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INTERNAL CHARTER FOR THE EVALUATION FUNCTION IN DG ECFIN

1. INTRODUCTION

This Internal Charter for Evaluation in DG Economic and Financial Affairs (ECFIN) replaces the previous version published in June 2008. It has been updated following the adoption of the **Better Regulation Package** by the European Commission on 19th May 2015.

2. THE DEFINITION OF EVALUATION

Evaluation is a key management tool, able to generate a wealth of relevant information that is essential to evidence-based decision-making for **planning, designing and implementing EU policies** as well as for **managing the institution**. Evaluation also enhances the **legitimacy** of political decisions and the **accountability** of decision-makers vis à vis institutions, Member States and citizens. Moreover, where evaluation results are communicated properly, they enhance **transparency** and support the Commission in **better communicating the added value** of the European Union to the European citizen.

The main characteristics of evaluation are that it is:

- **analytical**: based on recognised research techniques;
- **systematic**: carefully planned and making consistent use of the chosen techniques;
- **reliable**: reproducible by a different evaluator with access to the same data and using the same method of analysis;
- **issue-oriented**: seeking to address important issues relating to the activities;
- **user-driven**: designed and implemented in ways that provide useful information for decision-makers.

Evaluation should therefore lead to:

- **better informed decision-making** – which requires relevant coverage, focus and timing of evaluations in order that they meet the strategic planning needs;
- **coherence with the Strategic Planning and Programming (SPP) Cycle** - evaluation results should be more systematically fed into the planning and decision-making process;
- **a focus upon results and transparency** - key messages arising out of evaluation results should be adequately communicated to stakeholders and followed-up as necessary.

- **efficient resource allocation** – evaluation results can contribute to more efficient allocation of resources between interventions, between the separate elements of a specific programme or activity, or between activities.
- **increased organisational learning** – the results of an evaluation can be used to improve the quality of an on-going intervention and share good and bad practices.

3. BETTER REGULATION

On 19th May 2015 the European Commission adopted the **Better Regulation Package** (http://ec.europa.eu/smart-regulation/index_en.htm). The Package aims at supporting a way of working designed to ensure decisions are prepared in an open, transparent manner, informed by the best available evidence and backed by the comprehensive involvement of stakeholders. It also aims at fostering institutional learning.

Better Regulation covers the whole policy cycle – policy design and preparation, adoption, implementation, application, evaluation and revision. For each phase of the policy cycle there are a number of Better Regulation principles, objectives, tools and procedures to be followed. These have been designed to ensure the Commission operates effectively. The Guidelines are contained in a dedicated Staff Working Document prepared by the Secretariat-General¹ (http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm). In addition, the Staff Working Document is supplemented by a 'Toolbox', also prepared by the Secretariat-General, which provides practical assistance in applying the Guidelines (http://ec.europa.eu/smart-regulation/guidelines/toc_tool_en.htm).

3.1. Guidelines on Evaluation and Fitness Checks

Chapter VI of the Better Regulation Guidelines Staff Working Document provides guidance and explanation specifically in relation to evaluations and fitness checks. The chapter details the procedural steps to be undertaken when completing an evaluation, the key principles and concepts to be considered, the main questions an evaluation must address and how the results should be disseminated and followed up.

To ensure best practice and the highest standards, all evaluations undertaken by ECFIN should follow the spirit of the Better Regulations Guidelines.

4. THE ROLE AND TASKS OF THE EVALUATION FUNCTION IN DG ECFIN

The Commission's evaluation standard nr A.1 stipulates that each Directorate General must have an evaluation function with a clearly defined responsibility for co-ordinating and monitoring evaluation activities of the Directorate General (from the planning of evaluations until their dissemination and use), promoting quality of evaluation and organisational learning, and assisting the central services in the implementation of the Commission Evaluation Policy.

¹ SWD (2015) 111, Strasbourg 19.5.2015

The evaluation function of DG ECFIN is part of the Unit for Evaluation, Internal Control, Business Continuity and Document Management (ECFIN R.4). Unit R.4 leads on planning and overseeing the implementation of all evaluation activities. This includes overseeing the evaluation element of the ECFIN Management Plan and providing support to operational units across the DG who are responsible for conducting all individual evaluations. The unit also liaises closely with Sec Gen on the application of Better Regulation to ensure the Guidelines are followed, while any operational unit issues are also addressed.

The primary aim of the evaluation function within Unit R.4 is to **support organisational learning, improve the effectiveness of activities and programmes, and to increase accountability and transparency** through the promotion of high quality and timely evaluation.

