

REGIO Evaluation Network Meeting with the Member States

Minutes

Brussels, 29 -30 November 2018

DAY 1: 29 November 2018

1. OPENING REMARKS

Ms. Mariana Hristcheva, Head of Unit, welcomed the participants and invited the newcomers to the Evaluation Network to present themselves (NL, LT, PL).

Participants were invited to send comments on the minutes of the previous Evaluation Network Meeting, which was held on 20 June 2018 by Friday, 7 December.

Participants were also invited to approve the agenda for the current meeting. The agenda was approved with no changes.

2. PERFORMANCE FRAMEWORK AND REVIEW

REGIO.B2 provided the audience with details about the performance framework and review, which will take place in 2019 on the basis of the 2018 AIRs. A focus was put on the deadlines to be respected by MS and on the importance of ensuring data reliability (especially considering that the checks on the achievement of milestones will be conducted automatically). It was underlined that REGIO audits on data reliability detected significant deficiencies in one third of the systems audited.

Points of discussion:

- RO intervened to inform that the evaluation function in Romania has played a role in the PF review by advising MAs on indicators design and on procedures on validation of data for the AIR.
- IT stated that a lot of effort has been put on data aggregation and collection: IT is working on a technical document in order to support MAs in the identification of the appropriate stage of the implementation process where the project can be considered as valid for the performance review. IT announced that a formal letter was sent on 28 November in order to ask COM for its interpretation on the different definitions in application of the indicator related to the enterprises receiving support.
- GR informed that a big revision of all the OPs is taking place and that MAs were asked to provide the evaluation function with data regarding the achievement of the milestones, on the basis of the MAs' assessments.
- Clarification was required as for the use of the terms "lack of audit trail" in the context of data collection by the Commission (COM) and also regarding the meaning of "automatic checks". Requests for clarification also concerned the following items:(i) the applicability of the 75% option envisaged for milestones set for more than two indicators; (ii) the criteria used for the performance reserve allocation; (iii) the nature and application of corrective measures (in case of failures that affect priority axes as

for the achievement of the PF milestones); (iv) the possibility of transferring the performance reserve among funds; (v) the concept of expenditure incurred by beneficiaries in 2019; (vi) the certification of expenditure in case of state-aid; (vii) time measurement of output indicators for ongoing projects. A point was made on the necessity to have a clear guidance document on various possibilities which could emerge during the performance review.

- In its reply REGIO.B2 explained that the use of the terms "lack of audit trail" is related to the impossibility for auditors to reconstruct the way data were collected, aggregated and reported in the systems. Additionally, it was clarified that 'audit trail' does not refer to financial values: it is an 'indicator trail', built upon the availability of the data source. REGIO.B2 informed that two severe failures in terms of data quality were detected in the audits carried out by COM during the past year (necessary mitigating steps have been taken). REGIO.B2 recalled that COM will have discretion on the choice of payments suspension in cases of severe failures.

REGIO.B2 also answered the clarification requests and, in particular, reminded the audience that it is possible to transfer the performance reserve from ERDF and ESF (and vice versa) and that a feedback from the COM Legal Service on transfers involving the CF is still pending.

The participants were also reminded that other aspects related to the performance review had already been addressed in various documents and bilateral exchanges.

3. E-COHESION AND NEWLY IMPLEMENTED GLOBAL MONITORING SYSTEM IN HUNGARY

Janos Kele from the Hungarian Ministry of Innovation and Technology gave a presentation on the newly implemented Global Monitoring System in Hungary. Mr. Kele gave a brief overview of the one stop shop system, and detailed the FAIR concept and its subsystems. The high-level requirements of the FAIR system and the e-cohesion portal were listed, as well as the success factors of the system. The presentation also included a demonstration of the interactive map as part of the Global Monitoring System, as well as survey questions to Member States about their experiences in terms of challenges and success stories related to their monitoring systems.

