

**COMMUNICATION TO THE COMMISSION from
Mrs. Schreyer in agreement with Mr. Kinnock and the President**

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According to action 16 of the Action Plan for Reform

**FOCUS ON RESULTS: STRENGTHENING EVALUATION OF COMMISSION
ACTIVITIES**

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1 EVALUATION IN THE CONTEXT OF REFORM

1.1 Introduction

The Commission is introducing a system of Activity-Based Management in order to improve the way policy priorities are defined and resources allocated. Regular evaluation of activities and results in achieving policy objectives is one of the necessary pillars for the new policy-driven decision-taking mechanism. It should become a routine part of good management.

The Commission already has well-established evaluation practices in many policy areas¹, notably in the Structural Funds, External Relations, Research and Agricultural Policy. However, to implement the Reform;

- better use must be made of evaluation findings in the process of priority setting and resource allocation, and
- dependable and relevant evaluation information is needed on all activities.

The White Paper emphasises the need for better monitoring and evaluation in order properly to assess the effectiveness and costs of activities. Action 16 of the associated Action Plan calls for consolidation of the principles of regular evaluation, established in SEM 2000, and for strengthening the instruments and structures for evaluation. This Communication meets that call.

1.2 Scope and purpose of this Communication

Evaluation is “*judgement of interventions according to their results, impacts and the needs they aim to satisfy*”.² It is a process in which DGs and Services engage in order to identify what can be learned for policy and planning. Furthermore, evaluation findings should contribute to Commission level decision-making on priorities and resource allocation.

This Communication is concerned with the planning and implementation of evaluation activities by the Commission for its own decision making purposes. It does not propose changes to evaluation practices or methodological development based on already existing sectoral legislation, such as that in the area of Structural Funds, , except inasmuch as the proposals concerning more systematic *use* of evaluation findings in the Commission are meant to cover any evaluative information that is available. The focus is also on policy and programme level evaluation, not with the assessment on individual projects, except to the extent that this is a prerequisite for good quality policy or programme evaluation.

In order to implement Activity Based Management, as stated in the Action Plan for Reform, this Communication sets out the measures to be taken (1) to consolidate existing evaluation principles and to improve practices, and (2) to implement the new elements needed additional to the existing system so that it will meet the requirements of Activity Based Management.

¹ Report of the Financial Controller on organisations and systems for evaluation, January 2000

² Definition used in the glossary annexed to the White Paper on Reform. This Communication refers to *ex ante* evaluation, carried out in the context of preparation of new (or renewed) interventions, to *interim* evaluations carried out during the course of an intervention as well as to *ex post* evaluations conducted after the termination of an action.

2 CONSOLIDATING AND IMPROVING EXISTING EVALUATION PRACTICES

2.1 Main characteristics of existing evaluation requirements

The Commission has been active in evaluation for many years. The SEM 2000 initiative formulated a generalised policy for evaluation³ of Community expenditure programmes. According to this the operational DGs and Services are responsible for regular evaluation of their programmes and for organising the capacity needed for planning and managing the evaluations needed in their policy area. DGs Budget and Audit were given the responsibility for support measures such as co-ordinating a network for evaluation, compiling an annual evaluation review and programme, regular reporting on the quality of evaluation systems, training and advice on evaluation methods. Furthermore, DG Budget takes into account evaluation findings in the context of budgetary decision making⁴.

Reviewing the situation in 1999⁵, the Commission concluded that, in a formal sense, the evaluation policy had been successfully implemented: an increasing number of evaluation reports are completed in most policy areas, an annual evaluation review is published, evaluation systems are regularly reviewed against agreed good practice guidelines, the Network of Evaluators is operative and evaluation reports are increasingly available to the public. However, it was acknowledged that further progress was needed, in particular as regards the quality and use of evaluation and its relevance for decision making.

The objectives of the Reform make it even more important to implement existing evaluation policy fully. Furthermore, the Reform generates new demands stemming from Activity Based Management.

The measures defined in this section, aim at consolidation and improvement of existing evaluation practice. They do not impose additional central steering over evaluation practices in the operational DGs and Services, nor do they change the division of responsibilities between the central and operational Services. Their aim is to ensure full implementation of already established requirements and to increase the value added of evaluation systems for continuous improvement of the effectiveness of the Commission's activities.