In order to do this its mission consists of:

- Promoting and diffusing good evaluation practice within the DG, including the Better Regulation Guidelines;
- Preparing the multi-annual evaluation programme and the Annual Evaluation Plan as part of the DG's Annual Management Plan (AMP);
- Co-ordinating and monitoring the evaluation activities of the DG;
- Assisting the preparation and management of external evaluations;
- Defining quality standards for evaluation activities on the basis of the Commission's Better Regulation Guidelines and evaluation standards and controlling the quality of external evaluations;
- Providing support to services when they conduct internal evaluations to ensure these are in line with Commission standards;
- Providing methodological support to services when they conduct impact assessments;
- Supporting the dissemination of evaluation results to users within the Commission services and beyond;
- Monitoring and reporting on the use of evaluation results by reviewing how evaluation recommendations are used in defining priorities and in improving the quality of policies, programmes and legislation;
- Participating in DG ECFIN evaluation steering groups, in line with Better Regulation Guidelines, to ensure evaluation competence is imbedded in steering groups;
- Participating in evaluation steering groups on behalf of DG ECFIN when requested to do so by other DGs;
- Representing DG ECFIN in the Commission's internal evaluation network and contributing to the development of evaluation methodology and similar activities within the Commission;
- Reporting on DG ECFIN's evaluation activities to central services.

4.1. Organisation of evaluation in DG ECFIN

Evaluation in DG ECFIN is centrally organised. The evaluation function is responsible for overseeing the initiation, preparation and management of all evaluations undertaken by the DG.

Evaluation across ECFIN mostly covers the following areas:

- Economic policy instruments
- Macro-financial assistance to third countries
- Activities aimed at providing services and products to internal and external users
- Information and communication actions

Unit R.4 is also responsible for coordinating the dissemination of evaluation results and following up the implementation of evaluation recommendations. Evaluations can either be conducted by externally appointed third party contractors, or internally by officials from a functional unit separate from the area of work to be evaluated. In all circumstance the evaluation is supervised by an official (evaluation manager) from within the evaluation function of Unit R.4.

Other relevant services are fully integrated into the evaluation process through a formally constituted ad hoc inter-service steering group (ISG), established specifically for each exercise. The ISG agrees the scope and focus of a specific evaluation, the required skills set of evaluators, etc. as part of the drawing up of the tender specification. The group also oversees the preparation of the evaluation and provides input at each stage – including Inception Report, Intermediate Report and Final Report. Throughout the process the evaluation manager directs and supports the work of the ISG. The establishment of an ISG for each evaluation is a requirement of Better Regulation.

5. THE ROLE AND TASKS OF THE RESPONSIBLE OPERATIONAL UNIT

The operational unit directly managing the evaluated activity has specific responsibilities at the following stages of the evaluation process:

- contribute to the annual and multi-annual programming of evaluations and ensure the related budget planning;
- contribute to preparing (notably drafting terms of reference) and managing specific evaluation projects in the steering group;
- contribute to assessing the evaluation and defining actions to be taken on the basis of its findings, conclusions and recommendations²;

² If relevant by ensuring the inclusion of monitoring and evaluation provisions in legal bases.

- implement accepted evaluation recommendations;
- contribute to communicating evaluation results (internally and externally).

In instances where evaluations are undertaken internally by services, officials from within the service leading the exercise will have responsibility for carrying out all elements of the evaluation. This will be under the supervision of the inter-service group and with the guidance of the evaluation function. The steps to be followed will also be in line with the agreed evaluation roadmap.

6. PLANNING EVALUATION ACTIVITIES

The planning of evaluation activities by the evaluation function covers the establishment and updating of the DG's multiannual evaluation programme, the planning of individual evaluations, the development of framework contracts and financial planning for externally contracted evaluations.

6.1. Evaluation requirements

The Better Regulation Guidelines require **all activities of the Commission to be periodically evaluated** on the basis of the Financial Regulation and the Implementing Rules, as well as any specific requirements set out in the legal basis of the intervention. There should be systematic retrospective evaluation of significant expenditure programmes³ and of legislation or other regulatory measures, including those for which an impact assessment has been carried out. This supports the principle that activities should be evaluated in line with the life cycle of the intervention and the operational and strategic decision-making needs of the DG.

