

**Guidelines for systems of  
monitoring and evaluation  
of ESF assistance  
in the period 2000 - 2006**

**Employment & social affairs**  
Employment & European Social Fund

**European Commission**  
Directorate-General for Employment, Industrial Relations  
and Social Affairs  
Monitoring and Evaluation Unit

Manuscript completed in July 1999

1.	INTRODUCTION.....	3
1.1.	The Structural Funds Regulation 2000-2006 .....	3
1.2.	Programming and logical framework.....	3
2.	DEFINITION OF OBJECTIVES .....	5
3.	DEFINITIONS AND SYSTEMS OF INDICATORS.....	6
3.1.	Input and output indicators.....	6
3.2.	Outcome and impact indicators.....	8
4.	QUALITATIVE INFORMATION.....	10
5.	EVALUATION .....	10
5.1.	Evaluation criteria .....	11
5.2.	Content of Evaluation: typology of effects.....	11
5.3.	The evaluation of impact.....	14
6.	ORGANISATION OF MONITORING AND EVALUATION.....	15
6.1.	Monitoring.....	15
6.2.	Mid-term evaluation and final assessment .....	16
7.	THE PERFORMANCE RESERVE.....	17
8.	EX-POST EVALUATION.....	19

## **1. INTRODUCTION**

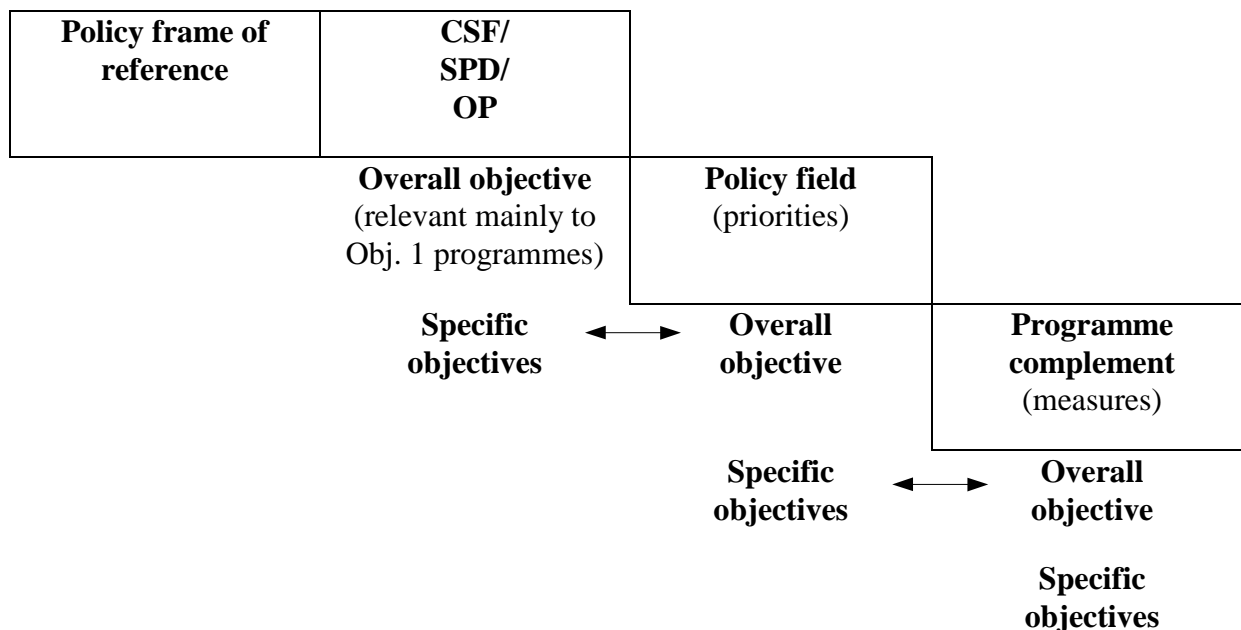
### **1.1. The Structural Funds Regulation 2000-2006**

The general provisions of the Structural Fund Regulations for 2000-2006 strengthen the regulatory base for the monitoring and evaluation of programmes. In the Regulation, a series of articles gives concrete expression to these concerns and relates to:

- The institutions in charge of the implementation of the activities in Articles 8 (partnership), 34 (management authority), and 35 (Monitoring Committee);
- Monitoring systems and instruments: Articles 36 (Indicators) and 37 (Implementation report)
- Evaluation instruments: Articles 40 (general provisions for evaluation), 41 (ex-ante evaluation), 42 (mid-term evaluation), 43 (ex-post evaluation) and 44 (performance reserve).