2.2 Consolidating the organisation and systems for evaluation

2.2.1 Regular evaluation of activities

The existing evaluation system is centred on the responsibility of operational DGs and Services for regular evaluation of the expenditure programmes they manage. This responsibility will be retained as the core of the Commission's evaluation system.

In the context of Activity Based Management, evaluation must be centred on *activities*.⁶ This means that also those activities which do not involve use of operative appropriations should be covered by the general evaluation requirements described in this Communication. However, the scope, frequency and timing of evaluations should be adapted to decision-making needs and to the life cycle and nature of each activity, as well as to resources

³ SEC(96)659 final

⁴ A more detailed overview of the evaluation policy adopted in 1996 is given in Annex 1.

⁵ SEC (99) 69 of 4 February 1999

⁶ As defined in the context of Activity Based Budgeting and Management. SEC(99)1885/3 of 16 November 1999 defined about 190 activities to which priorities and objectives can be set and resources allocated in the Commission's budgetary Orientation Debate (from 2001 in the Annual Policy Strategy).

available. As a general guideline, activities should be subject to an overall evaluation at a periodicity not exceeding six years, in addition to an ex ante assessment carried out at their outset. Pilot actions and preparatory actions should be subject to an ex post evaluation particularly if it is proposed to continue them in the form of a programme.

Extending the principle of regular evaluation from expenditure programmes to all activities means that new tools need to be developed for evaluation of policies and legislative activities. The modalities and methodological approaches of programme evaluation cannot be directly copied to policy evaluation. Development of common tools and operative modalities for policy evaluation will be initiated and co-ordinated by the SPP function to be established in the Secretariat General, together with the Commission's network for evaluation.

To support evaluation culture and proper management of evaluation activities, every DG and Service will need to organise an evaluation function:⁷

- with dedicated resources, and an identity distinct from audit, control and monitoring activities;
- with a mandate that allows effective support to policy making and the power to plan and manage evaluation activities;
- positioned in a way which fosters constructive partnership between evaluators and policy and planning functions;
- adequately trained and able to call on sufficient experience in the field of evaluation.

The management of each DG and Service should take measures that support the evaluation function in contributing to the effectiveness of its activities. While it is up to each Service to design its evaluation function so that it suits its needs and resources, the general principles of existing good practice guidelines⁸ should be followed. These guidelines will be further developed to coincide with the requirements of the Reform, and in particular to advise on the division of tasks between the new audit capabilities and evaluation functions.

The following measures will be taken to ensure full implementation of the principle of regular evaluation:

- DGs and Services will ensure that the activities they manage are subject to an overall ex post or interim evaluation at a periodicity not exceeding six years, depending on the nature of each activity. In the case of multi-annual programmes at least one thorough evaluation in the life cycle of the intervention is needed. Services will design their evaluation programmes (see 2.3.2) so that this requirement will be fulfilled, adjusting the choice and timing of evaluation projects to decision making needs.
- DGs and Services which have not yet organised regular evaluation will set up dedicated evaluation functions, to develop sufficient expertise to plan and manage evaluation activities and to liaise with the SPP and DG Budget in evaluation matters. All DGs will review the

⁷ This does not preclude an arrangement where one evaluation function serves more than one DG, as is the case currently with the external relations DGs. The principles laid down in this Communication are not meant to have specific implications for the decision concerning the organisation of evaluation in the Relex DGs, currently under discussion in the working group in charge of implementing the Commission's decision on the management of external aid.

⁸ SEC (2000) 245/4 of February 2000, summarised in Annex 2.

mandate and organisational position of their evaluation function so that they have the capability and resources to implement the Commission's evaluation policy.

- The SPP function to be established in the Secretariat General will initiate and co-ordinate, together with the Commission's network for evaluation, development of common tools and operative modalities for the evaluation of policies and legislative activities.
- DG Budget will co-ordinate further development of the Good Practice Guidelines for managing evaluation functions to cover the requirements of the Reform and to advise on the division of tasks between audit and evaluation functions on DG level.

