747);
- EASME's willingness to help and cooperate with them and provide individualised attention (86%: 639 out of 745)

50% (255 out of 586) of the beneficiaries underwent grant amendment procedures in the project.

Only 13% (58 out of 439) of projects were audited and 30% of projects underwent monitoring.

The respondents that were audited or underwent monitoring were very satisfied with the follow-up, checks and/or audit procedures related to the grant (88%: 132 out of 150, with another 6% being neutral: 11 out of 150).

### ***Efficiency***

Our analysis of the applicants and beneficiaries survey revealed that they were satisfied overall (83% satisfied: 700 out of 842, with another 8% being neutral: 69 out of 842) with the amount of time available to prepare and submit their applications.

80% (568 out of 706) of respondents agreed (another 13% being neutral: 89 out of 706) that the selection results were announced within the timeframe announced in the call for proposals.

The same proportion of respondents declared the time period from the call deadline to the time the outcome of the proposal was announced was appropriate.

Beneficiaries were also satisfied with the timeliness of the contracting process (85% satisfied: 473 out of 557, with another 8% being neutral: 45 out of 557).

Respondents agree that EASME was efficient in implementing COVID-related provisions (83%: between 403 and 484 out of between 447 and 609, with another 13% being neutral: between 26 and 101 out of between 403 et 484 respondents).

The survey shows that a total of 75% (638 out of 849) of respondents agreed (another 9% being neutral: 76 out of 849) that the requirements for the application process (e.g. the volume of the proposal, requirements for supporting documents, etc.) were reasonable and proportionate.

84% (484 out of 576) of respondents agreed (another 7% being neutral: 46 out of 576) that the application process was clear and transparent.

Concerning the monitoring and reporting processes, EASME's beneficiaries indicated they were largely satisfied that the project implementation and reporting requirements remained stable during the project execution: 89% (457 out of 515).

They also agreed (87%: 443 out of 511) that the monitoring activities carried out by EASME staff or external experts working for EASME were useful for the implementation of the grant/project, and that the process of monitoring grants was sufficiently clear.

The survey of beneficiaries revealed that respondents were satisfied with the grant conclusion process (80% satisfied: between 408 and 501 out of between 558 and 587, with another 9% being neutral: between 38 and 68 out of between 558 and 587 with the overall granting process).

However, satisfaction was lower with:

- the process of validating beneficiaries (77% satisfied: 429 out of 558, with another 11% neutral: 61 out of 558);
- the understanding of the contract (76% satisfied: 445 out of 587, with another 12% neutral: 68 out of 587);
- the user-friendliness of the electronic tools used for the validation and assessment of beneficiaries (72% satisfied: 408 out of 565, with another 10% neutral: 58 out of 565).

EASME's good performance in terms of timely processing of payments was also reflected in the results of the beneficiaries' survey:

- 95% (479 out of 506) were satisfied with the time it took the agency to make a pre-financing payment;
- 93% (308 out of 331) and 91% (203 out of 223) of them, respectively, were satisfied with the time it took to process interim and final payments.

The survey showed a positive opinion from respondents on the simplifications already introduced in the programmes managed by the EASME, such as:

- the simplification of reporting templates (79%: 541 out of 685);
- simplification of call guidelines and application forms (77%: 557 out of 717);
- the establishment of a single point of contact (81%: 546 out of 674).

However, other simplification measures would allow for a better and more efficient implementation of the programmes managed by EASME in the future. Respondents agree that other simplifications could be made, such as:

- simplifying granting and reporting requirements (88%: 478 out of 543);
- increasing the user-friendliness of IT tools for project management and reporting (87%: 668 out of 768);
- increasing the user-friendliness of the IT tool for application submissions (86%: 681 out of 793)

34% (268 out of 832) of respondents used the services of external consultants to prepare their applications. Among them, 50% (109 out of 219<sup>155</sup>) paid the consultancy firm between 1 and 10% of the budget proposal.

20% (109 out of 544) of beneficiaries paid a consultancy firm to run administrative/management tasks for the project. The share of the project budget dedicated to these consultancy firms was, in most cases, between 1 and 5%.

In most cases, administrative tasks required between 1 and 10% of the project budget and between 6 and 10 FTEs.