### **1.2. Programming and logical framework**

The scope of monitoring and evaluation depends on CSF/SPD/OP programming (national and/or regional programmes) and on the programme complement. The field of evaluation is defined through a simplified programming structure. The intervention logic and the corresponding levels for indicators, monitoring and evaluation are as follows:



<b>INDICATORS</b>	Common minimum Financial execution	Quantified objectives	On a representative subset of measures, indicators of output, outcome and impact (gross/net and direct/indirect)
<b>MONITORING</b>	NAP Socio-economic context State of play of the implementation of the programme Conditions of implementation Annual report of the management Authority and Monitoring Committee		- Quantitative and qualitative monitoring of measures; - Detailed for a representative subset of measures
<b>EVALUATION</b>	Coherence, relevance, effectiveness and efficiency Global appreciation of results and impacts		Impact of the measures of the representative subset of measures
<b>RESERVE</b>	- level of application of the reserve - allocation mechanism - financial and management indicators and targets when the reserve is applied between programmes	Financial and management indicators and targets when the reserve is applied between priorities	Effectiveness indicators and targets for some measures

All levels of the programme<sup>1</sup> should be appropriately monitored and evaluated, in a way consistent with the objective of assistance, by establishing the following distinction:

- Each **programme** (CSF/SPD/OP and policy field), whether national or regional, must be covered;
- **Measures** (in the programme complement) do not necessarily have to be covered exhaustively; a subset of key measures can be selected.

In view of the new sharing of responsibilities between the Member States and the Commission, the provisions registered in the programming documents cover:

- Description of the objectives and their quantification where possible (part 2);
- Definition and systems of indicators and their quality (part 1 and annex 3);
- Organisation of monitoring, including methods of data collection (part 6 and annex 1);
- Systems of evaluation, organisation, procedure, responsibility, appointment of an independent evaluator (parts 5 and 6 and annex 2).

## 2. DEFINITION OF OBJECTIVES

For the ESF, objectives are specific to the policy field and it is likely that there are no objectives that relate to the entire programme<sup>2</sup>. It is important that these objectives are explicitly connected with national policy goals (in particular those that are mentioned in the National Action Plans)<sup>3</sup>, to evaluate the contribution of the ESF to the European Employment Strategy. The objectives must define the desired impact of the programme. The programme specifies how general Structural Funds priorities (such as SMEs, equal opportunities for men and women) as well ESF thematic priorities (local development and information society) are taken into account in the policy fields.

The Regulation encourages the **quantification of objectives**. This is not always possible. Either the Member State is in a position to announce a quantified objective (e.g. to reduce by half long-term unemployment, to double the share of active policy expenditure devoted to preventative measures), or it announces quantified tendencies (e.g. to reduce the level of long-term unemployment, to increase the level of active policy expenditure devoted to preventative measures). In the latter case, the indicators that make it possible to monitor the objectives and the development of the context are identified in the programme as part of a quantified baseline.

---

<sup>1</sup> This allows Art 36 on Monitoring Indicators, which applies to the OP, SPD and programme complement, to become operational; as well as Art 42 on the Mid-term Evaluation, which covers the Community Support Framework and interventions (OP, SPD).

<sup>2</sup> For Objective 1, the contribution of all the human resource interventions to economic and social development could result in more general objectives than at policy field level.

<sup>3</sup> European employment strategy, National Action Plans

### 3. DEFINITIONS AND SYSTEMS OF INDICATORS

To identify the contribution of programmes and measures to these objectives, indicators must be defined within a monitoring and evaluation system. Indicators, for both the policy fields and for measures, are defined according to the "logical framework of intervention"<sup>4</sup> as follows: input indicators (financial), physical output indicators ("volume" of what is produced by the operations), outcome indicators (direct and immediate effects of the action) and impact indicators (medium or long-term effects).

Some of the resource and output indicators cover the entire programme, representing a **common minimum**<sup>5</sup>. Together with the quantified policy field objectives, they constitute the **key indicators** of the programme.

#### 3.1. Input and output indicators

Input indicators correspond to the information required in the financial plan, including that of the programme complement. This involves the amounts (commitments and payments made) and source of financing per authority including private contributions per measure/policy field, calculated on an annual basis.

The physical indicators should make it possible to compile a general table of the volume and nature of the activity generated by the interventions. They are gathered at the level of measures mainly from promoters of actions within the framework of the monitoring systems. They are defined according to the three eligible types of activities considered in the ESF Regulation: assistance to persons, assistance to structures and to systems and accompanying measures, the latter being linked to assistance to persons. These activities are distinguished by direct beneficiaries, when people are the final beneficiaries of it (assistance to persons) or by indirect beneficiaries (assistance to systems or to structures and accompanying measures).

