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**The 2000-2006 Programming Period:
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**The Update of the Mid Term Evaluation of
Structural Fund Interventions**

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1. INTRODUCTION

The purpose of the update of the mid term evaluation is to provide information which can help European Regional Policy to further increase its added value and to improve its method of working. The evaluation update comes at an important time in the policy cycle, just before preparations begin for the new Structural Fund policies and programmes which will be implemented between 2007 and 2013. Planning for the future should be based on information which includes the results being achieved through the current programming period.

This working paper outlines the Commission's expectations for the update of the mid term evaluation. It is aimed at national, regional and local authorities responsible for managing 2000-2006 Community structural interventions and specifically at those responsible for organising evaluation. It applies to all Community Support Frameworks (CSFs), Operational Programmes (OPs) and Single Programming Documents (SPDs) under all Objectives and the Community Initiatives¹.

The 2003 mid term evaluation was an extensive exercise with a duration of up to three years from the planning stage to finalisation of the report. The evaluations were generally of good quality and provided insights into the performance of programmes together with recommendations for the improvement of the quality and relevance of interventions. The Commission proposes that the update should build on the work of the mid term evaluation and focus on areas where it can add value rather than dealing again with all the components of the 2003 evaluation. In line with the Commission's commitment to subsidiarity and proportionality, it is proposed that a minimum core content should be provided with managing authorities deciding on the additional evaluation needs they wish to have addressed in the update. The Commission is also proposing flexibility and proportionality in terms of the process for the update.

This update is applicable to those programmes for which the mid term evaluation was undertaken; CSFs, SPDs, OPs and Community Initiative programmes in the new Member States are not covered. The Commission recommends, however, that the new Member States should gather and analyse data on financial and physical performance to date in the same timeframe as the mid term evaluation update. This information would be important for their preparation of future policies and programmes.

This short working paper outlines the policy context for the mid term evaluation update and briefly recalls the experience of the 2003 mid term evaluation, before proposing the key components for the update and some guidance on the process through which it should be produced.

¹ The Guidance Paper on the ESF "Final Evaluation" of 28 April 2004 prepared by the Directorate General for Employment and Social Affairs provides further guidance on ESF specific issues and should be consulted particularly in relation to Objective 3 programmes and Objective 1 Human Resource Development Programmes.

2. POLICY CONTEXT FOR THE MID TERM EVALUATION UPDATE

The mid term evaluation update is required by 31 December 2005². Its purpose is to prepare for subsequent assistance operations. In July 2004 the Commission has proposed the new regulations for the Structural Funds to operate between 2007 and 2013. The objective is to have that legislation adopted by the Council during 2005 to allow time for the preparation by Member States of policy documents on their development strategies, followed by national and regional programmes and their negotiation and agreement with the Commission³. Ex ante evaluations will also need to be undertaken. Up-to-date information and analysis on what has been achieved in the 2000-2006 period will be an important input to the design of appropriate strategies and programmes for 2007-2013. Member States may wish to consider if they should complete the update in advance of December 2005 in order to gain maximum benefit for the preparation of their future policies and programmes.

A further aspect of the mid term evaluation update is that it will provide one of the important sources of information for the ex post evaluation to be completed by the end of 2009. During the second half of 2004, the Commission will bring forward proposals on how the ex post evaluation of the current programming period will be organised. The objective is to consult with Member States in order to produce an ex post evaluation which is relevant to current needs of Member States as well as meeting Community and national accountability requirements.

3. THE 2003 MID TERM EVALUATION

The mid term evaluation process started in the Member States in 2001 and was completed by the end of 2003. It was based on guidance drawn up by the Commission in consultation with the Member States⁴ which expanded on the requirements of Regulation 1260/1999 to give advice on the content of the evaluation and the process for carrying it out⁵. The key components of the evaluation were as follows:

- Analysis of previous evaluation results;
- Analysis of the continuing validity of the Ex Ante Evaluation's analysis of the strengths, weaknesses and potential of the State, region or sector;
- Assessment of the continuing relevance and the consistency of the strategy;
- Quantification of objectives – outputs, results and impacts;
- Evaluation of effectiveness and efficiency to date and expected socio-economic impacts;

² Council Regulation No. 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds, Article 42 (4)

³ European Communities, (2004): *A New Partnership for Cohesion – Convergence, Competitiveness, Co-Operation, Third Report on Economic and Social Cohesion*. Page xxxv

⁴ The 2000-2006 Programming Period: Methodological Working Papers - Working Paper No. 8 on The Mid Term Evaluation of Structural Fund Interventions (2000)

⁵ Specific Guidance on the ESF and the EAGGF was also provided and these documents are listed in the bibliography.

- Quality of implementation and monitoring arrangements;
- The Performance Reserve.