2.2.2 *Promoting Quality*

The Commission's Evaluation Network was established to exchange experience and good practice in evaluation matters. It consists of representatives of DG s' evaluation functions and is co-ordinated by DG Budget. The work of this network will be continued to promote continuous improvement in the quality of evaluation. It will be reinforced by the participation of the SPP function to be established in the Secretariat General.

The Evaluation Network has already acknowledged the need for quality standards for the evaluation process. Such common standards must be sufficiently flexible to take into account the differing characteristics of Community interventions and the different nature of programme evaluation as opposed to evaluation of policies and legislative activities. DG Budget will co-ordinate work on common quality standards for the Commission's evaluation of expenditure programmes while the SPP will lead the development of standards for policy evaluation.

Some of the common instruments introduced in the context of SEM 2000 also aim at promoting quality of evaluation. Further work will be carried out to make full use of these instruments:

- good practice guidelines will be further developed;
- the evaluation network of Commission DGs and Services will be developed through establishment of working groups to address priority issues, and will be supported by an intranet;
- training, guidance and seminars will be expanded; advice and help-desk services will be provided on request;
- the dissemination function of the Annual Review will be replaced by an enhanced web site; however, DG Budget will continue to keep record of the evaluation reports produced by Commission services.
- audit of evaluation systems falls in the remit of the Internal Audit Service and will be covered by the IAS as far as it identifies this as a priority.

Development of common instruments will complement, and where appropriate draw upon, the work of the evaluation functions in operational DGs and Services in developing methodology and promoting evaluation within the context of their specific policy environment. The following, already existing measures will be continued:

- The Evaluation Network will continue work to develop common quality standards for evaluation. DG Budget will co-ordinate the work on expenditure programmes while the SPP will lead the work on standards for policy evaluation.

- DG Budget, together with the evaluation network, will pursue further development of other common instruments,⁹ taking into account the specificities of each policy area and the state of the art.
- Training needs for staff entering evaluation functions will be mapped and agreed with the Evaluation Network. Evaluation training will also be offered to officials responsible for policy and implementation of programmes. The variety and number of courses will be increased.

2.3 Improvements to current practices

2.3.1 *Ex ante evaluation*

The assessment of evaluation systems in 1999¹⁰ indicated that the information supporting new proposals is often deficient. Ex ante evaluation of new proposals or renewals of legal bases has been an exception rather than a rule. Even proposals with major budgetary consequences have been presented without proper analysis of the needs and risks, specification of objectives, definition of indicators for success or costing of activities.

A good quality ex ante evaluation is necessary from two points of view:

- It allows a proper appreciation of whether the proposed level of funding and resources are in accordance with the expected results and impact. This requirement is set by the Financial Regulation¹¹. In the current procedure for Community decisions, the adoption of the legal base for a new action or the renewal of an existing action largely determines what the impact on budgetary resources over several years is to be. The introduction into legislation of reference amounts, firm in the case of co-decision and indicative in other cases, reinforces this tendency.

- Reliable ex post evaluation, and hence accountability for results and impacts, is largely dependent on the quality of the preparation of the intervention at its outset, and of monitoring during its course. It is very difficult to evaluate the results or impact of a programme if its objectives are vague, if no indicators for success were defined, or if no data on resources used and outputs delivered is available.

The form and method for conducting the necessary ex ante assessment needs to be decided case by case, taking into account the political context, time constraints and decision makers' need for information. The scope of an ex ante assessment will depend, among other things, on the amount and quality of information available from earlier evaluations, studies or other sources, on the amount of expenditure and resources involved and on the type of the decision making process. Specific ex ante evaluation studies or needs assessments may be needed where important information is missing, while in other cases synthesising existing information and/or workshops clarifying programme logic will be more useful.

The White Paper affirms that ex ante evaluation must become systematic, and must address economy, efficiency and added value. Legislative proposals should not be taken into detailed

⁹ With the exception of systems audit, which will be a matter for the Internal Audit Service.

¹⁰ SEC(99)69/4

¹¹ Financial Regulation of 21 December 1975 (as amended by Council Regulation 2333/95 of 18 September 1995), Article 2, Paragraph 1

consideration before adequate assessment of their full cost and expected results. As a rule, the preparation of proposals with budgetary and resource implications should include information on:

- review of future needs and future external environment;
- general and specific objectives, associated results and measures of achievement;
- assessment of options for intervention including appropriateness and quality of delivery mechanisms;
- value added by Community intervention;
- expected level of future results and associated costs in terms of operative credits and human resources;
- lessons learned from any past interventions, potential future risks and ways to reduce these;
- plan for monitoring and evaluation during the course of the intervention.

