

Chapter V

Guidelines on monitoring

Key requirements

- Make sure it will be possible to assess the performance of an initiative while avoiding unnecessary or duplicative requests for data and information.
- Consider including monitoring and evaluation provisions in each new Commission proposal in line with the interinstitutional agreement on better law-making.
- Impact assessment to set out the future monitoring and evaluation arrangements which should identify data needs and data.
- Establish monitoring arrangements and indicators that will generate the necessary information for subsequent evaluation of the performance of the intervention while minimising data collection costs.
- Ensure that monitoring arrangements initially sketched out in the impact assessment are updated to reflect the actual proposal presented by the Commission and what is finally agreed by the Legislator.

1. INTRODUCTION

Who should read these Guidelines?

All officials involved in the preparation of an impact assessment (IA) and related Commission proposals and implementing plans should read these guidelines including officials and managers who are responsible for ensuring the quality of monitoring systems in place in the lead DG. The guidelines are recommended also to those involved in the Strategic Planning and Programming cycle, in particular those who prepare Management Plans, and those involved in subsequent evaluations to allow them to understand how a monitoring system is set up.

This chapter concentrates on monitoring during the application of the intervention on the ground.⁷² More detailed guidance is also available in the accompanying Toolbox.

What is monitoring and when is it required?

Monitoring generates evidence on an intervention's activities and impacts over time in a continuous and systematic way. A monitoring system is a necessary and integral part of better regulation helping to:

- Identify whether a policy is being applied on the ground as expected;
- Addressing any implementation problems of an intervention; and/or
- Identifying whether further action is required to ensure that it can achieve its intended objectives.

⁷² Clearly, issues such as the timely and correct transposition of Union legislation into national rules and their appropriate enforcement will also influence the observed performance of the intervention. These aspects are dealt with in the preceding chapter.

Good monitoring generates factual data to improve the quality of future evaluation and impact assessment. It provides time series data that, under normal circumstances, will be more reliable in explaining behaviour than one-off data collection exercises.

The monitoring (and evaluation) arrangements should first be outlined in the impact assessment and be included in the Commission's proposal where appropriate in line with the Interinstitutional Agreement on Better Law-Making⁷³. These arrangements may need to be revised following adoption of the intervention by the legislator. This will allow more efficient evidence gathering to be integrated into the intervention and permit the maximum exploitation of existing sources thereby minimising costs for those involved in providing, collecting, storing and disseminating evidence.

In principle, part of the evaluation should assess the adequacy of the monitoring system in place.

2. THE KEY QUESTIONS AND PRINCIPLES OF MONITORING

Monitoring needs to consider the objectives of the intervention and what evidence needs to be collected to track its progress and performance. This is linked to understanding both the logic of the intervention and how the evidence collected will be used. Consideration needs to be given to the frequency and method of collection, different sources of evidence taking into account what is already available and cost for different parties involved. This leads to a series of questions.

The key questions a monitoring system must address	
1	<i>What evidence needs to be collected?</i>
2	<i>When and how should evidence be collected?</i>
3	<i>Who will collect the evidence and from whom?</i>

In answering these questions several governing principles need to be followed.

Governing principles

Comprehensive: the monitoring system put in place must cover the objectives of the intervention. Whilst high level monitoring of key indicators linked to general objectives is likely to exist already, new monitoring arrangements may need to be identified for specific or operational objectives. Although monitoring systems generally collect objective (e.g. factual, quantitative) evidence, it is also possible to put in place monitoring of subjective (e.g. opinion based, qualitative) evidence such as periodic opinion polls or surveys.

Proportionate: the system put in place needs to reflect the importance placed on different aspects of the intervention. Collection of evidence comes at a cost and care should be taken to challenge the necessity of each (new) monitoring requirement being considered.