Financial indicators and certain physical indicators are treated as data that one can aggregate at the various levels of the programme. This common minimum should be available on an annual basis; it should be exhaustive (cover all the measures) and it should be sent to the Commission by electronic media. Annual implementation reports as well as mid-term evaluation must include this common minimum.

For measures of assistance to persons, the minimum includes the number of beneficiaries and its breakdown according to sex and status on the labour market. For assistance to systems and supporting measures, the common minimum is limited to financial indicators and the number of projects financed. A measure might involve both assistance to persons and to systems (for instance: pathways to integration or integrated actions). In this case both types of indicators (direct and indirect beneficiaries) have to be considered.

---

<sup>4</sup> See "Indicators for Monitoring and evaluation, an indicative methodology" in the "Vade-mecum for Structural Funds Plans and Programming documents Objectives 1, 2 and 3 - 2000/2006".

<sup>5</sup> Cf. the table below

<b>Types of activities :</b>	<b>Input and output indicators (common minimum)</b>	<b>Output indicators specific to the measures</b>
<p><b>Measures of assistance to persons</b> (training, counselling and orientation, mediation, employment aid, integrated measures such as pathway to integration, help for business start-ups)</p> <p>Assistance to companies (organisation of work, continuous training, advice)</p>	<ul style="list-style-type: none"> <li>• Amounts spent per year</li> <li>• Number of beneficiaries per year (people entering, those leaving, carry over from one year to another)</li> <li>• Distribution between men/women</li> <li>• Distribution according to status in the labour market (employees, self-employed, unemployed – LTU and other unemployed, inactive including those in education)</li> <li>• Number of projects and companies benefiting on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries' characteristics: qualifications, age, other individual or social characteristics (ethnic minorities, the disabled, drug addicts, social welfare beneficiaries, etc)</li> <li>• Types of intervention per category of beneficiaries</li> <li>• Information on the duration of the actions</li> <li>• Number of development plans per year</li> <li>• Number of employees involved. Per year</li> </ul>
<p><b>Measures of assistance to structures and systems :</b> (Teacher training, advisory and orientation services, creation of training/education curricula, certification, etc.)</p>	<ul style="list-style-type: none"> <li>• Amounts spent per year</li> <li>• Number of projects (new, current, completed) per year</li> </ul>	<ul style="list-style-type: none"> <li>• Number of partners in the project</li> <li>• Number of trained trainers per year</li> <li>• Number of employment or training centres benefiting from assistance per year</li> <li>• Capacity of the systems (number of training places offered or created)</li> <li>• Improvement of systems (number of certified training courses)</li> </ul>
<p><b>Accompanying measures</b> (Guidance services, tutorial system/mentor, social services, local development initiatives, care for dependants)</p>	<ul style="list-style-type: none"> <li>• Amounts spent per year</li> <li>• Number of projects (new, current, completed) per year</li> </ul>	<ul style="list-style-type: none"> <li>• Number of services provided per year</li> <li>• Number of Co-operation protocols /contracts per year</li> <li>• Number and types of partners involved in the measure</li> </ul>

It is nevertheless desirable to supplement the common minimum by data more specific to the nature of the programme activities. Such data should be available for a substantial number of measures (measures representing significant financial amounts or measures considered strategic for the programme). They are specific to the measures and cannot be in general aggregated at the policy field or programme level. They are measured mainly within the framework of the mid-term evaluation and the final evaluation, although some data would probably be available on an annual basis in the monitoring systems. Regarding assistance to persons, output indicators must in particular relate to the beneficiaries' characteristics (age, qualification, other individual or social characteristics) as well as to the type of action from which they have benefited.

### **3.2. Outcome and impact indicators**

These indicators measure the immediate and medium to long-term effects of the interventions (see part 5 of the document). They are updated at the time of the mid-term and final evaluations and, insofar as they are available, in the annual reports. Outcome indicators at the policy field level are linked to the quantified objectives established for the latter. Their calculation depends on the sources of quantification of these objectives (statistics, surveys, etc.). They cannot in general be deduced by simple aggregation of the outcome indicators defined at the level of measures, given the heterogeneity of measures in terms of types of action and target groups.

Quantification of results and impact covers primarily what happens to the beneficiaries at the end of the actions. Outcome indicators are defined as success rates related to participation in the actions (acquiring a qualification, finding employment, taking part in training for qualifications, increasing income). Impact indicators aim to measure the "durability" of the outcome such as rates of integration into employment for longer than one year. For certain measures, the rate of the beneficiaries' satisfaction is a relevant variable with respect to the objectives sought.

