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CORE INDICATORS: DEFINITIONS AND USE

DISCUSSION DOCUMENT

1. INTRODUCTION

The purpose of this document is to respond to requests from Members of the Evaluation Network of the Directorate General for Regional Policy for recommended definitions for core indicators and to reflect on issues of quality and use, based on the first transmission of Annual Implementation Reports through the SFC2007 system.

The recommended definitions are based on the definitions used in Member States which members of the Evaluation Network sent to the Commission. There is, however, no obligation for any Member State which is satisfied with the clarity and appropriateness of its indicator definitions to make any changes. For those who are still developing their systems and where they need further improvement, DG Regional Policy recommends the use of the definitions outlined in this document.

2. CORE INDICATOR: GOOD PRACTICE DEFINITIONS

Eight Member States sent us their indicator definitions and the Evaluation Unit in DG Regional Policy examined these and drew up the recommendations (see Annex I) based on this examination and the knowledge individual members of the team in the unit have of indicator systems across the EU27. Some small changes in titles of indicators are proposed to increase clarity.

3. THE EXPERIENCE OF TRANSMITTING CORE INDICATOR DATA VIA SFC2007

For the first time in mid 2008, Managing Authorities transmitted their Annual Implementations Reports, including indicators, via SFC2007. For this first year, Managing Authorities also had to insert their targets for the full 2007-2013 period, against which progress will be recorded each year. 2007 being the first year of

implementation, there was very little activity reported; however, we can regard it as a pilot run of the system and analysis of the weaknesses at this stage can help us improve the system for future years.

Annex II contains an aggregation of target values for core indicators from the system. Immediately obvious is the fact that not all Member States are covered. Belgium, Denmark, Ireland, Lithuania, the Netherlands, Portugal and Spain have not entered any core indicators in the core indicator element of the system. Some other Member States have entered very few. In addition, a closer analysis demonstrates the following:

- In many cases there is a misunderstanding between targets and baselines, with targets often being lower than the baseline when clearly this should not be the case.
- Not all programmes use the appropriate core indicators. For example, we have transport OPs not using the km of road indicators.
- There is great variety within Member States as to the core indicators that are used.

4. NEXT STEPS

DG REGIO is seeking feedback from the users of SFC2007. Some of the identified problems are technical and can be remedied in the short run. However, there are some issues where conceptual decisions are also needed.

4.1. Links to the Categories of Expenditure:

Some Member States have found the linking of certain core indicators to certain categories of expenditure limiting. It is proposed, therefore, to simply remove this link.

4.2. Baselines:

Baselines and their relationship with targets are interpreted very differently, in many cases even among OPs within the same Member State. Given that baselines are important for programming but marginal for monitoring purposes. This gives two fundamental alternatives:

- Developing a common interpretation of the relationship between baselines and targets (e.g. target equals baseline plus achievement during the period).
- Abandoning baselines in monitoring, which practically gives all baseline values as zero. Targets would be the change during the period.

4.3. Use of core indicators

In many cases, core indicators are not used, or not put in the core indicator element of SFC2007, or put there with a different measurement unit. The main purpose of introducing core indicators was to be able to provide aggregate information on programme achievement to the budgetary authorities (Parliament and the Council).

- Flexibility: Indicators are not defined in the same way across the MS, and a unique definition is not necessarily desirable: one OP may aim to create different "start-ups" than another, and different policy targets naturally lead to different definitions. This does not necessarily prevent aggregation though, as the total "number of start-up" can be still provided even if the start-ups are different.
- The Commission adds up only the core indicators, other indicators are used by the MS and, in DG REGIO, examined by the responsible desk officers only. Therefore if the core indicators provide a sufficient coverage of a programme (thus there is no risk that the Commission is not able to provide any information to the budgetary authorities), what is the reason to report other indicators in a structured way through SFC2007?
- Based on experience and the received feedback, we propose some modifications and also some new indicators.

Feedback from representatives on the Evaluation Network on the points above is welcome.