When commencing an evaluation, the following Better Regulation requirements should be considered:

- **Validation** to undertake the evaluation must be secured from the appropriate approval level;
- An **inter-service steering group (ISG)** must be established to oversee the completion of the evaluation. The ISG should be composed of a minimum of three members, and include a representative from the ECFIN evaluation function;
- An **evaluation roadmap** must be prepared and published that summarises the design, purpose and scope of the evaluation. This should include a synopsis of the consultation strategy to be used in the evaluation. The roadmap should be entered into **Agenda Planning** and **published** on the DG website to enable stakeholders to provide feedback;
- All evaluations must follow a clearly defined, robust methodology intended to produce objective findings. As a minimum, evaluations must assess **effectiveness, efficiency, relevance, coherence** and **EU added value**. The final evaluation must be **published** on the DG website;

³ The Financial Regulation, article 27(4) requires evaluation of all programmes and activities entailing significant expenditure.

- A comprehensive **consultation strategy** to gather evidence from all relevant stakeholders should be developed. Normally this should include a 12-week internet based **public consultation**. **In line with the Better Regulation Guidelines, any deviation from this (e.g. a specifically targeted consultation strategy) should be discussed with and approved by SG in advance;**
- A **SWD** must be prepared on each evaluation undertaken by external contractors. The SWD should present the results and conclusions of the evaluation, address the questions posed in the roadmap and provide an assessment of the methodology applied by the contractor in the external evaluation. In circumstances where an evaluation is prepared internally by officials, the evaluation document is considered to be the SWD and no additional work is required. All SWDs are subject to Inter Service Consultation and, once complete, must be **published** as part of a suite of documents;
- A range of documents associated with the evaluation must be **published centrally**, once it has been completed. A number of the documents to be published have been highlighted above. Full details of all documents to be published can be found in Chapter VI Section 5.1 of the Better Regulation Guidelines.

In some circumstances it is not necessary to carry out an evaluation of each individual project under a programme or an activity. In such instances, the overall programme or activity embracing these projects should be evaluated by way of a **Fitness Check**. A Fitness Check is an evaluation that encompasses a number of inter-linked activities. This is in line with the Better Regulation Guidelines and follows the Implementing Rules to the Financial Regulation (Article 21(2)).

6.2. Multiannual programming

Following the provisions of the Financial Regulation, three general principles guide the ECFIN multiannual evaluation programme and the annual updating process:

- Multiannual programmes have to be periodically evaluated to produce results in a timely fashion for decision-making (i.e. the renewal, modification or suspension of programmes);
- All programmes or activities (except the activities of a “horizontal” nature referred to below) have to be the subject of an interim and/or ex post evaluation;
- Activities financed on an annual basis have to be evaluated at least every five years, but possibly more frequently. Scheduling has to take into account the risk profile and impact of the activity concerned, and the use of evaluation results in planned reviews and reforms.

The ECFIN multiannual evaluation programme covers a six-year period (i.e. from “n” to “n+5”) and is updated annually. However, it is indicative and can be subject to review at any time. The programme is annexed to the AMP and an annual evaluation plan for the year “n” is derived from it. A public version of the

programme is published on the DG's external website to allow potential suppliers to anticipate demand for evaluation services. This is also supplemented by the publishing of evaluation roadmaps for feedback.

6.3. Planning of individual evaluations

The planning of individual evaluations is based on assessing a number of aspects, including the date by which the final report is required to be available, the choice of approach (i.e. external, internal or even a combination of the two), and the procurement procedures to be used. To these aspects can be added the need to avoid, as far as possible, excessive demands on the time of officials in operational services, who will be involved in preparing and managing the evaluation (i.e. as members of the steering group), during periods when their own activities create a high work-load.

6.4. Financial planning

For each external evaluation to be contracted in year "n+1", the evaluation function is required to submit a fiche to the ACUR signed by the Authorising Officer of Sub-Delegation (AOSD). This meets in September of year "n". On approval by the Director General of the work programme proposed by the ACUR, the relevant evaluations are then included in the Commission Decision for year "n+1".

7. DISSEMINATION AND UTILISATION OF EVALUATION RESULTS

7.1. Dissemination of evaluation results

The Better Regulation Guidelines state that **all evaluation results must be made public**. In instances where there are concerns about the confidentiality of information provided during the evaluation exercise, these should be discussed on a case by case basis with SG to agree an appropriate publication methodology.

Dissemination of results should be tailored to meet the needs of the audience. There is a requirement to publish certain documentation associated with the evaluation (as referenced at Section 6.1). It is recommended that the formally approved final evaluation report is actively disseminated within the DG, the Commission, and eventually to other European Institutions and a wider body of stakeholders. (The implementation of its recommendations by concerned services should also be systematically monitored). The DG's strategy for dissemination and follow-up of evaluations is coordinated by the evaluation function. The final evaluation reports will be posted on the Europa ECFIN evaluation pages by the operational unit in conjunction with the Communications unit.