For the measures of assistance to systems or accompanying measures, outcomes are measured in relation to indirect beneficiaries by indicators such as the number of individuals covered by measures, or utilisation rates of a system (number of places occupied in relation to the places offered). Impact is also measured by durability and the generalisation of positive results for beneficiaries. The gathering of such indicators usually requires surveys of beneficiaries.

Types of intervention	Outcome indicators at the measure level	Impact indicators at the measure level	Links with objectives at the level of policy fields
<p><b>Measures of assistance to persons</b> (Training, counselling and guidance, mediation, employment aid , aid for the creation of companies, integrated measures such as pathways to integration, assistance to companies for the organisation of work, R&amp;D, further training, etc)</p>	<p><b>Exit rates</b> : Number of people leaving with positive outcome/number of people leaving, With positive outcome to be defined according to the action: Placement in employment, creation of companies, access to training measures, access to subsidised jobs, mobility for an employee, increase in income (for an employee or an unemployed person), creation of a company, active employment canvassing.</p> <p><b>Drop out rate</b> : number of negative outcomes before the end of the actions/number of entries <b>Satisfaction rate</b>: % of satisfied beneficiaries on departure</p>	<p><b>Stability over time of exit rate,</b>  Describing: Stability of placement, appropriateness of employment to qualifications, raising of salaries, keeping workers threatened with unemployment in employment, survival/expansion of companies created, durable participation in the labour market for inactive or excluded persons</p> <p><b>Satisfaction rate</b></p>	<p><b>Interpretation of exit rate:</b> Change in the unemployment rate; change in the composition of the unemployed (LTU, Men/Women); change in the activity ratio; increase in the qualifications at overall level; change in dependence on social welfare systems; change in the level and structure of wages; increase in the employees' productivity, survival of the independent sector and job creation.</p> <p><b>Interpretation of satisfaction rate</b> Measuring changes of attitudes (with regard to further training; reconciliation of professional and family life; perception of the excluded, better matching of systems to needs)</p>
<p><b>Measures of assistance to structures and systems</b> (Teacher training, advisory and guidance services, creation of training/education courses, certification)</p>	<p><b>Coverage ratio</b> : Number of indirect / number of potential beneficiaries % of unemployed making use of advisory services % of trainees passing through the newly created course % of trainees receiving certified training % of employees having access to the further training % of trainees completing a training measure which was improved</p> <p><b>Satisfaction rate for indirect beneficiaries</b></p>	<p><b>Rate of positive exits</b> of indirect beneficiaries</p> <p><b>Satisfaction rate</b> for indirect beneficiaries</p>	
<p><b>Accompanying measures</b> (Guidance services, tutorial system/mentor, social services, local development initiatives, anticipation measures)</p>	<p><b>Coverage ratio</b> : Number of indirect / number of potential beneficiaries</p> <p><b>Satisfaction rate</b> for indirect beneficiaries</p>	<p><b>Positive exit rate</b> for beneficiaries of measures</p> <p><b>Satisfaction rate</b> for indirect beneficiaries</p>	

#### 4. QUALITATIVE INFORMATION

In addition to indicators, qualitative information must be collected. It is part of the “process” evaluation which is particularly important in assessing the conditions of implementations (which are often a black box) and the political context of interventions. The Management Authority is responsible for collecting this information, in particular information to be provided by the promoters. But this qualitative information is also an important component of the evaluation work (surveys, interviews, focus groups, etc). Here a different approach is required depending on the level of assistance.

At **programme and policy field** levels, qualitative information includes:

- The **operational context**: socio-economic developments, changes in Member States’ policies, and effects of these changes on the programmes;
- The **conditions of implementation**: programming and steering assistance (role of the managers responsible at the different levels of intervention, quality and relevance of partnership, perceptions of programme managers and actors, policy guidance for the programme, contribution of the Management Authority, of the monitoring committees, of the evaluation steering group and other technical groups); launching implementation procedures (use of technical assistance, measures for information, publicity, selection of interventions and beneficiaries); performance of payment and monitoring systems, including diffusion of rules and application of eligibility criteria; quality of monitoring, financial control and evaluation.

At the **measure** level, this information enables one to describe how objectives are reached (structures and organisations involved, link with other measures, choice of targets and instruments depending on needs and priorities, quality of services delivered, adequacy of mobilised resources for the implementation). This qualitative information also helps to identify the success factors and/or the obstacles that result from an assessment of effectiveness, efficiency and relevance of the measure. It will deal with issues such as the creaming effect.

This information will help complete the causality analysis and to relativize it within its context.

#### 5. EVALUATION

Evaluation includes analysis of output, outcomes and impact, but also of the processes and mechanisms of implementation. Evaluation demonstrates how the objectives have been reached. It must also examine the implementation of the horizontal principles.