Points of discussion:

- REGIO.B2 enquired about various points: (i) how does the MA ensure data quality with daily updates; (ii) whether indicators will be included in the map (iii) what are the benefits for the beneficiaries; (iv) how can the system be used to inform evaluators.
- Some questions addressed the issue of the intra-institutional cooperation and its successful management.
- CZ stated that they also have a similar system (encompassing EU funds only).
- In his answer, Mr. Kele stated that the inclusion of indicators in the interactive map is relatively difficult to implement, but still debated. Answering the question on institutional cooperation, he explained that putting FAIR to the highest security level supported this kind of collaboration, which was needed to implement the project.

4. EVALUATION OF STRUCTURAL PROGRAMMES LOANS (SPL) AND THEIR CONTRIBUTION TO COHESION POLICY 2007-2016

Michel Marciano and Emmanuel Pondard from EIB Operations Evaluation gave a presentation on the Evaluation of the contribution of Structural Programme Loans to EU Cohesion Policy. The presentation included a concise definition of SPLs and gave an overview on the SPLs achievement expectations, intervention logic and lifecycle. In the second half of the presentation, evaluation objectives and approaches were discussed in detail, in view of possibilities to improve the contribution of SPLs to EU cohesion policy.

Points of discussion:

- REGIO.B2 asked for more information regarding: (i) EIB's assessment of market conditions when it comes to decide on SPLs; (ii) the typology of indicators required by EIB (financial and/or output-related); (iii) public availability of information on SPLs.
- In their reply, Mr. Marciano and Mr. Pondard explained that assessment of market conditions is conducted on a case-by-case basis and that data requirements differ according to the size of the projects (for loans exceeding 50 million euros, the board needs to validate on a case-by-case basis, and on-site visits shall occur during the monitoring phase). It was also explained that projects are assessed on the basis of three fundamental criteria: 1) consistency with the policy; 2) quality of the project; 3) EIB's financial offer's value added. Therefore, certain indicators reflecting the scope of the three above-mentioned pillars are also in place. As for the public availability of information related to SPLs, it was mentioned that contractual relationships usually set limit on what information can be shared.

5. COMMON OUTPUT INDICATORS 2014-2020 – FINDINGS FROM REGIO WORKSHOPS (JUNE, SEPTEMBER 2018)

A detailed presentation by REGIO.B2 on the study launched in October 2017 and on the workshops held in June and September was followed by a listing of the arising challenges, namely with regards to indicators' definitions and scope, double counting, time of measurement, output vs. result, complementarity/overlaps, related indicators, and methodology.

In the second half of the presentation, quality of data reporting was discussed and the lessons learned during the Annual report review were drawn.

Points of discussion:

- Proposals to take the training exercise further were presented: the necessity of working on common definitions and to explore double counting and target setting issues was

shared among participants. In addition, it was suggested to consider the establishment of two different types of direct result indicators for the next programming period: indicators with deferred direct results and indicators with immediate direct results.

- In its reply, REGIO.B2 acknowledged the need for compliant and comparable data. However, it was also mentioned that definitions and common methodologies will not be proposed through legislation, but rather through deliberations, in order to avoid over-regulation.

6. MONITORING AND EVALUATION 2021+ (PERFORMANCE AND INTERVENTION RATIONALE)

In its presentation on monitoring and evaluation after 2021 REGIO.B2 focused on the importance of the intervention rationale (and the contribution of categorisation data to this effort) and on the performance framework and mid-term review.

Points of discussion:

- Participants pointed out the following aspects: (i) milestones need to be based on a justifiable, measurable estimation; ii) there is often a selection bias towards the simplest indicators or towards indicators where data is available; (iii) the issue of mistiming, which is implied by the incorporation of evaluation results in future programmes, should be tackled; (iv) possible confusion between the concepts of indicators and categories of intervention; (v) two of the three criteria for reprogramming in 2021-2027 (strategic priorities and performance) were deemed not to be supportive of the reshaping of cohesion policy programmes, due to the fact that they are nation-based (instead of regional-based) criteria; (vi) in order to allow for a better comparability of indicators, it was suggested to remove the choice, available to MSs, between a zero baseline and a positive baseline for certain output indicators; (vii) having fewer specific objectives and more result indicators could represent a risk.
- In its reply REGIO.B2 explained that, in the list of common indicators included in the Annex to the ERDF Regulation, only those indicators which are relevant to the actions to be proposed and financed shall be selected. If no common indicator is relevant, a specific indicator shall be used. It was also made clear that COM is not requiring milestones for result indicators and that categorisation is needed in order to improve transparency.