To ensure progress the following measures will be taken:

- Minimum requirements will be defined for information to be provided in support of proposals for new legal bases and interventions with expenditure and resource implications. These will be included in the current revision of the implementing rules for the Financial Regulation, alongside with requirements for monitoring and ex post evaluation.
- DG Budget will identify and highlight examples of good practice in ex ante evaluation and programme preparation, circulate guidance and promote exchange of experience in methods for ex ante evaluation.

2.3.2 *Better integration into decision-making*

The main role of the evaluation process is to support policy development and continuous improvement of the effectiveness of activities. The position of the evaluation function in the organisation should help integration of this process into decision-making, ensuring:

- strong two way communication with senior management;
- sufficient independence with respect to operational directorates and programme managers;
- good links to policy and planning functions;
- service to programme managers, especially in their design of programmes,
- links to those responsible for resource allocation (human and financial);
- input into the design of monitoring and reporting systems;
- communication with other evaluation functions.

Forward programming of evaluation is vital in ensuring timely availability of information to support decision-making. Operational DGs and Services need to define adequate processes for planning their evaluation activities to support their own policy decisions, taking into account that the lead-time for designing and implementing an evaluation project is usually relatively long. Instead of annual plans, evaluation programmes should be drawn for a time horizon which allows for adequate anticipation of decision making needs, with updates linked to the DG's work programme (for example, in the form of a rolling three year plan). DGs should adjust the planning horizon of evaluation projects to the nature of their activities (*i.e.* the life cycle of multiannual programmes).

While forward programming of evaluation projects will improve the timely availability of evaluation information, needs for evaluation may also arise from unforeseeable external factors and changing political priorities and demands. If evaluation is to be useful it must also be able to act rapidly. Current tendering and contracting procedures limit the possibilities for rapid action in obtaining high quality external evaluation services. Therefore possibilities for

establishing specific framework contracts for evaluation services will be examined by DG Budget in co-operation with the evaluation network.

Agreed mechanisms for feeding evaluation findings into policy planning are an essential feature of a well functioning evaluation system. DGs and Services should establish agreed practices for debating major evaluation reports at senior management level and taking action in response to evaluation findings. Recommended practices for better integration of evaluation into decision-making include:

- documentation of the DG' s reactions to main findings and conclusions of external evaluations;
- action plans to respond to evaluation results;
- review of action plans and impact of evaluation;
- consultation with evaluation functions during the preparation and selection of interventions;
- surveys of external users of evaluation reports.

To enhance learning and the use and utility of evaluation in decision making the following measures will be taken:

- DGs and Services will develop their methods for programming evaluations and mechanisms for feeding back evaluation findings following the guidelines laid out in the Good Practice Guidelines¹². Evaluation programmes should be drawn for a time horizon which allows for adequate anticipation of decision making needs, with updates linked to the DG's work programme.
- To facilitate more speedy procurement of evaluation services, possibilities to establish framework contracts will be examined in co-operation between DG Budget and the evaluation network.
- Evaluation programmes and action plans responding to evaluation results will be made available to DG Budget and the SPP function in the Secretariat General to inform the Annual Policy Strategy and to enable Commission-wide review of progress.
- DG Budget will step up scrutiny of spending proposals to ensure these take account of past evaluation and enable future evaluation. The obligation of DGs and Services to provide copies of all significant evaluation reports to DG Budget will continue.

3 NEW ELEMENTS REQUIRED BY THE REFORM

3.1 Support to the Strategic Planning and Programming Cycle

3.1.1 Synthesising evaluation findings for the Annual Policy Strategy

The Reform aims at focussing Commission management on *obtaining results on policy priorities*. In order to articulate strategic planning with the operational programming of activities and the monitoring and evaluation of their implementation, the Action Plan institutes a new, policy-driven planning and programming cycle synchronised with the budget process. As a result of this process, the Commission will establish an Annual Policy Strategy (APS) which will guide both the preparation of the Preliminary Draft Budget and the work programme of the Commission.