As it is not always possible to evaluate all the measures of the programme without making the evaluation mandate too ambitious and too costly, it is better to restrict evaluation to a subset of programme measures. However, evaluation must provide an overview of the whole CSF/SPD/OP. A useful way forward to interpret articles 40 and 42 is to specify the criteria of

evaluation, the four types of effects and their impact either on the whole CSF/SPD/OP, or on a subset of measures.

### 5.1. Evaluation criteria

Evaluation aims to identify the added value of the co-financed interventions. This analysis covers the effects and the processes and is based on four principles.

- ***The relevance*** of the interventions applies to the whole programme and framework of reference. It covers analysis of the objectives and the strategy and their adequacy to changes in the social and economic context during the period. It addresses issues such as concentration on the most important needs, on some segments of national policies or elements of innovation compared to policies implemented at the national or regional levels. It makes it possible to identify the added value of Community co-financing.
- ***The consistency*** criterion aims to check how measures help achieve the programme objectives. The purpose is to analyse how ESF assistance interact with Member States' and regions' policies as well as other Community policies. For the ESF, the guidelines of the European Employment Strategy and their implementation in the national Action Plans for Employment are the frame of reference. The Community added value stems from comparing the impact of the ESF with national policies or by identifying the specific features of the Community financing.
- ***Effectiveness*** is analysed at the different levels (programme and measures) with respect to the objectives. This involves checking if the outcomes and impacts conform to the expectations. The stress must be put on the variables that make it possible to explain these effects or deviations from the objectives, in particular regarding processes and their combination with the elements relating to the mechanisms of implementation.
- ***Efficiency*** is also examined at different levels (programme and measures). It compares processes and effects in relation to the means mobilised, in particular the costs of interventions in relation to their effectiveness. These analyses are carried out by comparing the costs of the measures or programmes observed with the costs of other measures. It is often difficult to determine all the factors which influence the efficiency of interventions (such as the cost of non-intervention to society).

### 5.2. Content of Evaluation: typology of effects

Evaluation of human resources interventions, their contribution to the European Employment Strategy and to economic and social development rests on four types of effect. These effects are recorded for the measures (or a selection of the measures) and interpreted at the level of policy fields.

- (1) Effects with respect to individuals (target groups), who benefit from the intervention:

Effects can be observed according to several parameters of "employability" or of "integration". "Employability" is defined as being related to the probability of finding employment. This probability varies according to the context of the interventions and in particular when fighting against unemployment, it depends on the availability of vacant jobs. The improvement in employability is not systematically measured by the placement rates; it is defined in a specific way for the five policy fields, as illustrated by the following examples:

- Development of active labour market policy (A): employability measured by the net placement rates in "sustainable" jobs for the different categories of unemployed.
- Access to the labour market for persons threatened with exclusion (B): at a given level of employment, improvement of employability in terms of the individual capacity to integrate (qualifications, know-how, adaptability, and sociability). Impact can include substitution effects in favour of target groups threatened with exclusion from the labour market.
- Life-long learning (C): Individuals' adaptability in terms of matching professional activities with vocational training as measured by the net impact on worker mobility, the nature of employment contracts and incomes.
- Adaptability and entrepreneurial spirit (D): improving the employability of persons whose qualifications are obsolete with respect to the developments of methods of production. The effects are connected with worker satisfaction, with the impact on the level of responsibility taken, with income level, etc.
- Equal opportunities for men and women (E): equality in employment as measured by the impact on equality of women's position in the labour market, for example, the level of responsibility, equal treatment.

(2) The structural effects or impacts relating to the performance of the systems:

In general, Community co-financing of the ESF strengthens national policies in various ways. Either the Structural Funds contribute to modifying the policy priorities of the Member States through a leverage effect, or they introduce innovations in terms of creation of new types of intervention, eligibility of new target groups or new mechanisms of implementation. For example, for the five policy fields, these effects could take the following forms:

- Development of active labour market policy (A): impact of the Structural Funds on the policy strategy of activation.
- Access to the labour market for persons threatened with exclusion (B): innovative effects of Community Funding in terms of a holistic approach focused at groups threatened by exclusion, or the establishment of local partnerships and strategies that aim at modifying the behaviour of employers with respect to these groups.

- Life-long learning (C): improvement of training systems either by a net impact on access of individuals to training and acquisition of skills, or by a more diversified or better quality of training offered.
- Adaptation and entrepreneurial spirit (D): impact on the development of new practices and the net creation of new training and staff management activities thanks to the mobilisation of local partnerships, accompanying structures and new SME networks.
- Equal opportunities for men and women (E): impact on social changes thanks to a better consideration of the equal opportunities dimension.