The evaluation results should be transmitted in formats that are appropriate to meet the needs of stakeholders and should fulfil any obligation for reporting in accordance with the specific legal basis. It is therefore useful to specify the provision of an executive summary as part of the deliverables. The executive summary of the SWD should be published in EN, FR and DE. Lead services should also consider organising presentations of the results to internal and external stakeholders.

7.2. Follow-up of evaluation results

The aim of systematically following up evaluation results (i.e. recommendations) is to ensure that they are used directly and tangibly to improve the design, functioning and performance of activities.

This process is initiated by the evaluation manager who draws up a structured feedback note addressed to the AOSD responsible for the evaluated activities.

The note contains the following elements:

- **Recommendations** (including prioritisation)
- **Response of addressees** to recommendations, i.e. if the addressee accepts or rejects a recommendation (and reasons for rejection if this is the case)
- **Follow-up actions** planned to implement recommendations (including timescale), in the case when recommendations have been judged to be relevant and feasible.

As part of this exercise the evaluation function regularly requests update information from the concerned services on progress made in implementing follow-up actions. Services remain responsible for the follow-up themselves.

7.3. Using evaluation results in the framework of the SPP and budgetary and reporting cycles

Evaluation results and the implementation of recommendations are reported on in the context of SPP and the budgetary and reporting cycles:

- In the AAR, relevant evaluation findings are presented primarily in the context of performance assessment and their influence on policy making. The monitoring of the implementation of follow-up actions feeds directly into the Report;
- During the preparation of the Draft Budget, requests for the continuation or scope of activities are supported by the use of evaluation results in Programme Statements.

The following standards apply to the evaluations performed or commissioned by the Commission services:

Context and purpose

Evaluation involves a judgement of interventions according to their results, impacts and needs they aim to satisfy. It is a systematic tool which provides a rigorous evidence base to inform decision-making and contributing to making Commission activities more effective, coherent, useful, relevant and efficient. Evaluation also enhances transparency, learning and accountability. To achieve this, the Commission's evaluation standards aim to ensure relevant and timely evaluations of high quality and that evaluation results are communicated to decision-makers and other relevant stakeholders in a clear and transparent manner to facilitate the use of evaluation results.

In light of the above objectives, the standards are grouped into five categories:

- Resources and organisation of evaluation activities (A1-A3),
- Planning evaluation activities (B1-B5),
- Designing evaluations (C1-C3),
- Conducting evaluations (D1-D5), and
- Dissemination and utilisation of evaluation results (E1-E5).

The standards are expressed as a set of guiding principles. For each guiding principle, a number of baseline requirements (forming an integral part of the standards) have been defined which should contribute to achieving compliance with the overriding principle. Meeting the baseline requirements will hence be important, but not necessarily sufficient, to ensure full compliance with the guiding principles.⁴

The standards are an integral part of the Commission's Internal Control Standard n°23 on evaluation, which means that they are binding and that the way they are implemented may be audited on this basis.

Scope

The standards apply to Commission evaluations of policy instruments such as expenditure programmes, legislation and other non-spending activities.⁵ The standards are binding upon all DGs and Services of the Commission with activities that affect entities outside the European institutions (e.g. organisations, companies and citizens).

The standards also apply where a DG performs evaluation of internal policies or service provision. However, additional organisational structures are not necessarily needed in these cases. The key issue is to clarify *who* is responsible for *what* and it is the responsibility of the Director General to consider the most appropriate way of organising evaluation activities in accordance with their needs.

⁴ The implementation of the baseline requirements will normally need to be complemented by additional measures, such as developing and implementing good practices or the various actions set out in the present Communication

⁵ Separate evaluations of individual projects financed under programmes are not subject to these standards. However, project evaluations required by specific provisions, for example pilot projects, are covered by the standards

The standards apply to the different temporal types of evaluations. However, whilst the *guiding principles* for designing and conducting evaluations and dissemination and utilisation of evaluation results apply to all types of evaluation, the corresponding *baseline requirements* refer only to retrospective or combinations of retrospective evaluations (interim, final and ex post).

By contrast, purely prospective evaluations (ex-ante and impact assessments) must be carried out in accordance with DG Budget's guide for ex-ante evaluation⁶ or the Commission's Impact Assessment Guidelines to ensure adequate quality.

Moreover, the standards apply irrespective of the nature of the author of the evaluation, i.e. to both internal and external evaluations (and combinations thereof).

A) RESOURCES AND ORGANISATION OF EVALUATION ACTIVITIES

Evaluation activities must be appropriately organised and resourced to meet their purposes.