Annex I

Recommended Definitions for Core Indicators

(1) Jobs Created
<p>Gross direct jobs created, full time equivalents (FTE): A new working position created (did not exist before) as a direct result of project completion (workers employed to implement the project are not counted). The position needs to be filled (vacant posts are not counted) and increase the total number of jobs in the organisation.</p> <p>Full-time equivalent: Jobs can be full time, part time or seasonal. Seasonal and part time jobs are to be converted to FTE using ILO/statistical/other standards.</p> <p>Durability: Jobs are expected to be permanent, i.e. last for a reasonably long period depending on industrial-technological characteristics; seasonal jobs should be recurring.</p> <p>Gross: Not counting the origin of the jobholder as long as it directly contributes to the increase of total jobs in the organisation.</p>
(4) Number of RTD projects
<p>Project: an operation that last for a definite time and aims to produce a specified output. The output may or may not be tangible.</p> <p>R&D projects: project aimed to create new knowledge (research) or adapt/apply existing knowledge (development). It also includes projects aimed to develop supporting infrastructure.</p>
(5) Number of cooperation projects enterprises – research institutions
<p>R&D projects where at least one enterprise and one research institution participates in the project. The cooperation should last at least for the duration of the project.</p> <p>Enterprise: Organisation producing products or services to satisfy market needs in order to reach profit.</p> <p>Research institution: an organisation of which R&D is a primary activity.</p>
(6) Research jobs created (preferably 5 years after project start)
<p>Gross direct jobs created to directly perform R&D activities, in full time equivalents, as a result of a finished or on-going R&D project. If less than 100% of working time is devoted to R&D activity, the FTE should be modified accordingly. Support staff for R&D (i.e. jobs not directly involved in R&D activities) is not counted.</p>
(7) Number of projects (Direct investment aid to SME)
<p>Number of projects implemented by an SME using financial aid from Structural Funds. The form of the aid may vary (refundable, non-refundable, guarantee, etc.). The project should result in an investment (increasing the fixed or intangible assets of the enterprise).</p> <p>Project: an operation that last for a definite time and aims to produce a specified output. The output may or may not be tangible.</p>
(8) number of start-ups supported (first two years after start-up)
<p>Core indicator 8: Number of enterprises created receiving financial aid or assistance (consultancy, guidance, etc.) from Structural Funds or Structural Funds financed facility. The created enterprise did not exist one year before the project started. To be counted, the</p>

<p>enterprise should exist (have revenues and/or employ workers) two years after the project completion.</p> <p>The legal form of enterprise may be various (self-employed persons, partnerships, etc.). Its main activity should remain the same but the legal form or the ownership may change during the two years.</p>
<p>Core indicator 8b: Number of enterprises created receiving financial aid or assistance (consultancy, guidance, etc.) from Structural Funds or Structural Funds financed facility. The created enterprise did not exist one year before the project started. The legal form of enterprise may be various (self-employed persons, partnerships, etc.).</p>
<p>(9) Jobs created (gross, full time equivalent) (Direct investment aid to SME)</p>
<p>Gross direct jobs created in an SME, in full time equivalents, as a direct result of a finished project where (1) the project owner is the SME and (2) the project was implemented using financial aid from Structural Funds (the form of the aid may vary, e.g. refundable, non-refundable, guarantee).</p>
<p>(10) Investment induced (million €)</p>
<p>Private investment in enterprise supporting projects.</p>
<p>(11) Number of projects (Information society)</p>
<p>Number of projects aimed to develop ICT infrastructure, equipment, use or application.</p> <p>Project: an operation that last for a definite time and aims to produce a specified output. The output may or may not be tangible.</p>
<p>(12) Number of additional population covered by broadband access</p>
<p>Number of persons who can access to the internet with a download speed of at least 256 Kbit/sec and who did not have access before at all or only had more limited access. The capacity to access must be a direct result of the assistance.</p>
<p>(13) Number of projects (Transport)</p>
<p>Number of projects implemented in the transport sector</p>
<p>(14) km of new roads</p>
<p>Length of roads (in kilometres) constructed by the project where:</p> <ul style="list-style-type: none"> • no road existed before <p>or</p> <ul style="list-style-type: none"> • the capacity and quality of the previously existing local/secondary road is significantly improved to reach a higher classification (e.g. national road or equivalent)
<p>(15) km of new TEN roads (previously: km of new roads, of which TEN)</p>
<p>A subset of core indicator 14 (km of new roads): Length of roads developed along a TEN corridor</p>
<p>(16) km of reconstructed roads</p>
<p>Length of roads where the capacity or quality of the road (including safety standards) was improved. It excludes roads counted under core indicator 14 (km of new roads).</p>

