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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE EVALUATION

**Thematic Evaluation on Support to Economic Governance in Enlargement and
Neighbourhood Countries**

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Executive summary

This staff working document (SWD) presents findings on the evaluation of the EU's support to economic governance in the enlargement and neighbourhood region from 2007 to 2015. The external study on support to economic governance in enlargement and neighbourhood countries, finalised in August 2017, the external study on support to small and medium enterprise (SME) competitiveness and internal assessments of the European Commission were used in order to substantiate the SWD findings.

The EU's assistance in the area of economic governance (and SME competitiveness) was aimed at reducing macro-fiscal imbalances, improving governance, service delivery and growth outcomes for the citizens. The economic governance study found that the EU is the most important international donor supporting economic governance in the enlargement region, while in the neighbourhood region it is, if not the most, among the largest external assistance providers including international financial institutions.

The EU delivered a large part of its assistance to important economic governance reforms through coordinated support with other donors. Regarding coordination with national beneficiaries, results are mixed, depending on national ownership of economic governance reform and assistance processes, on the level of local capacities, and the stability of the context. The most successful interventions were those where national commitment and coordination was strong.

The external studies found that EU assistance has provided decisive technical support (capacity building, new tools, methodologies) in a large diversity of domains, i.a. setting up of oversight institutions, audit and anti-trust authorities, improvement of public financial management practices, improvement of access to finance and business development services.

The economic governance study found that the choice of instruments and modalities was informed by the level of maturity of institutions and needs amongst partner countries and beneficiaries, and was therefore based on proper considerations on the allocation of resources. The range of support instruments used and issues addressed in both regions are overall relevant. The EU's major achievement in the area of economic governance has been increased economic ties between beneficiaries and the EU, and these countries' advancement towards EU accession, or partnership agreements.

The economic governance has been significantly reinforced in the enlargement region since 2014. The 2014 Enlargement Strategy confirmed that the reform process in the Western Balkans and Turkey would focus on economic governance as part of the “fundamentals first” approach. As of 2015, all enlargement countries are participating in the annual Economic Reform Programmes exercise with a view to strengthen the economic governance through designing structural reforms to boost competitiveness and addressing pressing obstacles to growth.