(3) The effects of job creation:

These are dealt with from a macroeconomic point of view within the framework of regional<sup>6</sup> development interventions. Concerning the ESF, this involves most of the time:

- Effects of job creation specific to certain measures such as: in field B, new employment prospects created by work experiences and in field D, social economy, job-sharing, local development to encourage the creation of job promotion activities, etc.
- Collateral effects on employment, such as the creation of posts for trainers, tutors in companies, advisers on dossier creation, childcare personnel, etc.

(4) In the case of Objective 1, an additional dimension must be taken into account, namely the impact of the development of human resources on economic and social development. This covers inter alia the question of the integration of the Funds and the distinction between measures aiming at greater economic competitiveness and equity measures in favour of the most disadvantaged.

Whatever the type of measure financed, assistance to beneficiaries, interventions on systems or supporting measures, the four types of effects are likely to occur in varying degrees. They must be dealt with systematically. The effects must also be examined in a transversal perspective of the programme<sup>7</sup>. This examination must be done systematically for the principle of equal opportunities for men and women.

---

<sup>6</sup> Counting the Jobs – How to evaluate the employment effects of Structural Fund interventions (Series: Evaluation and Documents No 1. January 1997) European Commission Directorate General XVI – Regional Policy and Cohesion

<sup>7</sup> Evaluating the principle of equal opportunities in the Structural Funds – Methodological proposition, March 1998

### 5.3. The evaluation of impact

Several definitions of impact exist in the field of evaluation. As a definition, we use in the framework of evaluation of the Structural Funds two types of impact<sup>8</sup>. These impacts must at least be assessed for the measures selected as representative for the programme:

- *The direct/indirect impact* depends on what is being evaluated. If the impact has been produced intentionally, it is a direct impact. If the effects are not intentional, the impact is indirect. It may, for example, occur that effects on systems are an indirect impact of assistance on direct beneficiaries.
- *The gross/net impact:* the distinction covers the causal link between the intervention and the effect observed. This involves the effects of interventions from which dead-weight effects have been deduced (the effect that would have occurred without the action), substitution (the effects produced are compensated by similar "losses" on other objects). Generally, these effects must be tested systematically. Dead-weight should always be valued as a negative impact. This is not always the case for substitution effects which can be intended to give priority to some target groups (cf. the field B). In theory, net impact must always be interpreted in comparison with measures or the reference population. In practice, since perfect experimental comparisons do not exist, net effects are always "approximate". Despite these difficulties, it is of primary importance that information systems be set up which allow, as far as possible, for the identification of dead-weight effects.

In order to identify the contribution of the effects of measures to the objectives, an evaluation approach is preferred which checks that the impact of the measures is in conformity with the overall objectives sought. The analyses of relevance and consistency make it possible to identify a number of external factors which influence the impact of the interventions. Evaluation must simultaneously take account of the causality links between interventions and their expected effects (for example, the link between the strengthening of the individual capacities of participants and their integration into employment) and of the influence of context on these effects (for example availability or creation of jobs). The analyses of effectiveness and efficiency must also take into account the conditions under which the effects are produced (e.g. implementation process, organisational effectiveness, etc).

---

<sup>8</sup> The term "impact" has different meanings. And four types of impacts are usually identified. Two of them are treated in another part of this document: The **short/long term impact** where, giving our definition, the short term effects are outcomes (immediate effects at the end of the action), and the long term effects are impacts; and the **specific/overall impact**, which refers to the level of programming, the overall impact at the level of the programme and policy field, and the specific impact at the level of measures.

## 6. ORGANISATION OF MONITORING AND EVALUATION

Monitoring and evaluation of the Structural Funds includes five principal phases: before the decision to implement, during, at mid-term, at the end and after the end of the interventions.

- (1) *Ex-ante evaluation* sets out the aims of the programme. These evaluations, however, must often be specified and updated within the framework of the mid-term evaluations.
- (2) *Monitoring* consists of regularly checking the progressive execution of the interventions.
- (3) *Mid-term evaluation and final assessment* accompany management of the interventions by producing relevant analyses while the programmes are being carried out.
- (4) Allocation of *the reserve* follows after an evaluation of the performance criteria, fixed at the time of the ex-ante evaluation and based on the results of the mid-term evaluation.
- (5) *The ex-post evaluation* aims to provide an account of results of the use of resources in a longer-term perspective. It takes place after the interventions have taken effect.