¹² SEC (2000) 245/4 of February 2000

Evaluation findings are needed as an input for the discussions on policy priorities and resource allocation, the orientations for which will be decided in the APS. To support the preparation of the APS DG Budget will continue its already existing practice in compiling and examining findings of evaluation studies conducted by the operational DGs throughout the year. In consultation with the DGs and Services in question, and according to a format to be defined by the Secretariat General (SPP), this information will be synthesised and fed into the preparation of the APS. In addition to evaluation reports, also other relevant sources such as Annual Activity Reports as well as policy analyses and reports on policy developments prepared by operational DGs and Services will be utilised for the synthesis of supporting information for the APS.

The process and organisational arrangements needed to support the preparation of the APS are to be decided in the context of Action 13 of the reform Action Plan¹³. As for the content of preparatory information, the types of questions for which answers will be sought in evaluation material are likely to focus on:

- is the intervention appropriate in context, e.g. in light of the subsidiarity principle and European value added,
- results of past evaluations particularly as to the level of effectiveness achieved, and
- the level of financial, human and administrative resources needed to achieve the desired impacts.

To ensure proper institution of the new programming and planning cycle and input from evaluation to the preparation of the APS, the following measures will be taken:

- The SPP will identify priorities for information supporting the preparation of the Annual Policy Strategy and develop, together with DG Budget and operational DGs and Services, the procedures for processing and synthesising such information.
- The SPP will provide, with support by DG Budget, guidance and the format for the information needed to support the preparation of the 2002 APS. This will include summaries of relevant evaluation information drawing on syntheses of evaluation findings prepared by DG Budget in consultation with the DGs and Services concerned.

3.1.2 *The Commission's evaluation programme*

The new policy cycle places new demands on the content of evaluation information and on the type of evaluation projects carried out. Some of this information is not provided by the existing evaluation systems, which, with few exceptions, focus on individual expenditure programmes rather than on policy evaluation. The type of strategic questions that are relevant in the context of the APS, such as defining positive and negative priorities or levels of funding and resources, are only rarely addressed by evaluation projects carried out by individual DGs. To ensure that the information needs of the Annual Strategic Planning and Programming Cycle will be covered, a Commission level evaluation programme will be drawn up annually. In that context a limited number of specific interdepartmental evaluation projects on strategic questions will be decided at the initiative of the Secretariat General and DG Budget.

¹³ Establishment of the SPP function

The Commission level forward evaluation programme will draw on the programmes of operational DGs and Services, which should indicate for each evaluation project the decisions to be supported and main issues covered. It will include ex ante as well as interim and ex post evaluations which are of relevance for policy level decision making. The Commission's evaluation programme will be prepared by the SPP with the assistance of DG Budget.

Where the SPP or DG Budget identify gaps of information needed to support the preparation of the APS, they will propose additional evaluation projects to be carried out to cover such needs. These might typically concern issues that cover more than one policy area and do not fit naturally under the leadership of one of the operational DGs, such as allocation of resources between policy areas, coherence and coordination between activities, effectiveness of delivery mechanisms used in interventions across policy areas or other cross-cutting themes.¹⁴ The lead service, modalities and main objectives of such evaluations will be decided in the context of the Commission's evaluation programme. They may, for example, take the form of joint evaluations between the SPP, DG Budget and an operational DG, or co-operative evaluations led by one operational DG. DG Budget will be the lead service initiating and carrying out evaluations concerned with the efficiency of the use of resources for different activities. This does not prevent evaluation units which cover several DG's such as in external relations also to undertake evaluation of different activities in their field. The Internal Audit Service will be consulted on the specifications of such projects. The appropriate financial means for funding interdepartmental evaluations relating to strategic questions will be made available.

The following measures will be taken:

- The Strategic Planning and Programming function, working with operational DGs and DG Budget, will prepare the Commission's forward evaluation programme, drawing on the plans of operational DGs. Information needs for strategic level decision-making, relating to priority setting and resource allocation, will be taken into account in the preparation of the Commission's evaluation programme.
- Specific resources will be allocated in future budgets, starting in 2001, to undertake strategic level interdepartmental evaluations, at the initiative of the SPP and DG Budget, as defined in the Commission's forward evaluation programme.