### ***Coherence***

The survey of unsuccessful applicants and beneficiaries confirms that there are no issues with the visibility of the EU in terms of programmes managed by the agency. In total, 70% (631 out of 899)

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<sup>155</sup> Some respondents did not answer follow-up questions.

of respondents agreed that they were aware that the management of the programmes was delegated to EASME by the Commission.

An absolute majority of respondents (98%: 882 out of 901) are also aware that the programmes were funded from the EU budget and they believe that their project participants are also aware of this. Overall, 65% of respondents (583 out of 893) agreed that funding opportunities under programmes managed by the EASME are well promoted.

It was not clear for close to half of respondents who they should contact with any questions they had or where to find help, both when preparing the application and when submitting the application (56% agreed with these statements: 430 out of 772).

However, the agency managed to ensure that its staff was available and responsive during the contracting phase (86% of beneficiaries agreed: 481 out of 558) and the project implementation phase (89% of beneficiaries agreed: 472 out of 5309) – and especially when dealing with grant amendments (93% of beneficiaries agreed: 233 out of 250).

The slightly larger level of satisfaction with help and information received during the contracting, implementation and amendment phases could be explained by the fact that unsuccessful applicants, who in general were more negative, did not assess these two statements.

72% (600 out of 835) of respondents agreed (with another 11% neutral: 95 out of 835) that the evaluation process was clear and transparent.

However, the most negative responses were related to the outcomes of evaluation and feedback to unsuccessful applicants:

- only 41% (106 out of 258) agreed (another 16% being neutral: 40 out of 258) that the outcome of their application process was fair and they had no objections to it;
- only 41% (106 out of 260) agreed (another 16% being neutral: 42 out of 260) that the explanation on why the application was rejected was clear;
- only 38% (96 out of 257) indicated (another 15% being neutral: 38 out of 257) that the feedback on the application was useful and practical.

## ***2.2 Summarised results of the interview programme***

The interview programme encompassed scoping, main phase and follow-up interviews with the representatives of the Commission and the agency, as well as beneficiaries, unsuccessful applicants and external experts contracted by the agency. As such, it was designed to embrace a wide variety of views.

The interviews were conducted following a standardised questionnaire, including questions on the evaluation criteria, adjusted to the experience of individual stakeholders. Each interview was recorded, with interview notes and/or transcripts based on the recording. As initially planned, a total of 38 interviews was conducted, summarised in the table below.

### Phases and participants of the interview programme

Interview phase	Target group	No. of completed interviews (No. of interviewees)
Exploratory/scoping	Lead parent DG (DG GROW)	2 (2)
	EASME	1 (1)
Main phase	Parent DGs:	
	<i>DG GROW</i>	2(3)
	<i>DG RTD</i>	2 (2)
	<i>DG for Climate Action</i>	1 (1)
	<i>DG for the Environment</i>	1 (1)
	<i>DG for Energy</i>	1 (1)
	<i>DG for Communications Networks, Content and Technology</i>	1 (1)
	<i>DG for Maritime Affairs and Fisheries</i>	1 (1)
	EASME	8 (12)
Follow-up	Commission officials	1(4)
	EASME	1 (2)
	National contact organisation	4(4)
	Experts	2 (2)
	Unsuccessful applicants	2 (2)
	Beneficiaries	6 (6)
	Second rank beneficiaries	2 (2)
Total amount of interviews	35-41	38 (47)

Source: Study supporting the triennial evaluation of the Agency

The interview data fed into responses to the relevant evaluation questions, in particular the aspects of these questions where respondents opinions are of prime importance. All evidence from the interviews was incorporated into the final evaluation report. A summary of the findings from the interview data is presented below.

#### **Mission and governance**

**Planning and programme implementation.** Despite improvements observed from 2017-2020, EASME officials continue to point out the lag in DG GROW's announcement of programmes, while DG GROW cites insufficient input from EASME as a reason for delays in policy preparation.

Interviewees pointed out that one of the primary obstacles faced by agencies is the delayed receipt of the documents related to calls for proposals from DGs. There is a deadline for using the agency operational budget, but EASME relies on the parent DGs to implement the calls, leading to inefficiencies. The key problem is that the DGs do not adhere to their stated schedule.

**Definition of programmes.** Executive agencies have the potential to improve cross-collaboration and provide strategic advice to the Commission. Specifically, EASME is well-connected to companies and has insight into market practices and other ground-level stakeholders, providing a comprehensive understanding of industry needs and evolution. The Commission's expertise in areas such as AI, digital, and quantum could be delegated to these agencies. By working closely together, the executive agencies and Commission could jointly develop work programmes.