⁷³ Paragraphs 22 and 23 of the Agreement

Minimise overlap: The EU, Member States, Agencies and international organisations collect a lot of evidence. It is important to know what we have already and when and how it is collected. This should help to avoid duplication and the creation of unnecessary data collection burdens by concentrating only on the gaps which need to be filled.

Timeliness: Whilst the monitoring system should be set up as soon as possible after the intervention is agreed, this does not mean that all evidence needs to be collected from that point onwards. Not all evidence needs to be collected at the same time – sometimes it is better to collect evidence as it happens, other times it can be done later. Consideration also needs to be given to when the evidence will be used – different legal requirements may play a role not just in deciding what is needed, but also the when it is collected.

Accessibility: in principle, all evidence gathered should be made available to the general public. Unless data includes confidential elements or is otherwise protected by rules on data protection, it is recommended that it is made available via the EU Open Data Portal⁷⁴ which provides a single point of access to a growing range of data produced by the institutions and other bodies of the European Union. Such information has a significant potential not just to increase transparency but also, through its reuse, to create new products and services and efficiency gains in administrations. Facilitating access to public data will also foster the participation of citizens in policymaking processes.

As mentioned above, monitoring plays a key role in providing part of the evidence base. Good monitoring is in particular important for evaluation, which cannot be undertaken satisfactorily without relevant information/evidence to assess the performance of the intervention⁷⁵.

Early planning of data needs

Considering the evidence required early at the impact assessment stage (or policy design stage) brings a number of advantages:

- The optimal evidence requirements can be identified more readily which increases the chances it will be available throughout the policy lifecycle;
- Requirements can be designed into the intervention so that evidence is delivered routinely so that the costs/impacts for providers and handlers can be clearly assessed;
- Baselines and counterfactual data can be collected.

⁷⁴ For more information see: <http://open-data.europa.eu/en/data/>

⁷⁵ Monitoring information is also relevant for a DG's Management Plan and the Commission's strategic planning and programming cycle. It provides an overview of all inputs that contribute to EU policies and the results and impacts of those policies. It also presents the elements of the performance framework to which the work of the DG contributes. The annual activity report gives an account of progress made towards key policy objectives and core activities of a DG taking into account the corresponding resources used each year. To enhance performance reporting on both spending and non-spending activities, DGs now include output, result and impact indicators for all activities which need to be accompanied by good monitoring arrangements to assess the impact of EU policies on society.

However, the final arrangements can only be established once the content of the intervention is clear i.e. following adoption by the Legislator.

2.1. *Question 1: What evidence needs to be collected?*

Consideration should be given to what evidence need to be gathered to give reliable and consistent measurement against the objectives of a given intervention.

A good monitoring system will cover all parts of the implementation and application of an intervention.

The first step in defining a monitoring system is to carefully consider the **objectives** of the intervention and the **reporting requirements** that have been set. Different reports contain different kinds of evidence, serving different purposes, particularly depending on the time they are written in the policy cycle.

In relation to an evaluation, evidence can be collected and help to assess:

- Whether the intervention logic underpinning the original initiative at the impact assessment stage remains valid;
- Whether the foreseen steps/milestones necessary for delivering the policy objectives have been completed successfully or progress against specified targets is on track;
- The numbers and characteristics of those who might be affected by a given intervention – such information being useful in future stakeholder consultation strategies;
- The costs and benefits to society. This could cover a wide range, from individual stakeholders to particular interest groups such as public authorities, businesses by sector, NGOs etc.;
- The wider impacts of the intervention.

Box 1. Implementation reports and evaluation

A basic act may often require the Commission to prepare an implementation report. These reports are generally focussed on the Member States' implementation measures. They often have a wider scope than pure legal compliance reports but nonetheless build on existing conformity/compliance checking. They do not constitute a full evaluation as they do not look into how and why the intervention has performed. They describe the state of play based on limited monitoring data and provide information on progress against agreed timetables or objectives.

In some cases, the requirement to prepare implementation reports may be repeated (typically every 3-5 years). However, consideration should be given to the advantages of undertaking a full evaluation of the measure, rather than preparing a further (and limited) report on implementation.