3.2 Upgrading monitoring systems

Evidence-based evaluation of the effectiveness and impact achieved by the Commission's activities is facilitated and can be done with lower cost if reliable monitoring of the outputs and results, as well as inputs used, has taken place during the course of the action. Such data is also needed for the Annual Activity Reports, which will become the vehicle for regular reporting on monitoring information for accountability purposes.

The White Paper specifies that Annual Activity Reports are to be used as a reporting tool for costs, results, quality of service provided and management methods, to allow assessment of progress in the implementation of each activity. To ensure that Annual Reports will develop into a reliable and user-friendly instrument it will be important to define criteria and models

¹⁴ Thematic evaluations within a policy area, such as those carried out in the Structural Funds, are the primary responsibility of the DGs in charge of the policy area in question.

of good practice for how these elements will be reported. This is included in the tasks of the SPP function of the Secretariat General.

The basis for reliable reporting is that DGs and Services have in place systems for monitoring the implementation of activities so that data relating to costs, outputs and results will be available. Ideally this should be based on indicators defined at the outset of each activity to allow comparability over time and review of progress. This means more than occasional collection of qualitative judgements, the key tasks being *identification* indicators and putting in place methods for the *collection* of data. The full development and adoption of the IRMS tool will considerably help the processing and delivery of monitoring information.

Designing and establishing adequate monitoring methods are major and resource intensive tasks. A one-off action to put in place monitoring systems for all Commission activities is not feasible. However, gradual progress can be made by ensuring that all new and renewed activities will be covered by adequate monitoring arrangements. When drawing up their first Annual Activity Report, DGs and Services should assess their existing monitoring systems and plan the improvements needed.

- In order to achieve minimum requirements of reliable monitoring, DGs and Services will assess the monitoring systems for the activities they are responsible for in the light of the needs set out above. They will report on plans to address any weaknesses in their Annual Activity Reports.
- Proposals for new or renewed legal bases for expenditure programmes will include an article covering evaluation and monitoring. DG Budget will support exchange of views and compile and circulate examples of good practice.

4 IMPLEMENTATION

4.1 Review of progress

By approving this Communication the Commission decides to adopt the principles of regular evaluation and use of evaluation information in decision making, as described in chapters 2 and 3 of this Communication. The Commission instructs the DGs and Services to fully implement the measures¹⁵ defined in this Communication by July 2002, which is the target date set in the Action Plan for the Reform for the completion of Activity Based Management.

The Working Group for Activity Based Management will review progress in the consolidation and improvement of evaluation practices, and assess the utility of evaluation information for the preparation of the Annual Policy Strategy. It will make recommendations for further improvements needed. DG Budget, together with the SPP, will report to the ABM group on the implementation of the measures defined in this Communication. An interim report will be presented in March 2001 and a final report in June 2002. At this stage, and on the basis of a proposal by the ABM group, the division work between the central Services, resources and organisational arrangements for using evaluation information in the SPP cycle will be reviewed.

¹⁵ Annex 3 presents a summary of the measures defined in chapters 2 and 3.

4.2 Resources for evaluation

Most of the measures proposed above mean reorienting or improving existing practices rather than establishing new ones. They do not directly lead to a need for the Services to allocate additional resources for evaluation except possibly in those DGs where evaluation is still in an emerging state. However, some of the measures imply extending existing practices and do lead to additional work. These needs should be covered either by redeployment or by the allocation of resources devoted for the implementation of the Reform, as decided by the Commission.

When planning the resources to be allocated to the evaluation function, departments should particularly take into account the following elements of this Communication:

- Extending the principle of regular evaluation from expenditure programmes to all activities means that resources should be allocated for evaluation particularly in those DGs and Services which do not yet have established evaluation functions. In the DGs which already have an established evaluation function this will rather lead to a reorientation of evaluation programmes to include the so far uncovered areas, than to an extension in the number of evaluation projects.
- Resources should be ensured for the preparation of proposals for new (or renewed) expenditure programmes or other proposals with major resource implications, supported by ex ante evaluations where necessary. - Mechanisms for feedback and follow-up of evaluation results is an area which is at the moment only emerging in many of the existing evaluation functions. Resources should be allocated so as to allow for developing this function.
- The emphasis put on synthesising and using evaluation information for priority setting, budgeting and resource allocation means that resources must be allocated for this purpose in the operational DGs and Services, in the Secretariat General and in DG Budget.
- DGs and Services should ensure adequate resources for improving the quality of monitoring systems and putting up the procedures for establishing Annual Activity Reports. The IRMS tool will eventually lead to efficiency gains in this work, but in the initial phase resources will be needed particularly for the conceptual work in defining the content and methods for monitoring, in addition to the technical use of the IRMS tool.