**Importance of the steering committee.** The steering committee played a crucial role in ensuring proper official oversight and financial management. It was essential to bring in the necessary expertise



to fulfil this role effectively. In addition to these responsibilities, the steering committee also served as a key facilitator for coordination and collaboration between the parent DGs and the exploitation of synergies between them.

This was crucial for ensuring successful outcomes. However, the role of the steering committee varied between different programmes and initiatives. For example, the steering committee for Horizon functioned differently compared to that for COSME. Nevertheless, both of these roles were critical to the success of their respective programmes.

**A diversity of agencies.** Some parent DGs have expressed the opinion that there were too many parent DGs for EASME. Initially, the mandate for the executive agencies was believed to be the complete financial management of programmes. To increase efficiency and reduce Commission oversight, the mandate for executive agencies could be expanded.

### *Effectiveness*

**External communication and information on funding opportunities.** Several interviewees mention that it is difficult to find relevant calls for their projects and to have an overview of all funding possibilities, especially for young researchers with little experience of EU programmes, and SMEs.

The National Contact Points seem to be very valuable in this regard but are not always responsive. One interviewee suggests that the communication of funding opportunities could be improved and made more appealing by having videos explaining the core programmes and topics and where to find more information. Finally, another interviewee pointed out the lack of coordination regarding communication initiatives between executive agencies.

**Communication with EASME.** Interviewees (beneficiaries, unsuccessful applicants, experts and national coordination offices, NCOs) are generally very satisfied with their cooperation and communication with EASME. Multiple interviewees specifically mentioned the value of project officers in answering questions in a timely manner. One NCO interviewee mentioned issues around high staff turnover, which made it unclear who was responsible for their project and who they could contact. Several NCOs also mentioned that there is a shortage of staff in the current EISMEA period responsible for Enterprise Europe Network leading to low response rates and a lack of guidance from EASME staff.

**COVID-19 responses.** The COVID pandemic caused difficulties for new staff. Burnout rates among colleagues increased, according to interviewees. The pandemic also led to changes in the setup of the agencies and political priorities.

**Intended outputs and results.** According to most interviewees in parent DGs, and supported by the cost-benefit analysis and key performance indicators, EASME was successful in accomplishing its primary goals from 2017 to April 2021, given the extensive and varied portfolio of programmes they managed.

One interviewee from the Commission notes that EASME lacked environmental criteria in its programmes, such as the absence of requirements for Horizon projects to meet specific Green Deal criteria, such as a 5% reduction in emissions per year. The interviewee thinks environmental criteria should be clearer and not open to interpretation. The mandate of policy officers regarding the Green Deal and climate targets is not sufficiently explicit.

**Feedback to policy.** There is no standard method for EASME to provide feedback to its parent DGs. Feedback is mainly based on individual exchanges at meetings, rather than structured reports. Commission staff have varying experiences with regards to agency recommendations for work programmes, and DGs do not always ask for EASME's input.

In the energy efficiency field, policymakers at the Commission appreciated the regular interactions with EASME staff, as EASME provided valuable market feedback. The flexible structure of the agency allowed for this dynamic interaction. For policy-related projects without investment goals, EASME was also effective in providing support.

The agency needs sufficient time to provide feedback to policy. According to a Commission official there are not enough resources directed towards feedback to policy and staffing should be increased in this regard. Finally, Commission officials interviewed stress that agencies should have key performance indicators for feedback and that the views of the parent DGs should be collected regularly.

**Need for long-term key performance indicators.** While agency officials found that key performance indicators (KPIs) effectively evaluate the effectiveness of programme implementation, there are currently no KPIs in place for procurement or feedback to policy. They would recommend developing KPIs to monitor these areas.

Some financial units also find the current indicators cumbersome and not reflective of on-the-ground realities. Interviewees emphasised the importance of monitoring the long-term impacts of projects, with a focus on indicators that assess the impact up to 3, 5, or 10 years after implementation.

Additionally, some interviewees suggested the use of “meta-analyses” which would involve aggregating and analysing the impacts of multiple projects over a longer period of time. This approach makes sense at the level of a specific programme or instrument and should be more widely promoted.