(17) km of new railroads
Length of railroads constructed by the project where no railroad existed before, including railroad developed along a TEN corridor.
(18) km of TEN railroads (previously: km of new railroads, of which TEN)
Length of railroad that becomes part of the TEN transport network as a result of the project, either newly built or reconstructed.
(19) km of reconstructed railroads
Length of railroads of which quality of capacity have been improved. This can include electrification, developing single track railroad into double track, increasing the possible speed on the track, or ensuring ERTMS compatibility.
(20) Value for time savings in Euro / year stemming from new and reconstructed roads
Total reduction of journey time as a direct result of the project, counted by national methodology. For calculating monetary values, see Guide to Cost-Benefit Analysis of Investment Projects, page 78 (European Commission, 2008).
(21) Value for time savings in Euro / year stemming from new and reconstructed railroads
Total reduction of journey time as a direct result of the project, counted by national methodology. For calculating monetary values, see Guide to Cost-Benefit Analysis of Investment Projects, page 78 (European Commission, 2008).
(22) Additional population served with improved urban transport
Number of persons using improved public transport who did not use it before. Improved public transport: increase of the capacity or the quality (increase comfort, improve safety and security, reduce journey time, reduce delays, etc.) of services offered by the public transport network as direct result of projects.
(23) Number of projects (Renewable energy)
Number of projects aimed to increase or improve the production or transportation capacity of renewable energy. Renewable energy: Energy produced by renewable energy sources (i.e. excluding fossil or nuclear energy).
(24) Additional capacity of renewable energy production (MW)
Increase in energy production capacity (in megawatts) of facilities using renewable energy resources, built/equipped by the project. Renewable energy resource: Any energy source that is not fossil or nuclear.
(25) Additional population served by water projects
Number of persons (in population equivalent) provided with drinking water through the drinking water transportation network as a result of increased drinking water production/transportation capacity built by the project, and who were previously not connected. It includes reconstruction projects but excludes projects aiming to create/improve irrigation systems.
(26) Additional population served by waste water projects

Number of persons (in population equivalent) whose wastewater is transported to wastewater treatment plants through wastewater transportation network as a result of increased waste water treatment/transportation capacity built by the project, and who were previously not connected.
(27) Number of waste projects
Number of projects aimed at <ul style="list-style-type: none"> • waste prevention, or • recycling of communal or industrial waste, or • increasing landfill capacity or improving waste storage facilities, or • closing substandard landfills.
(28) Number of projects on improvement of air quality
(29) Area rehabilitated (km²)
Surface of contaminated or derelict land (in square kilometres) made available for economic (except agriculture) or community activities.
(30) Reduction greenhouse emissions (CO₂ and equivalents, kt)
The gross total reduction in greenhouse gas emissions (in CO ₂ equivalents, kiloton per annum) as a result of interventions financed by Structural Funds. Calculating CO ₂ equivalent is in line with United Nations Framework Convention on Climate Change (UNFCCC) standards (also see Decision No 280/2004/EC).
(31) Number of projects (Risk prevention)
Number of projects aimed to decrease the risk exposure of certain group of people or territories to natural disasters. The project can aim to decrease the chance of the disaster affecting the population or decrease the damage that potential disasters can cause. Projects that are primarily aimed to increase the capacity to deal with the after-effects of natural disasters are not considered as risk prevention projects.
(32) Number of people benefiting from flood protection measures
Number of people exposed to flood risk and whose vulnerability decreased as a direct result of a Structural Funds project.
(33) Number of people benefiting from forest fire protection and other protection measures
Number of people exposed to a certain risk and whose vulnerability decreased as a direct result of a Structural Funds project.
(34) Number of projects (Tourism)
Number of projects aimed to develop the tourism industry in the region. Project: an operation that last for a definite time and aims to produce a specified output. The output may or may not be tangible.
(35) Number of jobs created (Tourism)
Gross direct jobs created (in full time equivalents) by tourism projects (projects counted

under core indicator 34)
(36) Number of projects (Education)
Number of projects for education / training infrastructure development (includes buildings and equipment)
(37) Number of benefiting students (Education)
Number of students using the buildings or equipment provided by the project for their education or training (average users per year).
(38) Number of projects (Health)
Number of projects for health infrastructure development (includes buildings and equipment).