2.2. Question 2: When and how should evidence be collected?

Once it is clear what evidence is needed, careful consideration needs to be given to the timing and process of its collection.

To set up a good monitoring system a clear link needs to be established between objectives and indicators bearing in mind the arrangements needed to collect the necessary new evidence in time to meet reporting requirements.

It is important to know what and when is already being collected to avoid asking for the same data several times or creating new burden by asking for extra data when existing data cover broadly the same ground.

Monitoring/reporting requirements can create administrative burdens which should be kept to what is absolutely necessary. Smart use of technology can reduce costs – electronic data capture at the point of origin is cheaper than periodic interviews or surveys. Over the longer term, systematic monitoring systems can be more efficient than one-off exercises and provide information on trends.

For every initiative, checks on existing tools, systems, practices, standards etc. should be made to identify what can be reused – to avoid reinventing the wheel or developing new systems. As far as possible, all these systems and solutions should be "open", i.e. favouring the use of open standards and open data.

Timing of the evidence gathering needs to be considered in relation to the timescale over which the intervention is implemented and applied and any reporting requirements. The desired outcome of a policy intervention may not materialise for many years and this should be reflected in the monitoring arrangements. Where the final policy outcome is only expected far into the future or where it will not be possible to monitor the outcome directly, it may be necessary to monitor against intermediate or proxy outcomes. Again, these should be identified early in the design of the initiative.

Careful planning for future data collection is also important to ensure that possible ethical/privacy issues are identified and fully addressed, that the costs of data provision are transparently presented and that arrangements to ensure data quality assurance, storage and transmission are planned for.

Indicators

A good monitoring system links objectives with their relevant indicators.

- **Output indicators:** These relate to the specific deliverables of the intervention such as a new database for collecting monitoring results or a new European (CEN) standard etc..
- **Outcome/Result indicators:** These match the immediate effects of the intervention with particular reference to the direct addressees.
- **Impact indicators:** These relate to the intended outcome of the intervention in terms of impact on the wider economy/society beyond those directly affected by the intervention.

The Tool on monitoring arrangements and indicators sets out in more detail how to define objectives and indicators which link the impact assessment and evaluation phases of the policy cycle.

Each **indicator** should be clearly **defined**. Even slight differences in definition can have important implications both in terms of accuracy/reliability and data collection costs. A clear definition, including **the unit of measurement**, is particularly important as data need to be aggregated at the EU level. Aggregation of data can also become problematic if the definition is not provided or if indicators are not calculated on a consistent basis.

The frequency of measurements has implications for the overall costs of data collection. As regards **sources of data** – it is always advisable to exploit existing data sources as much as possible in order to reduce costs.

The baseline allows for assessment of the progress made. If we don't know where we started, we can't say how much progress has been made. **Targets** are not always set for initiatives, but if they are, they should have a deadline for attainment and a numerical value.

Table 1: Indicators⁷⁶

Indicator	Definition	Unit of measurement	Source of data	Frequency of measurement	Baseline	Target

2.3. Question 3: Who will collect the evidence and from whom?

Consideration should be given to who will have responsibility for gathering data and who will be responsible for providing it.

Evidence should be gathered at appropriate level with consideration to cumulative burden it could trigger.

There should be a clear understanding of what evidence needs to be collected and what existing data and data collection paths already exist. In the EU context, this requires an understanding of the different systems in the Member States. In principle, evidence should be collected centrally, at a Member State level or through a national or EU coordinating body.

Evidence providers will vary according to the intervention and the indicator. Sometimes evidence is needed from individual stakeholders (e.g. businesses or citizens); sometimes it can come from a collective body (e.g. business or consumer organisation, local/regional/national level). Every effort should be made not to impose excessive burdens on the stakeholder in terms of monitoring requirements.

⁷⁶ Indicators should be presented by their level, e.g input, result and impact indicators.