REGIO.B2 expressed its willingness to address the issues regarding baselines by discussing this in detail with MS. COM attempts to reduce the amount of guidelines to the absolute necessary was recalled.

7. MONITORING AND EVALUATION 2021+ (CATEGORIZATION, INDICATORS)

REGIO.B2 presented firstly on the ERDF and CF indicators in the 2021+ timeframe. A comparison between the 2014-20 and 2021-27 programming period was made, showing the

consolidation of the indicator system. In the following section, the future system of common indicators was explained, with a focus on generic, thematic, and horizontal indicators. Interreg specific indicators were discussed in a separate section. Harmonization and simplification efforts of the 2021+ indicators and categorization were also presented, emphasizing the increased comparability of data thanks to the use of fewer indicators. In addition, proposed data reporting practices post-2021 were described in detail.

Points of discussion:

- The following issues were brought up by participants: (i) the real evolution, in intervention terms, happening between the current and the future programming periods (this question was addressed referring mainly to climate challenges); (ii) the difficulty of matching a measure with a pre-defined intervention field; (iii) the administrative burden deemed to be eventually faced by beneficiaries for them to be compliant with the new reporting requirements (six times per year); (iv) applicability of the regional dimension (categories of region) in the context of the CF; (v) length of the indicators list (a short list of indicators was deemed to allow for a more efficient data collection).
- Further clarification was requested as for: (i) the concept of territorial focus foreseen in the Regulation proposal; (ii) output indicators not accompanied by a result indicator.
- Some suggestions were also presented by participants, and namely: (i) more flexibility during the programming phase, in order to avoid recurrent amendments of the programmes; (ii) inclusion of indicators' definitions in an implementing act (and not in guidelines).
- In its reply, REGIO.B2 confirmed that DG REGIO is collaborating with DG CLIMA in order to better address the new climate challenges. It was also explained that, as it is the case in the current programming period, MS should focus on the main objective of the operation in order to choose the most appropriate intervention field code; MS were also invited to propose additional intervention fields for those operations not fitting, potentially, in any of the existing fields.

It was acknowledged that the new reporting requirements might represent a burden but, at the same time, it was underlined that the information to be reported is already available and collected by MS; in addition, these requirements would allow for a higher degree of transparency. It was also made clear that territorial focus is not based on a statistical definition, in order to allow country specificities to be reflected properly.

Common indicators for results will be provided for the next programming period; this would also allow for consistency with the ESF Regulation. It was also announced that another forum where discussions around ETC indicators can develop will be a full day meeting in Vienna on the 20 February.

It was also explained that there is not always a straightforward link between an output indicator and a result indicator and that a certain degree of flexibility should be ensured in order to avoid the adoption of a one-size-fits-all approach.

8. CLOSING REMARKS FOR THE DAY

Mariana Hristcheva closed the meeting by going through the necessary housekeeping points (addressing especially the meeting of 30 November) and by thanking the attendees for their active participation in the discussion.

DAY 2: 30 November 2018

9. OPENING REMARKS FOR THE DAY

Ms. Daria Gismondi, Deputy Head of Unit, welcomed the participants, expressed her appreciation with regard to the discussions of the previous day and went through some necessary housekeeping points.

10. MONITORING AND EVALUATION 2021+ (EVALUATION, NEXT STEPS)

REGIO.B2 gave an outlook of the post 2020 Commission's proposal to the audience, with a specific focus on the new common indicators and evaluation system.

Since last consultations with MS provided a positive feedback on the system of common indicator used during the programming period, the Commission's proposal for the post 2020 tries to strengthen this system by adjusting the list of indicators (which will also include result indicators) and by providing MS with clear definitions in order to ensure a harmonised application. COM presented this effort and underlined its strive for a right balance between the number of common indicators and the reliability of the system. COM invited MS to actively participate by discussing each suggested indicator in 2019: the dates of the designated meetings were proposed¹ and each MS was encouraged to choose a coordinator by 10 December. Coordinators will be in charge of collecting a list of common indicators to be brought into discussion (they will receive a template for each indicator, on which they will also be able to comment).