**Effectiveness of review process.** Overall, experts find that the evaluation process is smooth and effective. Most of the interviewed experts found the fee they were paid reasonable, although one person indicated that this is low – but that it remains valuable, as it gains them market intelligence. One suggestion made during interviews was that experts from outside the EU should be found to review larger projects that have a global impact.

### *Efficiency*

**Application procedure.** Interviewees are generally satisfied with the application procedure. One interviewed NCO mentioned that information was not always shared with competitors outside the Enterprise Europe Network, making it difficult to enter the network if you are not already part of it. One beneficiary also note that they couldn’t have made the application without the help of a consultant, and that the process is too difficult for SMEs.

**Time to assess the application.** Generally, interviewees are satisfied with the timeliness of the evaluation process. One beneficiary, however, noted that the process is faster in the United States, where they got a response within 30 days.

**Feedback on application.** Some interviewees mention that feedback and the evaluation process in general is too dependent on individual reviewers. Having a panel of reviewers is a good practice in this regard. One beneficiary found their reviewer incompetent.

**Payments.** The great majority of interviewees were satisfied with the payments and their timeliness. The advance and mid-term payments are highly appreciated by beneficiaries. Nonetheless, one interviewee (beneficiary) mentions that the retention of funding until the end of the project is problematic for cascade funding directed towards SMEs and suggests that this should not apply for third-party funding.

This was confirmed by another beneficiary of the EIC Pilot, who noted that the payments come too late for SMEs. Another interviewee (beneficiary) mentioned there is too little flexibility in payments: when one partner in the project consortium is not delivering, this leads to no one getting paid, which is regarded as unfair.

**Follow-up audits.** Beneficiaries that had been audited were satisfied with this experience. Agency officials also mentioned that the audit recommendations resulted in an increased workload rather than simplification. They pointed that intensifying reviews is a good way to be more aware of potential risks and address them. Nevertheless, interviewees indicated that the discussions with DGs regarding audits were quite tense and that they had to make a lot of effort to contest some of the findings.

**Administrative burden and reporting requirements.** Interviewees find that the administrative burden is reasonable, often finding it lighter than national funding programmes – and that it has improved over time. However, some interviewees mentioned that more trust from the European Commission, and fewer reporting requirements, would be welcome, especially for SMEs.

**IT tools.** Generally, interviewees are satisfied with the IT tools for applications and project management. The necessary information is there, and the IT tools perform as they should. However, improvements can be made regarding the user-friendliness of IT tools: applicants and beneficiaries that are not used to the tool can get lost.

Moreover, several NCOs mention that there is a lack of continuity in their IT tools: although they improved during the course of the framework programme, new tools emerged during the EISMEA period and learnings were not transferred, resulting in very poorly performing IT tools in the current EISMEA period.

For NCOs such as the Enterprise Europe Network, continuity is vital, because they rely on the CRM (customer relationship management) functions included in their IT tool. One NCO also indicated that the tools could be more customised, as they are not always effective in very specific situations (e.g. when a partner leaves the consortium), and that a more integrated platform that contained both internal consortium information and Commission requirements/information would be helpful.

Commission officials also mentioned that to efficiently manage SMEs and numerous small projects, IT should be more customisable. Currently, the reliance on manual processes outside of the tools leads to an excessive workload, three times greater than that of digitally managed calls.

When designing a call, consideration should be given to its compatibility with IT systems. The initial implementation of COSME in the eGrants portal was not optimal but has since been improved with EISMEA. Assistance from IT specialists helps matters. The e-grant platform required a more detailed and adaptive approach to enforce the correct regulations, and it lacked the necessary flexibility to apply the appropriate regulations.

**Human resources.** According to interviewees, floating colleagues have been effective in handling workload spikes and should be reinstated with a clearly defined work allocation, as was the case under EASME. Despite a tripled finance budget and an increasing workload, the same workforce struggles with multiple calls from several DGs, hindering simplification efforts.

The management of over 1 000 yearly phase 1 grants under COSME was simplified from 15 managers to 5, through streamlined reporting, IT tools, standardised communication and automated reminders, resulting in improved payment and communication processes for beneficiaries.

Interviewees also mentioned the separation of financial units from operational units. Increased autonomy, better morale and increased communication were highlighted as the key advantages of the separation. Conversely, the separation also negatively impacted day-to-day collaboration with operational units.

