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NOTE ON THE EVALUATION OF THE CONTRIBUTION OF THE STRUCTURAL FUNDS TO THE EUROPEAN EMPLOYMENT STRATEGY

This working paper is the result of co-operation between the Commission departments and should serve as a working tool for the management Authorities dealing with the CSF Objectives 1 and 3 as well as SPD Objectives 3 and 2 for the launching of the mid-term evaluation exercise.

1. Legal and political framework

At the European Council of Berlin in 1999, the Heads of State and Government reached a political agreement on the reform of the Structural Funds. In particular, a new role was entrusted to the European Social Fund for it to support the European Employment Strategy launched at the Luxembourg Summit in 1997. It can be said that strengthening the link between the structural policies, and the European Employment Strategy (including the priorities of the national plan for employment), constitutes one of the most significant innovations introduced into the new Regulation ¹.

2. Role of the mid-term evaluation

Article 40 of the Structural Funds Regulation (1260/1999) states that the objective of evaluation of Community structural assistance is “to appraise its impact with respect to the objectives [...] and to analyse its effects on specific structural problems”. The mid term evaluation is to “examine, in the light of the *ex-ante* evaluation, the initial results of the assistance, their relevance and the extent to which the targets have been attained. It shall also assess the use made of financial resources and the operation of monitoring and implementation.” The mid term evaluation will lead to the revision of the programmes, as referred to in Article 14(2).

¹Commission communication on the Results of the Programming of the Structural Funds for the period 2000-2006 (objective 1), COM (2001) 378 final of 5.7.2001.

The mid term evaluation, therefore, takes as its point of departure the programming documents and the ex ante evaluation. Given its importance in Objective 1, 2 and 3 programmes, an important priority for the mid term evaluation is to evaluate the effectiveness and likely impact of the interventions which form part of the European Employment Strategy. Since the adoption of the programmes, further National Action Plans have been adopted by the Member States.

In this context, one of the tasks of the evaluation will be to examine if changes in the National Action Plans require changes in the strategy of the programmes. Secondly, the mid term evaluation must assess the effectiveness to date and likely impact of the measures which contribute to the European Employment Strategy and make any recommendations necessary to enhance effectiveness.

3. Organisation of the tasks

It is therefore recommended that the following guidelines be followed:

- by its nature, the assessment of the contribution of the Funds to the EES should be **led at national level and/or for each CSF obj. 1 and 3** and, consequently, be clearly identified in the mandate of the evaluators who will perform at this level ². It is recommended that some planning at national level is undertaken to ensure coherence between regional evaluations where a national programming document does not exist. This is the recommendation of Working Paper No. 8 which provides guidance on undertaking the mid term evaluation. That document recommends the establishment of ad hoc planning groups to plan the entire mid term evaluation process, including the number of evaluations to be undertaken and at what level, common terms of reference, indicative budgets and quality criteria. Clearly it should provide a **common framework** for the evaluation of the elements in the programmes related to the European Employment Strategy. For countries with Objectives 1 and 3 interventions, particular attention should be paid to ensure the existence of a common framework.
- there is obviously a specific **regional dimension** with regard to the priorities of the Funds. Certain Member States launched the preparation of regional employment NAPs. The importance to be given to these aspects, which are specific to each region, at the mid-term evaluation will be assessed by the persons responsible for this exercise. The guidelines of this document concern the level of a CSF or the national level, but can serve as a basis to developing the terms of reference of a regional evaluation.
- the **specifications for programme evaluators** must clearly indicate how the element "contribution to the EES" will have to be taken into account. The terms of reference should also draw attention to the need for experts in human resource development to be involved in the evaluation of Objective 1 programmes to ensure that this aspect of the evaluation is of a high quality.

²In theory an evaluation is planned by CSF and this evaluation should include the element "contribution to the EES". When there is no CSF but a national evaluator, it is in the mandate of the latter that this element should be registered. Lastly, when two CSF obj 1 and obj 3 coexist, a form of coordination must be established so that the contribution of each CSF is analysed and a national summary may then be accomplished.

4. Methodological elements

The "contribution" of a number of programmes relative to a policy is a rather vague expression, which covers several social processes which could be dealt with in several ways. Without wanting to limit research work and the evaluators' creativity, the Commission would like this element of the mid-term evaluation to take into account at least the three aspects described below. It is important to note that this guidance is complementary to and does not replace the Commission's Working Document No. 8 on the Mid Term Evaluation or the Guidelines for systems of monitoring and evaluation of ESF assistance. A separate mid term evaluation exercise on the European Employment Strategy is not sought, but the Commission wishes to promote a coherent approach to the evaluation of the links with the European Employment Strategy which should be integrated in the work of the mid term evaluation.

Carrying out these analyses does not require considerable data gathering work, but rather the application of a specific reading key to all of the information and analyses of the evaluation exercise. This reading key should make it possible to make useful and relevant recommendations for the adaptation of the interventions planned for the beginning of 2004.

Within the framework of the Partnership for Evaluation, a technical group with national evaluators will deepen the approach proposed in this note. Because evaluators of Objective 1 and 2 will be involved, DG REGIO will also participate in this technical group to ensure co-ordination between the funds.

4.1. The identification of the links and the analysis of their relevance

This task makes reference to the elements 2 "validity of the ex-ante", 3 "relevance of the strategy" and 4 "quantification of objectives-outputs, results and impacts" mentioned in Working Paper no 8 on the Mid Term Evaluation of Structural Funds Interventions. As the mid term evaluation addresses these elements, it should clearly refer to the European Employment Strategy.