All mid term evaluations were produced on time and the consensus is that their quality was generally good, demonstrating an improvement on previous evaluations. As regards the key components listed above, particular emphasis was placed on implementation issues. This was appropriate given the early stage of implementation of programmes and the potential for improved implementation systems to contribute to stronger performance⁶. The weakest element of the evaluations was the analysis of efficiency and effectiveness and likely impact. This was due to the late or slow start-up of many programmes, which meant that there were few outputs or results to report by the middle of 2003, and weaknesses in monitoring systems which often did not function properly and did not provide complete or reliable data to evaluate.

4. THE MID TERM EVALUATION UPDATE – KEY COMPONENTS

The update of the mid term evaluation should focus on the issues where it can add most value. In the light of the policy context and the experience of the 2003 mid term evaluation, the most important component for the update is the achievement of outputs and results to date and the likely achievement of programme impacts. The other components listed under point 3 above were examined in depth in the mid term evaluation and there would be limited added value in examining them in detail again.

The update is required for each CSF as well as each OP, SPD and Community Initiative for which a mid term evaluation was undertaken. At CSF level, the update should gather together the information from OP level to give an analysis of how programme performance is contributing to the achievement of the overall objectives of the Structural Funds in the country or region concerned.

The key components of the mid term evaluation update are described below.

4.1 A review of the implementation of re commendations made in the 2003 mid term evaluation

This element will provide an overview of developments since 2003 focusing particularly on the issues which the evaluators identified as having potential to be improved or changed.

4.2 An analysis of outputs and results achieved to date, analysed in the light of programme targets and financial performance

This is the core element of the update. Information from the financial and physical monitoring system should be analysed against programme targets and financial performance.

⁶ In the case of INTERREG III and URBAN II, which started later than most other programmes, the Commission provided simplified guidance which recommended that the major focus of the mid term evaluation should be on implementation issues and the quantification of objectives. A simplified approach was also applied to LEADER+ where evaluations focused on specific start-up issues rather than outputs and results.

Programmes contain a large range of indicators at programme, priority, measure and sub-measure level. The Commission proposes that the mid term evaluation update should concentrate on the analysis of aggregated outputs and results achieved at priority level, focusing in particular on the achievement of core indicators⁷. Such core indicators depend on the indicators which were defined and monitored for each programme, but the indicators which are of particular interest to the Commission in accounting for what has been achieved with the support of the Structural Funds are listed in the Annex.

The analysis should examine the achievement of outputs and results to date compared to the targets set in the programming documents and should also include references to baseline values. The likely achievement of outputs and results by the end of the programming period should also be reviewed. The analysis should also take account of expenditure to date, linking the outputs and results achieved to the inputs – the financial resources spent in achieving those outputs and results. This will allow conclusions to be drawn on the efficiency and effectiveness of programmes. It will also provide useful information on the quality of target setting in the programming documents and how this can be improved in the future.

4.3 An analysis of the impacts achieved to date and the likely achievement of objectives

The Structural Funds aim to achieve a range of impacts, from the global level (e.g., increase in GDP or an increase in employment) relating in particular to CSFs to the more specific level, relating to OPs or SPDs. While it is recognised that many impacts will only be measurable after the end of the programming period, some impacts, particularly those relating to specific objectives will already be apparent by the end of 2005. It should also be possible to assess what is likely to be achieved when the intervention is fully implemented. The impacts of particular interest are those which relate to the following core indicators:

- Gross/net job creation (in full time equivalent)
- Net placement rates (of people trained)
- Increase of traffic flows (by mode of transport)
- Increased environmental quality

The analysis should also seek to assess the extent to which global objectives have been and are likely to be achieved. Methods and sources of data for the analysis should be included.

4.4 Any other evaluation question(s) appropriate to the region, Member State or sector concerned

This is an optional component of the evaluation update which should be used as Member States and managing authorities see fit. There may be aspects of the programme which are not working well and where the managing authority and monitoring committee wish to gain more insights. Equally there may be a desire to examine a sub-set of measures, horizontal themes or particular implementation issues in some detail. Managing authorities should be realistic in

⁷ See Working Paper No. 3 on *Indicators for Monitoring and Evaluation: An indicative methodology for further information on core indicators* (annex 2)

identifying evaluation questions which can be answered within the timeframe available for the mid term evaluation update.

4.5 Conclusions on efficiency, effectiveness and impact and recommendations for the future

Based on the analysis undertaken in the mid term evaluation update, conclusions should be drawn on the efficiency, effectiveness and impact of the intervention to date. This analysis will be based on experience up to mid 2005 and there may be a need to adjust programmes for their final stages of implementation in order to improve efficiency and effectiveness and to achieve the global objectives set. The evaluation update should also review the implications for any future programming and the extent to which changes in strategy and objectives will be required for the 2007-2013 programming period in order to maximise the socio-economic development of the region, sector or Member State. This analysis can be developed further in the ex ante evaluations for the 2007-2013 period.

