

TOOL #43. WHAT IS AN EVALUATION AND WHEN IS IT REQUIRED?

1. INTRODUCTION

Commission evaluations^{480,481} and fitness checks assess the performance of existing policies, programmes and legislation. This tool provides guidance to Commission officials on the application of the Guidelines, the definition of evaluation and fitness checks and explains the obligations to evaluate.

Box 1. Key definitions

Evaluation is an **evidence-based judgement** of the extent to which an existing intervention is:

- Effective;
- Efficient;
- Relevant given the current needs;
- Coherent both internally and with other EU interventions; and
- Has achieved EU added value.

Evaluation uses evidence to judge how well the intervention has performed (or is working), taking account of earlier predictions made in the context of an impact assessment. **Evaluation goes beyond an assessment of *what* has happened; it considers *why* something has occurred (and what links, if any, can be made to the role of the EU intervention) and, if possible, *how much has changed as a consequence. It thus aims (where possible) to draw conclusions about the causal effects of the EU intervention on the desired outcomes***⁴⁸². It should also look at the wider perspective, seeking to identify (and learn from) any unintended/unexpected effects which were not anticipated for example, in the impact assessment or in the act agreed by the Legislators. Evaluation should provide an evidence-based assessment of whether the EU intervention continues to be justified.

Traditionally, evaluations have covered a single EU intervention. Increasingly, evaluations with a wider scope - **fitness checks (FC)** - are undertaken, which evaluate a

⁴⁸⁰ Throughout the Toolbox and Guidelines, the term "evaluation" is used to describe any type of evaluation. For example: fitness checks; evaluations of programmes – often classified as mid-term, final, ex-post; evaluations of policies based on legal instruments or soft law – generally classified as interim because few policies have a set end date); evaluations of agencies conducted by the Commission services; evaluations of other external facing actions. If special consideration is required e.g. for a fitness check, this is mentioned in the text.

⁴⁸¹ Evaluations conducted by decentralised agencies of their own projects etc follow the Evaluation handbook for Agencies, available at http://europa.eu/about-eu/agencies/overhaul/index_en.htm

⁴⁸² As such, evaluation goes further than typical monitoring or audit activities. Monitoring looks at “what” (what has occurred; what has been the output of the intervention), compliance audit looks at “how” (how the internal control systems have functioned and how resources have been used at the implementation level), and performance audit takes a broader look at the overall conduct of the work and its results.

group of interventions which have some relationship to each other (normally a common set of objectives) justifying a joint analysis. There are no set criteria for identifying the scope of a fitness check – rather, the scope should bring together interventions whose evaluation as a group will contribute to a better understanding of the role played by the EU in achieving the related objectives, and reacting to broader policy concerns. Although fitness checks to date have mainly considered groups of related legislative actions, it is in theory possible to include within the scope of a fitness check any type of EU intervention e.g. spending programmes, strategies, agencies etc.

A fitness check should pay particular attention to identifying and trying to quantify synergies (e.g. improved performance, simplification, lower costs, reduced burdens) or inefficiencies (e.g. excessive burdens, overlaps, gaps, inconsistencies, implementation problems and/or obsolete measures) within the group of measures and help to identify the cumulative impact of the group of interventions, covering both costs and benefits.

The evaluation of individual interventions and fitness checks of policy areas are complementary and mutually reinforcing tools. While evaluations of individual interventions can provide more details on particular elements, they do not always show the full picture and a more strategic and global view is often required. Fitness checks can group together into one exercise evaluations that would otherwise have been undertaken separately, and potentially less coherently. Their particular strength is in addressing the cumulative effects of the applicable framework - these are not addressed via evaluations of individual interventions and the cumulative effects do not necessarily correspond to the sum of effects identified through such individual evaluations. Fitness checks can provide economies of scale and place a greater focus on overall objectives and performance.