This aspect should make it possible to rebuild a vision and **an overall description**, at the national (or CSF) level, of all the **actions actually undertaken** which are supposed to contribute to the EES and to the employment NAP, by pillars and guidelines (those of 1999 quoted in the programming documents and their development), according to the main principles/mechanisms of the NAP. Work must therefore simultaneously take account of programming documents and financial and physical indicators of **achievement** relating to the main employment and human resources principles/priorities in order to analyse if the actions undertaken maintain the links desired. For regional programmes, a similar approach to the analysis should be taken across regions to allow for a synthesis of the results to national level at a later date.

From a dynamic point of view, this involves checking, and if necessary updating, the analyses of the ex-ante evaluation as well as taking into account the development of the successive guidelines and NAPs between 1999 and 2002, in order to check the continued relevance of the links. Towards the end of 2002, the results of a study financed by the

Commission will also be available, which will thoroughly analyse the links between the programming documents and the EES³.

It is also important to identify the part of the achievements specific to ESF measures without direct links to the NAP and/or the national frame of reference for Objective 3.

The links with the NAP should also be concretely reflected in the choice of the indicators and the organisation of the follow-up systems.

The evaluation questions can be summarised as follows:

- Do the programming documents establish clear and well-founded links between the objectives and measures, co-financed by the ESF or by the other Funds, on the one hand, and the Community guidelines and the employment NAPs, on the other hand?
- In view of the types of activities carried out, are these links still relevant?
- What part of ESF measures has no direct link to the EES?
- What part of ESF measures has a direct link to the EES⁴?
- Are the indicators of accomplishment, result and impact, which are used for monitoring priorities and measures particularly in the annual reports, sufficiently coherent and compatible with those adopted for monitoring the EES guidelines?
- Are the actors who are mainly responsible for the implementation of the measures aware of and/or do they feel involved in carrying out the EES?

4.2. The analysis of influence and concentration

The second aspect concerns the **analysis of the influence and concentration** of the contribution of the Funds to the EES. It aims to identify the national policies, mechanisms and systems which are co-financed by the Funds and which implement the EES and the NAP and to analyse how the support of the Structural Funds intervenes, and what is its impact. This task refers to element n°. 5 "expected effectiveness and effects" quoted in working Paper n°. 8 concerning the mid-term evaluation of the Assistance from the Structural Funds.

According to estimates, the ESF provides 8% of the expenditure devoted by the Member States to the active labour market policies, but the contribution of the Funds is not limited to active measures and, above all, is not distributed evenly across all national policies. This distribution can be considered as a topology of concentration and it is therefore

³This study will, amongst other things, develop a common approach for the construction of a matrix attributing the priorities and measures of each programme to the EES pillars and guidelines.

⁴In particular, one may consider the references of the ERDF regulation when it mentions the Territorial Pacts for Employment, the new job resources (culture, tourism, community services), the importance of gender in the creation of companies, the contribution to the reinforcement of education, training and employment services, etc

desirable to reconstitute this profile and the choices which led to it. Close attention should be paid to the annual Commission recommendations on employment, which identify the weaknesses in the NAPs and therefore in the fields where the concentration of the Funds theoretically has priority. This analysis should be carried out in financial terms, but also with reference to the target groups reached and to the cover rates of the needs and objectives.

Basic information to be taken into account can be that provided by the LMP database (active and not, labour Market Policy measures) which records the majority of national measures on the EES and which should point out if these benefit from the support of the Structural Funds⁵. The evaluator could therefore use this methodological approach already validated between Member States and provide critical interpretation of the information thus obtained in order to arrive at an analysis of the relevance and effectiveness of the profile of concentration of Community aid.

For the development of this aspect it will also be possible take into account the results of the EES national evaluation which will be available for the summer 2002.

The evaluation questions can be summarised as follows:

- Has ESF programming a higher degree of influence on, or a strategic role in, certain national measures? Which ones?
- Are there risks of dispersal of Community aid which would reduce its effectiveness and added value?

4.3. The analysis of the added value from the effects

The third aspect concerns the **added value of Community assistance**. This task refers to element n°. 8 "Community added value" quoted in Working Paper n°. 8 concerning the mid-term evaluation of the Assistance from the Structural Funds. A first set of data on added value could be derived from the previous aspect concerning influence and concentration analysis. For example, it will be possible to identify ESF added value in EES implementation when the use of this Fund concentrates significantly on reforms or on strategic measures that a Member State would have had difficulties carrying out without this support. Another case could be when ESF use makes it possible to answer the recommendations on employment.

A second set of data elements will come from the analyses of effectiveness contained in evaluations by OP, especially as regards effects on persons and on systems. This information, if read and analysed in comparison with what the not part-financed national policies and mechanisms do, can make it possible to concretely assess this added value⁶.

⁵During 2002 Eurostat will publish the data for the years 1999 and 2000 and, by the end of the year, probably also the data pertaining to 2001.

⁶The evaluation reports of the previous programming period mention effects of this kind, otherwise not possible. (For example: the new ESF work experience mechanisms show success rates, in terms of durable placements after 6 months, better than those of the courses offered traditionally by public services; compulsory management by calls for tender of the ESF measures has made it possible to let new actors enter the vocational training market, actors better skilled at reaching more disadvantaged

The evaluation questions can be summarised as follows:

- Does the profile of influence and concentration of the Funds in relation to the guidelines and to the annual recommendations of the EES reveal a Community added value?
- Does the analysis of effectiveness of the main principles and measures reveal a Community added value? Does this value concentrate on certain guidelines?
- Do the implementation mechanisms adopted reveal a Community added value? Does this value concentrate on certain guidelines?

persons; the financial mass injected in a sector has made it possible to mobilise synergies with other sectors).