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**Evaluation of the Methodology Used  
to Assess the Performance of Network  
Industries Providing Services of General  
Economic Interest (SGEI)  
*Joint workshop EC-EESC***

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## Scope of the present evaluation

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- Purpose: in-depth assessment of the Methodological Note for the Horizontal Evaluation of Services of General Economic Interest (SGEI) and its practical application, to help decide on improvements and future orientations of the horizontal evaluations.
- Three major objectives:
  - Evaluate the need for a horizontal assessment of the performance of network industries supplying SGEI carried out at EU level;
  - Based on past experiences, provide analysis on how this process can be improved/optimised;
  - Determine whether the Commission is best placed to carry out horizontal evaluations.



## Unclear political context

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- At the origin of the evaluations, strong political support (cf White Paper, Nice mandate)
- Now situation more uncertain: less explicit demand, debates over a framework directive on SGI, etc.





## Methodology of the study

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### Analysis based on three information sources:

- Review of relevant documentation, survey and interviews.

### Survey

- 690 people targeted
- 96 survey questionnaires completed or 14 % of the population targeted (representative sample)
  - Many stakeholders unaware of the horizontal evaluations
  - For some targets much greater interest in SGEIs than in network industries

### Interviews

- 46 carried out
- Unusual difficulty to meet policy-makers to get their views

## The needs for such evaluations (1/2)

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Three categories of needs identified:

1° Direct support to policy-making that consists in:

- Unique source of data on SGEI: all MS and sectors, annual basis
- Key tool to monitor liberalisation of network industries and to better tune policies.

2° One information source used by policy-makers and stakeholders:

- Additional information compared to sectoral monitoring and other studies

3° Communication to the stakeholders and the citizens through their representative organisations:

- Addressing an anxiety about liberalisation and its consequences
- Informing stakeholders and indirectly the citizen over the working of the Internal Market

Evaluation of the methodology used to assess the performance of network industries providing services of general economic interest (SGEI)



## The needs for such evaluations (2/2)

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### Conclusions:

- More diversity of needs than in Methodological Note ('provide guidance for policy-making')
- Content: multi-sector synoptic view, more complementary with sectoral monitoring, more analytical for use by policy-makers
- Targets: diversity of stakeholders and policy-makers interested
- Thus different requirements on the evaluations and their reports and needs partly satisfied.



## Who should evaluate?

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- Is the Commission the appropriate body to produce the horizontal evaluations?
- Cons: Commission is judge and party: it might be insufficiently critical on the effects of its own policies
- Pros:
  - Good expertise and access to data
  - Transparency of the methodology
  - The system is operational





## Strengths of the evaluations

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- The evaluations are a unique source of information on several sectors examined at once
- Satisfaction of a majority of stakeholders regarding the sectors, topics and indicators covered and the quality of the evaluations (survey)
- Reports considered useful in particular by regulators, policy-makers in the Member States, and academics: synoptic (multi-sectors) information provided at EU level.
- Value for money: analysis produced with limited human and financial resources, and mainly existing data and studies not customised to the horizontal evaluations



## Weaknesses of the evaluations

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- Data insufficiently available: over 3 years data are available for 74% of the indicators; yearly, 53% of indicators covered; this compromises the fulfilment of the cross-sector comparisons and analyses
- For some stakeholders and policy-makers: insufficient independence as the Commission evaluates the implementation of its own policies without dedicated procedures to guarantee independence
- Insufficient dissemination and promotion of the reports and consultation and debates with stakeholders, partly linked to unclear distribution of responsibilities in the Methodological Note

## Improvements proposed (1/4)

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### Clear perimeter

- Clarify the objectives, scope and outputs of the evaluations:
  - Objectives: adjust the objectives as regards the three types of needs identified and the resources available
  - Scope: clarify that the evaluation concerns the quality of services provided by network industries as well as their economic performances and return to the original title of the evaluations
  - Outputs: be specific on the outputs expected that include the reports, their dissemination, the consultations and the workshops/debates.



## Improvements proposed (2/4)

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### More credibility

- Annex to the reports their reviews by academic experts and stakeholders representative at EU level, who represent the various interests and sensitivities of the social partners and the citizens, e.g. consumers, EESC, regulators,
- Develop public debates and workshops – possibly in cooperation with stakeholders - and facilitate access to their minutes





## Improvements proposed (3/4)

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### Improving the reports

- Investigate the possibilities of improved data collection through closer cooperation with Eurostat, national authorities and sectoral regulators, including contracting them out for additional data collection.
- Horizontal reports more complementary with sectoral monitoring: multi-sector analysis, topics such as employment, profile and quality of jobs, environmental impact and consumer perceptions
- More equal treatment of the different sectors, subject to availability of data (transport)
- Developed analysis of the environmental impact



## Improvements proposed (3/4)

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### Improving the reports

- Consumer perceptions in perspective with real factual data concerning price performance and quality of services
- Subject to resources available, produce two types of reports:
  - Recurrent annual report reporting and interpreting the indicators + specific focus as it has done to date
  - Every 3 years a more analytical report: in-depth analysis of the effects of market opening and best regulatory practices



## Improvements proposed (4/4)

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### Improving the dissemination and promotion

- Improve the attractiveness, readability and multilingualism of the report
- Contact directly journalists of specialised press like Euractiv
- Increase the visibility of the report on the Commission's websites
- Continue to disseminate the report directly and encourage indirect dissemination within stakeholder organisations

Subject to available additional resources:

- Consult stakeholders: a majority is probably open to being consulted
- Organise or support more events (workshops, contacts with media, etc.)



## Conclusions

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- Horizontal evaluations are a challenging exercise:
  - Multi-sector
  - Diversity of needs
  - Very sensitive topics
- Summary answers to the three initial questions:
  1. There is a need for such horizontal evaluations
  2. Most pragmatic solution: Commission as the producer of such horizontal evaluations with mechanisms to favour independence
  3. Improvements to be made , i.a., dissemination, consultation/reviews, more in-depth analysis of the impact of liberalisation
  4. Adequate resources necessary to implement recommendations