Box 2. Studies and cumulative costs assessments are important inputs but are NOT evaluations

Not all analysis or evaluative type work can be considered an evaluation which meets the Commission's Guidelines:

- A study is defined as:⁴⁸³ *'a document resulting from intellectual services necessary to support the institutions' own policies or activities. A study is financed through the EU budget. It may be produced inside the institution or commissioned from external experts, generally through procurement procedures'.*
- Based on the above **it is clear that a study on its own is not necessarily an evaluation** because it may not fulfil the definition of evaluation presented earlier (i.e. evidence-based judgement against the five criteria) and the final document of a

⁴⁸³ See Note SG/BUDG Ares (2012) 809202 which describes the Commission's harmonised procedures for studies

study conducted by an external party does not present the evidence-based judgements of the Commission services – this is done in the evaluation SWD.

- Studies generally present important information – but may only cover part of the overall picture. Even where the scope of a study covers the full scope of an evaluation, an evaluation staff working document is required to bring together all the information and present the position of the lead DG.⁴⁸⁴
- Very often DGs commission supporting studies from external contractors to help with certain aspects of an evaluation. The precise content of such outsourced work depends on the evaluation being conducted and the resources available.
- **Cumulative cost assessments (CCA)** are a specific type of study/research intended to assess EU related regulatory costs on an industrial sector. However, given that such work focuses only on costs and does not take into account benefits, "CCAs cannot be the sole basis for policy recommendations"⁴⁸⁵ as they **do not evaluate** the whole performance of such interventions (i.e. they do not assess any of the five criteria used in the definition of evaluation in full). However they can provide an important input to evaluations, helping to inform the efficiency analysis.

2. WHAT ARE THE REQUIREMENTS TO EVALUATE?

Evaluations are an essential step to manage and revise the existing body of EU legislation and policy and should, wherever possible, precede impact assessment⁴⁸⁶.

The Commission is committed to evaluate in a proportionate way all EU spending and non-spending activities intended to have an impact on society or the economy⁴⁸⁷. In line with the "evaluate first" principle, such evaluation work should generally take place before work on a related initiative is launched (such as an impact assessment), although there may be cases where some overlap is unavoidable⁴⁸⁸.

The conduct and analysis of any evaluation should be proportionate⁴⁸⁹. This means that the resources and time allocated and the work undertaken should reflect i.a.:

- The importance and priority given to the intervention (e.g. Commission Work Programme, Juncker priorities, operational and strategic decision-making needs);

⁴⁸⁴ See Tool #49 on *The staff working document for evaluation*

⁴⁸⁵ Page 15, Regulatory Fitness and Performance: State of Play and Outlook COM (2014) 368 final

⁴⁸⁶ See section "Applying Smart Regulation instruments", Instructions of the Secretary General implementing the European Commission 2014-2019 Working Methods available at: <https://myintracomm.ec.europa.eu/sg/comcab/pages/methods.aspx>.

⁴⁸⁷ The 2007 Communication on Reinforcing the use of evaluation; http://ec.europa.eu/smart-regulation/evaluation/docs/eval_comm_sec2007_213_en.pdf

⁴⁸⁸ See Tool #52 on *Back-to-back evaluations and impact assessments* for more information on the specific processes to follow.

⁴⁸⁹ See Tool #45 on *How to undertake a proportionate evaluation*

- Requirements for evaluation as set out in the Financial Regulation, as well as any specific requirements set out in the legal basis of the relevant interventions;
- General factors such as the: nature of the policy instrument e.g. Regulation, Directive, Recommendation, communication, strategy, action plan; stage of policy development and associated maturity; magnitude and complexity of the intervention; significance and nature of the expected or observed impacts.

Box 3. Activities which need not necessarily be evaluated in the standard way

It may not be necessary to apply the Guidelines fully when evaluating:

- Individual projects, groups of projects or sub-activities where their findings will feed into an overarching evaluation. This is particularly relevant for (spending) programmes where there may be many projects or sub-activities that require some degree of assessment that has a narrower scope than evaluation as defined in the Guidelines. It is also the case for external programmes where findings coming from evaluations of country programmes, specific delivery methods/tools or elements of certain themes feed into larger or overarching evaluations including of legal instruments;
- Agencies, where aspects of the agency's performance will be evaluated within the context of the associated programme (executive agencies) or where a wider evaluation of the agency is part of the policy evaluation;
- A limited set of actions within an EU intervention which are not expected to lead to changes to the wider intervention e.g. a directive which contains a clause requesting the Commission to evaluate/review/assess the definition of XX after one year and decide if it is appropriate;
- Performance at an early point in the implementation of an intervention, when information on the longer term changes (results and impacts) is not yet available;
- The internal administrative policies of the Commission (Translation, Interpretation, Human Resources and Security, the Publications Office and certain areas of Eurostat).