Some interviewees of the EASME staff also pointed to a lack of human resources for certain programmes. One reason given for this lack of resources is the constant changes in management at the agency.

## *Coherence*

**Clarity of delegated tasks.** EASME staff highlighted the issue of inconsistent programme management across the organisation. Each programme is managed differently, with differing agreements between EASME and its parent DGs. This causes confusion among external stakeholders about the assignment of tasks and where exactly funding comes from. EASME staff therefore suggested that the role of the agency be clearly defined, and that it includes involvement in drafting work programmes. Finally, according to EASME staff, DGs can be reluctant to seek advice from agencies, as they think they may not possess the necessary qualifications, which is unfortunate.

According to interviewees from parent DGs, during 2017-2020 the actual operations of the agency were aligned with the formal regulations defining its mandate and operating procedures. Moreover, EASME was found to have fulfilled its mandate without interfering with policy development (the role of the Commission). Interviewees did report that the dispersal of tasks across agencies was more blurred after 2021.

**Collaboration between parent DGs and EASME.** The quality of collaboration between the parent DGs and EASME differs between EASME units and parent DGs. The managers of the financial unit maintained frequent communication and held numerous meetings with the relevant Commission departments. They are very aware of the difficulties posed by the programmes and have established tight coordination both within the agency and with the managers of the financial unit.

On the other hand, certain DGs pointed out that there was insufficient time and attention devoted to comprehending mutual expectations. It was perceived that the interactions between the parent DG and EASME mostly occurred when there were problems, instead of having a more regular flow of information sharing and mutual learning. On the other hand, some DGs expressed high satisfaction with the flow of information to and from EASME and noted that the structure of EASME was effective in utilising experts who effectively gather important information and deliver it promptly to the parent DG. They attribute this success to EASME's dynamic and adaptable structure.

### *2.3 Comparison of the results of consultation activities*

The table below presents the key results per consultation activity, organised by evaluation criteria, as well as by the level of consistency, complementarity and contradiction of results across consultation activities.

Overall, as summarised in the table below, there was a large degree of convergence in the results of different consultation activities.

*Key findings of the consultation activities and their level of consistency, complementarity and contradiction*

Evaluation criteria	Survey	Interview programme	Consistency of results across consultation activities	Complementarity of results across consultation activities	Contradiction of results across consultation activities
<b>Effectiveness</b>	<p>Overall, respondents were satisfied with the services provided by EASME and indicate they will apply for funding again in future.</p> <p>Target stakeholders are also satisfied with the communication and clarity of information provided by the agency.</p> <p>Respondents who underwent grant amendments or were audited were also satisfied with the follow-up, checks and/or audit procedures connected to the grant.</p>	<p>Generally, stakeholders found that EASME operates effectively and that its primary goals were met.</p> <p>In particular, the effective communication with EASME staff was appreciated by beneficiaries and national contact organisations.</p> <p>To increase effectiveness, interviewees recommend the development of key performance indicators, to monitor the long-term impact of projects and enable feedback to policy.</p>	High	High	Low
<b>Efficiency</b>	<p>Beneficiaries surveyed were satisfied with the timeliness of the contracting procedures and found monitoring activities to be useful.</p> <p>Payments were deemed to have been processed in time and simplification measures to have been effective.</p> <p>One third of respondents required external help from consultants to prepare applications, indicating cumbersome and highly complex administrative requirements, among other things.</p>	<p>Stakeholders found that EASME operates efficiently overall.</p> <p>The administrative burden was also found to be reasonable.</p> <p>One area for improvement is the IT tools, especially their user-friendliness and customisation.</p>	High	High	Medium

<b>Coherence</b>	<p>Most respondents said they were aware of the general project implementation mandate given to EASME, and that projects are funded from the EU budget.</p> <p>However, less than half of potential applicants surveyed were aware of how tasks were divided between EASME and the Commission.</p> <p>Unsuccessful applicants and beneficiaries said they did not know who to contact at the agency for clarification and support questions.</p>	<p>There is a low level of coherence in the management of the different programmes and the agreements with different DGs.</p> <p>It was noted that there should be clearer and more aligned delineations in roles between the DGs and EASME, and that closer collaboration between the two could be beneficial.</p>	High	High	Medium
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*Source: Study supporting the triennial evaluation of the Agency*