CONCLUSION

The Commission is invited to adopt the principles of regular evaluation and use of evaluation information in decision making, as defined in chapters 2 and 3 of this Communication. The division work between the central Services, resources and organisational arrangements for using evaluation information in the SPP cycle will be reviewed, based on a proposal by the ABM group, by July 2002. The Commission instructs

- the DGs and Services to carry out the measures needed to improve the existing evaluation systems and practices, defined in the shaded summaries included in chapters 2 and 3,
- DG Budget, together with the SPP function of the Secretariat General, to follow progress in the implementation of the measures specified above and report on this to the Working Group on Activity Based Management,
- the Working Group on Activity Based Management to assess results achieved in the implementation of the principles defined in this Communication, and to propose further measures if needed.

ANNEX I

EVALUATION PRINCIPLES AGREED IN SEM 2000

The Commission's Communication on Evaluation in 1996 (SEC(96)659final) included the following general principles:

- every operational DG should have a designated evaluation function;
- every operational DG should establish an annual evaluation plan identifying programmes which will be the subject of an evaluation;
- actions financed on an annual basis should be evaluated at least once every six years; multi-annual programmes should be subject to mid-term and ex post evaluations;
- evaluation reports are to be made available well before the adoption of proposals they are meant to influence and executive summaries to be transmitted to DGs Budget and Audit;
- DGs Budget and Audit compile the Commission's Annual Evaluation Programme, of which the College will take note;
- DG Audit will carry out a regular review and report to the College on the quality of the organisations and systems DG s have put in place for evaluation;
- DG Budget will establish and co-ordinate a Network of Evaluators to spread best practice;
- Instructional manuals, training and help-desk support are provided by DGs Budget and Audit;
- Financial resources for mid-term and ex post evaluations should be isolated from principal programme appropriations, the approximate recommended level being 0,5 % of overall programme spending;
- obligation to provide an ex ante evaluation report when proposing a new legal base;
- DG Budget will take evaluation findings into account when negotiating levels of credits in the course of the budget procedure.

ANNEX II

Summary of the Good Practice Guidelines for the Management of Evaluation Functions (SEC(2000)245/4)

The Good Practice guidelines were first produced by an informal working group set up by the Network of Evaluators in 1998. They were later updated and adopted in their current form by the Commission on the 23 February 2000. Their purpose is to provide a reference document to assist operational services in organising and managing their evaluation responsibilities. The Guidelines are meant to be updated and further improved as services develop their evaluation practices.

The Guidelines cover four areas, for each of which they present recommended general principles and a set of more detailed guidelines. The general principles for the four areas are summarised below:

A. Integration of the evaluation function in the overall management of the DG

Principle The Management of each DG should take measures that firmly and openly support the key role of the evaluation function in contributing to the effectiveness of the organisation and its spending programmes.

Principle The evaluation function should be managed in a manner that reflects, and where possible anticipates, the DG's priorities and supports the administrative and operational management of the organisation and its spending programmes.

B. Resources for evaluation

Principle The evaluation function should have sufficient and appropriate resources in terms of funds, staff and skills to discharge its responsibilities in a cost-effective manner.

C. Quality for evaluation

Principle Evaluation processes and reports should be governed by standards designed to ensure their quality, notably as regards relevance, rigour and timeliness.

D. External Communication (updated January 2000)

Principle As a general rule, evaluation results should be made publicly available.