Such work, which would not generally constitute an evaluation, should nonetheless broadly follow the concepts and principles of evaluation presented here. In these cases, a more proportionate approach should be applied; in general, a separate Decide planning entry, roadmap and staff working document (SWD) might not be required; the consultation strategy and evaluation criteria applied could cover a lesser scope. **Where a Directorate General has doubts about the degree of application and the steps which should be followed, they should discuss the approach with the Secretariat-General,** preferably during the annual discussions establishing the evaluation plan.⁴⁹⁰

In particular, when planning an evaluation, it is important to make a preliminary assessment of what data is already or likely to be available⁴⁹¹ and how long the EU

⁴⁹⁰ See also Tool #1 on *Principles, procedures and exceptions* and Tool #45 on *How to undertake a proportionate evaluation*.

⁴⁹¹ Section 7 of any associated IA should include indications of monitoring and evaluation arrangements.

intervention has been operating. This will help in designing the evaluation and also allow early signals to be passed relating to what the evaluation will deliver. As a rule of thumb, a minimum of three years full data relating to the operation of the EU intervention should be available. Consideration also needs to be given to the time required to carry out an evaluation (rule of thumb – minimum 9 months) and budget available, with DGs taking a pro-active role in identifying evaluation needs and planning accordingly.⁴⁹²

Many evaluations are imposed by individual (evaluation or assessment) clauses in legislation⁴⁹³. Review clauses are also common – requiring work with backward and forward looking elements. So for example, a review clause may require that by a certain date, the Commission produces an assessment of certain or all elements of an intervention, together with, if appropriate, proposals for change. The assessment in a "Review" clause should only trigger an evaluation according to these Guidelines where sufficient operational / implementation experience has accumulated to permit such analysis and there is already an expectation at that point that a proposal for change will be made. An evaluation may also be necessary due to the application of a sunset clause⁴⁹⁴.

Evaluation or review clauses should be applied by taking into account the requirements set out in the legislation together with the definition of evaluation in the better regulation Guidelines. For example, if there is a clause requiring the Commission to review certain elements (e.g. the effectiveness of the intervention and how it has affected competition) and it has been decided to evaluate the intervention, then the starting point for the scope of the subsequent evaluation should be to consider the usual five criteria (effectiveness, efficiency, relevance, coherence and EU added value) plus competition.

For spending programmes, the **Financial Regulation**⁴⁹⁵ and Rules of Application require an evaluation of all programmes and activities which entail significant overall spending (over €5 million). These rules also apply in full to evaluations of Agencies conducted by the Commission. The evaluation requirements for projects or programmes financed by the (11th) European Development Fund (EDF) budget are laid out in Council Regulation (EU) 2015/323 on the financial regulation.

In addition, for spending programmes financed by the EU budget, an obligation to evaluate is included in **Article 318 of the Treaty on the Functioning of the European Union (TFEU)**⁴⁹⁶, which requires the Commission to establish an annual evaluation report of the Union's finances based on results achieved.

⁴⁹² See Tool #44 on *Planning & the 5-year rolling evaluation plan*; and Tool #46 on *Designing the Evaluation*.

⁴⁹³ See Tool #42 on *Legal provisions on monitoring and evaluation*.

⁴⁹⁴ See for instance the [Joint Statement and Common Approach \(Parliament, Council & Commission\)](#), 2012

⁴⁹⁵ See Commission's financial regulations, particularly Chapter 7, Article 30.4. The Financial regulations are available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:298:0001:0096:EN:PDF>

⁴⁹⁶ Commission's rules of application, in particular Article 18.3. The rules of application are available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:362:FULL:EN:PDF>

Further sector-specific evaluation requirements are also explicitly included in the EU Treaties in the area of justice, freedom and security; common security and defence policy; research, technological development and space; industry; employment; social policy and public health.

Box 2. Process to prepare a typical evaluation