5. THE MID TERM EVALUATION UPDATE AND THE NEW MEMBER STATES

There is no requirement for the new Member States to undertake a mid term evaluation of their Structural Fund programmes for the 2004-2006 period. The Commission recommended in discussions with the new Member States on their programming documents that they should use the opportunity of this short programming period to develop internal evaluation capacity within the managing authorities. The suggestion was to undertake a limited number of evaluations over the period which would add value to the implementation of the current programmes and provide useful learning for 2007-2013. In the context of this activity, the Commission recommends that the new Member States should, if possible, undertake an update of progress in the implementation of their programmes in the same time frame as the mid term evaluation update for the older Member States. The update in the new Member States should address point 4.2 in particular, as it is unlikely that impacts will be identifiable in the timeframe concerned.

6. THE MID TERM EVALUATION UPDATE – THE PROCESS

The mid term evaluation update will vary in depth and complexity depending on the needs arising in the Member State, region or sector concerned. It is important to recall that it is an update and not a comprehensive evaluation in the sense of the 2003 mid term evaluation. The update is a review of developments and an analysis of the most up to date information available in order to prepare for the future. In this regard, if additional evaluation questions (point 4.4) are included in the update, primary research in the form of fieldwork will probably be necessary. For the other components of the evaluation, consultations with key stakeholders would add value to the analysis.

In the interests of simplicity and proportionality, the Commission proposes to leave it to the Member State and/or managing authority to decide if the update should be undertaken externally or internally, as long as core elements are addressed.

Managing authorities should draw up terms of reference for the mid term evaluation update and consult with the monitoring committee and the Commission on their content. When the update is complete, it should be forwarded both to the monitoring committee and the Commission not later than 31 December 2005. Depending on the timetable for the preparation of policies and

programmes for the 2007-2013 period, Member States and managing authorities may decide to bring forward the deadline for the completion of the update.

Annex

The following core indicators are taken from the Commission's Working Paper No. 3 on indicators for monitoring and evaluation. Where these indicators were used in the programmes, the mid term evaluation update should include analysis on actual performance compared to programme targets. Additional information on core indicators for the ESF and the EAGGF is contained in the documents development by the Directorates General for Employment and Social Affairs and Agriculture which are listed in the bibliography.

Core Indicators for the Update of the Mid Term Evaluation			
Areas of Structural Funds Intervention	Output Indicators	Result Indicators	Impact Indicators
<i><u>Infrastructure Development</u></i>			
Transport/ Roads	<ul style="list-style-type: none"> • km of motorways constructed/upgraded • km of secondary roads constructed/ upgraded 	<ul style="list-style-type: none"> • time savings (journey time * freight/passengers volume) 	<ul style="list-style-type: none"> • increase in flow of passengers/freight (%)
Transport/ Railways	<ul style="list-style-type: none"> • km of railways constructed/upgraded 	<ul style="list-style-type: none"> • time saved (journey time * freight/passengers volume) 	<ul style="list-style-type: none"> • increase in flow of passengers/freight (%) • Rail revenue generated (% increase)
Environment	<ul style="list-style-type: none"> • capacity improvements in water supply • capacity improvements for waste water treatment (m³) 	<ul style="list-style-type: none"> • population served (%) • increase in the amount of waste water treated (%) 	<ul style="list-style-type: none"> • decline of identified waste water pollutants (%)
Information and Communication Technology	<ul style="list-style-type: none"> • length of broadband network installed (km) 	<ul style="list-style-type: none"> • increase of people and businesses connected to the Internet (%) 	<ul style="list-style-type: none"> • increased economic activity
<i><u>Business Development</u></i>			
SMEs Development	<ul style="list-style-type: none"> • number of SMEs assisted • number of new business start-ups 	<ul style="list-style-type: none"> • investment induced (in m€) • survival rate of new businesses (%) 	<ul style="list-style-type: none"> • gross/net jobs created
Research and Development	<ul style="list-style-type: none"> • number of research projects supported 	<ul style="list-style-type: none"> • increase of RTD personnel employed (%) • increase of business RTD expenditure (%) 	<ul style="list-style-type: none"> • number of collaborative arrangements between research institutions and assisted firms
<i><u>Human Resources Development</u></i>			
	<ul style="list-style-type: none"> • number of people trained (by target population) 	<ul style="list-style-type: none"> • number of people who have successfully completed training courses • increase in the coverage ratio of the reference population (%) 	<ul style="list-style-type: none"> • net placement rate as a % of beneficiaries trained

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