1. Each Directorate General must have an evaluation function with a clearly defined responsibility for co-ordinating and monitoring evaluation activities of the Directorate General (from the planning of evaluations until their dissemination and use), promoting quality of evaluation and organisational learning, and assisting the central services in the implementation of the Commission Evaluation Policy.
2. Each Directorate General must ensure that human and financial resources are clearly identified and proportionately allocated for evaluation activities to be carried out.⁷
3. Each Directorate General must clearly define the tasks, responsibilities, organisation and procedures for all actors involved in planning, designing and conducting evaluations, and disseminating and using evaluation results.

B) PLANNING EVALUATION ACTIVITIES

Evaluation activities must be planned in a transparent and consistent way so that relevant evaluation results are available in due time for operational and strategic decision-making and reporting needs.

1. An annual evaluation plan and an indicative multi-annual evaluation programme are to be prepared by the evaluation function in consultation with the other units in the Directorate General and integrated in the Annual Management Plan.
2. The multi-annual evaluation programme must be drawn up on the basis of the life cycle of the interventions, the operational and strategic decision-making needs of the Directorate General, general requirements for evaluation, and any specific requirement for evaluation as set out in the legal base of the intervention.
3. All activities addressed to external parties must be periodically evaluated in proportion with the allocated resources and the expected impact.
4. The timing of evaluations must enable the results to be fed into decisions on the design, renewal, modification or suspension of activities.
5. All relevant services (in particular the evaluation function, SPP/policy planning coordinators, IA co-ordinators and key operational units) must contribute to or be consulted on the annual evaluation plan and the indicative multi-annual evaluation programme.

⁶ The existing ex-ante guidelines will be updated and developed to be more complementary to the impact assessment guidelines (action 12.1).

⁷ Especially in the SPP cycle within the APS and AMP exercises

C) DESIGNING EVALUATIONS

Evaluation design must provide clear and specific objectives, and appropriate methods and means for managing the evaluation process and its results.

1. Save in duly justified cases, a steering group must be set up for each evaluation to advise on the terms of reference, support the evaluation work and take part in assessing the quality of the evaluation at the appropriate regularity; its composition must be adjusted to the specific needs and circumstances of each evaluation and the evaluation function must be advised thereon.
2. Terms of reference must be established for each external evaluation and a corresponding document/mandate must be established for each internal evaluation, which must at least specify the following points: purpose and objectives, key questions, scope, expected outputs, deadlines, and quality criteria.⁸
3. Issues of relevance to all services concerned must be considered for the terms of reference.

D) CONDUCTING EVALUATIONS

Evaluation activities must be conducted to provide reliable, robust and complete results.

1. The evaluation must be conducted in such a way that the results are supported by evidence and rigorous analysis.
2. All actors involved in evaluation activities must comply with principles and rules regarding conflict of interest.
3. Evaluators must be free to present their results without compromise or interference, although they should take account of the steering group's comments on evaluation quality and accuracy.
4. The final evaluation reports must as a minimum set out the purpose, context, objectives, questions, information sources, methods used, evidence and conclusions.
5. The quality of the evaluation must be assessed on the basis of the pre-established criteria throughout the evaluation process and the quality criteria must as a minimum relate to relevant scope, appropriate methods, reliable data, sound analysis, credible results, valuable conclusions and clarity of the deliverables.

E) DISSEMINATION AND UTILISATION OF EVALUATION RESULTS

Evaluation results must be communicated in such a way that it ensures the maximum use of the results and that they meet the needs of decision-makers and stakeholders.

1. The evaluation results must be examined by the services concerned, who must outline the actions they propose to take towards the formulation, planning and/or revision of the relevant interventions, in accordance with procedures set out by the Director General (cf. standard A1).
2. Evaluation results must be communicated effectively to all relevant decision-makers and other interested stakeholders/parties.
3. The evaluation results must be made publicly available⁹ and targeted summary information should be prepared to facilitate communication to the general public.
4. The evaluation function must promote the use of evaluation in decision-making and organisational learning by ensuring that policy implications and lessons learnt from (and across) evaluations are synthesised and disseminated.

⁸ The evaluation questions should reflect the following evaluation issues whenever relevant: effectiveness, efficiency/cost-effectiveness, relevance, coherence, sustainability, utility and/or community added value, and where relevant the contribution to broader strategic objectives. Additional evaluation issues may also have to be added to the terms of reference

⁹ Unless a case for confidentiality can be made under one of the exceptions provided for in article 4 of Regulation 1049/2001 of the European Parliament and the Council, 30 May 2001