### 6.1. Monitoring

Monitoring covers several types of activity and depends on the intervention and on the interaction of several participants. The Regulation sets out the organisation of monitoring as follows:

- The Commission proposes an indicative methodology for indicators;
- The Monitoring Committee and the Management Authority carry out monitoring by means of physical and financial indicators as defined in the programme documents;
- The Management Authority is responsible for collecting the necessary data and information and for presenting them to the Commission in the form of annual and final implementation reports (cf. Annex 1);
- The Commission and the Management Authority examine the main results of the previous year on the occasion of the presentation of the annual implementation report. The Commission may during this annual examination, within the framework of partnership, make recommendations to the Management Authority;

The **annual** and final implementation **reports** constitute one of the major elements of this monitoring process. They focus on physical and financial data (common minimum) and on qualitative information. According to the Regulation, they should cover the various aspects which make it possible to assess the effectiveness and quality of the implementation of the interventions:

- Any amendment of the context in which the intervention operates. The establishment of a solid baseline for this context at the time of the ex-ante evaluation is therefore very important for this exercise;
- Progress of the main priorities and measures, in particular after calculation of the output and outcome indicators where possible;
- Financial implementation of the various measures on the basis of the financial indicators envisaged in the programme documents;
- The provisions taken by the Management Authority and by the Monitoring Committee to ensure the quality and effectiveness of implementation.

## 6.2. Mid-term evaluation and final assessment

The Community timetable stipulates that the mid-term report should be forwarded to the Commission three years after the beginning of the programme. For the continuation of the evaluation after the mid-term, an updated assessment should be carried out at the end of the programming period in order to prepare for later interventions.

This timetable presupposes that evaluation work is foreseen right from the start of the programming period.

**Partnership** is a key principle for the evaluation of the Structural Funds. The main decision-makers and managers of the programme collaborate during the preparation, implementation and follow up to the evaluation results.

To facilitate the co-ordination of the evaluation, it would be desirable that each administration appoints a **person responsible for evaluation** of all interventions, in order to guarantee constant monitoring and evaluation as well as a certain consistency in the organisation.

The **evaluation mechanisms** also must be specified, either a single evaluator or a co-ordinating evaluator of thematic or decentralised evaluations.

- The "**steering Group**" is the partnership body responsible for evaluation:
  - It is a technical group, made up of people responsible for the evaluation representing the partners (i.e. the Ministries, the Regions, policy evaluation departments and the Commission) and the independent evaluators.
  - It incorporates the various central and regional layers but operates at the level of the CSF/SDP/PO.
  - It prepares the selection of the evaluators, their mandates (drawing on the attached standard mandate). It gives opinions on the evaluation reports. It accompanies the work, it prepares the decisions on validation (in particular regarding the quality and the fulfilment of the mandate), on dissemination and on publication of reports.
  - It has a co-ordinating role between the requirements of the evaluation and the performance of the monitoring systems. It proposes improvements in the quality of the monitoring systems and, if necessary, it asks for additional data collection if information is missing.

- It also has a function in co-ordinating the evaluation in the event of multi layer evaluation mechanism.
  - It ensures that evaluation work brings useful discussion points and recommendations to the attention of the people responsible for the various parts of the programme.
  - It identifies topics to be studied in greater detail (in thematic evaluations) such as the synergy between Funds, the horizontal application of certain principles (like equal opportunities policy and environment) or any other element deemed to be of specific interest.
  - It guarantees that the results of evaluation are confidential and it supervises the rules on validation and follow up to evaluation results.
  - It meets regularly.
- The **duration of the mandate** must allow for having evaluators in place for the whole programming period, to ensure continuity in carrying out the evaluations, to capitalise on evaluation work and to envisage investigations over several years. A mandate covering the entire programming period (with if necessary a cancellation clause in the contract if work is not satisfactory) generates more continuity than specific mandates. A Standard mandate is attached to provide a common framework for all ESF evaluations.
  - The **criteria of independence** must be operationalised taking into account the need for external evaluation of the programmes, thanks to a structure (public or private) independent of the administration responsible for the implementation of the programme, with a professional evaluation team carrying out all the evaluations or ensuring the co-ordination over several teams. Selection is made following the development of terms of reference in partnership and in compliance with the EU directives on public procurement.
  - The **cost** of the evaluation is determined according to the extent of the work to be provided and proportionate to the size of the co-financed interventions (in particular the cost of collecting additional information). The funding is taken from the technical assistance.
  - **Property and publicity:** it is advisable to determine, within the partnership framework, the rules of validation of reports so as to avoid unilateral standpoints. The use of evaluations, their dissemination and their publication must be specified. In general, evaluation results must be made available to the general public.