ANNEX III

SUMMARY OF MEASURES DEFINED IN THE COMMUNICATION

Regular evaluation of activities (2.2.1)

- DGs and Services will ensure that the activities they manage are subject to an overall ex post or interim evaluation at a periodicity not exceeding six years, depending on the nature of each activity. In the case of multi-annual programmes at least one thorough evaluation in the life cycle of the intervention is needed. Services will design their evaluation programmes (see 2.3.2) so that this requirement will be fulfilled, adjusting the choice and timing of evaluation projects to decision making needs.
- DGs and Services which have not yet organised regular evaluation will set up dedicated evaluation functions, to develop sufficient expertise to plan and manage evaluation activities and to liaise with the SPP and DG Budget in evaluation matters. All DGs will review the mandate and organisational position of their evaluation function so that they have the capability and resources to implement the Commission's evaluation policy.
- The SPP function to be established in the Secretariat General will initiate and co-ordinate, together with the Commission's network for evaluation, development of common tools and operative modalities for the evaluation of policies and legislative activities.
- DG Budget will co-ordinate further development of the Good Practice Guidelines for managing evaluation functions to cover the requirements of the Reform and to advise on the division of tasks between audit and evaluation functions on DG level.

Promoting quality (2.2.2)

- The Evaluation Network will continue work to develop common quality standards for evaluation. DG Budget will co-ordinate the work on standards for expenditure programmes while the SPP will lead the work on standards for policy evaluation.
- DG Budget, together with the evaluation network, will pursue further development of other common instruments taking into account the specificities of each policy area and the state of the art.
- Training needs for staff entering evaluation functions will be mapped and agreed with the Evaluation Network. Evaluation training will also be offered to officials responsible for policy and implementation of programmes. The variety and number of courses will be increased.

Ex ante Evaluation (2.3.1)

- Minimum requirements will be defined for information to be provided in support of proposals for new legal bases and interventions with expenditure and resource implications. These will be included in the current revision of the implementing rules for the Financial Regulation, alongside with requirements for monitoring and ex post evaluation.
- DG Budget will identify and highlight examples of good practice in ex ante evaluation and programme preparation, circulate guidance and promote exchange of experience in methods for ex ante evaluation.

Better integration into decision making (2.3.2)

- DGs and Services will develop their methods for programming evaluations and mechanisms for feeding back evaluation findings following the guidelines laid out in the Good Practice Guidelines. Evaluation programmes should be drawn for a time horizon which allows for adequate anticipation of decision making needs, with updates linked to the DG's work programme.
- To facilitate more speedy procurement of evaluation services, possibilities to establish framework contracts will be examined in co-operation between DG Budget and the evaluation network.
- Evaluation programmes and action plans responding to evaluation results will be made available to DG Budget and the SPP function in the Secretariat General to inform the Annual Policy Strategy and to enable Commission-wide review of progress.
- DG Budget will step up scrutiny of spending proposals to ensure these take account of past evaluation and enable future evaluation. The obligation of DGs and Services to provide copies of all significant evaluation reports to DG Budget will continue.

Support to the Strategic Programming and Planning Function (3.1.1)

- The SPP will identify priorities for information supporting the preparation of the Annual Policy Strategy and develop, together with DG Budget and operational DGs and Services, the procedures for processing and synthesising such information.
- The SPP will provide, with support by DG Budget, guidance and the format for the information needed to support the preparation of the 2002 APS. This will include summaries of relevant evaluation information drawing on syntheses of evaluation findings prepared by DG Budget in consultation with the DGs and Services concerned.

The Commission's Evaluation Programme (3.1.2)

- The Strategic Planning and Programming function, working with operational DGs and DG Budget, will prepare the Commission's forward evaluation programme, drawing on the plans of operational DGs. Information needs for strategic level decision-making, relating to priority setting and resource allocation, will be taken into account in the preparation of the Commission's evaluation programme.
- Specific resources will be allocated in future budgets, starting in 2001, to undertake strategic level interdepartmental evaluations, at the initiative of the SPP and DG Budget, as defined in the Commission's forward evaluation programme.

Better monitoring (3.3)

- In order to achieve minimum requirements of reliable monitoring, DGs and services will assess the monitoring systems for the activities they are responsible for in the light of the needs set out above. They will report on plans to address any weaknesses in their Annual Activity Reports.
- Proposals for new or renewed legal bases for expenditure programmes will include an article covering evaluation and monitoring. DG Budget will support exchange of views and compile and circulate examples of good practice.