## 7. THE PERFORMANCE RESERVE

One of the new elements of the programming period 2000-2006 is the introduction of a performance reserve (article 44). The idea is to set aside 4% of the available funding and to allocate this money after the mid term review to those parts of the programme which are considered to be the best performers. This decision is to be based on information coming from the annual reports and from the mid term evaluation. **Member States are responsible for the design and implementation of the scheme. Moreover they are required to exactly define the operational conditions in their programming documents.** Although it is the Member States who are asked to prepare an allocation proposal in the end the allocation is based on a joint decision by the Commission and the Member State.

The general regulation says that the allocation has to be based on three different types of criteria (i.e. effectiveness, management and finance). This section limits itself to a number of suggestions on how the scheme might be best interpreted for the ESF.

Clearly the most important decision for every Member State will be to choose **the level** at which the allocation should take place. Some might opt for an allocation between regional and sectoral OPs. Others who have a national SPD, such as in the case of Objective 3, might favour an allocation between the five policy fields.

Working Paper 4<sup>9</sup> contains by way of example eight indicators for the three sets of criteria. Regarding **effectiveness**, the performance reserve will be based mainly on **output indicators** as we do not expect many outcome/impact indicators to be available for the ESF at the time of the mid term evaluation. These indicators ought to be defined for some measures. It might be convenient to apply the reserve within the subset of measures selected for in depth monitoring and evaluation. The performance reserve can, for instance, be used to check the overall reach of the various policies: output indicators would thus indicate beneficiary characteristics. It might also be used to assess the capacity of training and employment systems. Another possible example is to look at concentration with respect to certain target groups in view of measuring the preventative dimension of the measures. The reserve could also rely on checks of horizontal issues such as disability and EO (e.g. share of women or disabled in the population of ESF beneficiaries). Finally the targets for effectiveness indicators have to be already included in the programming document

The set of **management** criteria is defined in terms of process criteria at programme level. However for a reserve to be applied between priorities or policy fields, indicators must be selected which reflect the specific features of these policy fields. To the extent that the same management system is used this would rule out general indicators for evaluation or control systems, although it might still be possible to compare the diligence with which the various regions abide by the common national rules. The main focus should therefore be on an assessment of issues such as the **quality of monitoring systems**. Other important topics that could be addressed under this heading are **specific implementation issues** such as the quality and adequacy of the project selection mechanism and or the initiatives deployed for information and publicity.

**Absorption** of available funding is a basic financial indicator. It could also be used at the level of the policy field but not in an over simplistic way. Absorption depends on many factors such as the availability of public co-financing, the relative difficulty of the target group, the novelty of the project undertaken and the existence of efficient audit and control procedures. The absorption figure should take into account the complexities attached to ESF implementation. Otherwise there is a danger that it might lead to creaming i.e. easy projects for easy to mediate target groups are favoured at the expense of the more difficult projects for the truly needy, resulting in higher levels of dead-weight. Absorption figures will have to be qualified by the nature of the measures to which they refer.

---

<sup>9</sup> Implementation of the performance reserve for Objectives 1, 2 & 3 –New programming period 2000-2006– Methodological working documents – Working document n° 4 (June 1999)

The implementation work for the reserve can not be deferred until the end of 2003. Already the programming documents have to explain in detail how the Member State intends to apply the reserve. More specifically the Commission will be looking for information on the allocation level, the proposed criteria (i.e. the exact indicators, the mid-term target and their performance threshold) and the award procedures to be followed (e.g. through the involvement of outside experts). Member States can use the reserve instrument to reinforce the consequences of the mid term evaluation. The latter will presumably also give rise to sizeable re-allocations between measures and to reprogramming decisions in 2004.

## **8. EX-POST EVALUATION**

An ex-post evaluation, is a summative evaluation; it formally closes the 2000-2006 programming period and contributes to three concrete objectives:

- (1) The results go into the report on economic and social cohesion. The ex-post therefore covers the use, effectiveness and the final impact of the interventions and all the factors contributing to their success or failure, including their durability.
- (2) The results of the ex-post evaluation are used to improve the current programmes and the European Employment Strategy.
- (3) The ex-post evaluation provides a public account of the use of ESF financing and in this regard its results are of interest to the European Parliament, the Council and the Court of Auditors.

The final evaluation reports constitute the base in terms of data and analyses for the ex-post evaluation. The approach is based on a harmonised methodology and a consolidation of the results at EU level.

- 9. ANNEXES (draft version – available on request)
- 9.1. **Annex 1: The organisation of the collection of information**
- 9.2. **Annex 2: Standard evaluation mandate**
- 9.3. **Annex 3: Examples of monitoring and evaluation indicators by policy field**
- 9.4. **Annex 4: Monitoring and evaluation of the ESF Community initiative**
- 9.5. **Annex 5: Appreciation of the quality of the reports**