COM also presented the proposal's requirements for evaluation and highlighted the novelties in comparison with the current programming period.

In the Q&A session that followed, the points below were addressed. Concerning indicators:

- Some questions regarding the organisation of the meetings/workshops on common indicators were raised (experts' participation, final schedule, materials to be circulated before discussions). It was suggested to have the sessions dedicated to the discussions on indicators spread on one day and a half and also to give MS the possibility to perform pilot analyses on those common indicators already in place, on a voluntary basis.
- The provision of a clear definition for each of the fields constituting the fiche was required.

¹ Future meetings proposed by COM to discuss common indicators: 29 and 30 January for PO1 indicators; 7 and 8 March for PO2 indicators; 11 and 12 April for PO3 and PO4 indicators; 23 and 24 May for PO5 and horizontal indicators.

- In its reply, REGIO B2 welcomed MS' requests regarding the organisation of the next meetings devoted to the new system of indicators: follow-up actions will be put in place shortly.

Concerning evaluation:

- Some criticism was expressed towards the new regulation proposal and, especially towards: (i) the provision that requires the adoption of the five Better Regulation criteria for each evaluation (these five criteria being programme relevance, effectiveness, efficiency, coherence and EU added value); (ii) the level of simplification (which is considered to potentially lead to an excessive detachment from thematic evaluations); (iii) the timing for the evaluation activities.
- The following suggestions were made: (i) exemption from impact evaluations for those OPs not exceeding EUR 50.000.000,00; (ii) specification to be included in the regulation in order to define the MS's responsibility on the evaluation function; (iii) implementation of a mechanism able to support the financing of evaluation through technical assistance; (iv) ex-post evaluation of June 2029 to be carried out at a later stage, once all investments are finalised.
- MS asked COM to provide guidelines on evaluation and stressed the need to make them available before the preparation of the evaluation plans.
- In its reply, REGIO.B2 stated that questions on those provisions of the new proposal concerning evaluations criteria and timing, MS vs. MA's responsibility etc. should be raised in the Council. The short time for MAs to perform the required impact evaluations by June 2019 was acknowledged; however, COM explained that the results from MS evaluations will feed into its ex-post evaluations.

11.REVIEW OF IMPACT EVALUATIONS CARRIED OUT BY MEMBER STATES

The presentation prepared by DG REGIO Evaluation Desk focused on the assessment of 244 MS's impact evaluations during the current programming period.

Points of discussion:

- Some concerns regarding the reliability of impact evaluations performed by MS were raised: especially in the case of ERDF-funded OPs, it is often difficult to collect the necessary data and measuring results achieved using the same methodology is not always effective. It was also stressed that process evaluations are very relevant and that evaluation plans are dynamic documents (there is the tendency to include a longer list of impact evaluations in the first versions, if compared to the amount of impact evaluations foreseen by the latest versions).
- There was a request for additional details about the analysis conducted by the Evaluation Helpdesk and for the organisation of a workshop in order to share best practices in the field of impact evaluations. The Evaluation Helpdesk was also asked to perform some peer review on the results of impact evaluations carried out, in order to allow for better evaluations in the future.

- In its reply, REGIO.B2 recalled that Summer Schools represent a good forum for the discussions on methodology for impact evaluation and presented the SFC 'Evaluation' section as a useful tool to enable the share of evaluations and evaluation plans. COM added that there is no legal obligation to perform an impact evaluation for each OP: as already included in the COM's guidelines, cross-OPs impact evaluations represent a potential valid alternative.

12.ERDF IMPACT EVALUATION 2014-2020 – A CASE FROM THE NETHERLANDS

The last presentation of the morning session was held by Luc Hulsman MSc, Programme Manager, Samenwerkingsverband Noord-Nederland, Groningen, who shared the result of an impact evaluation carried out on four 2014-2020 OPs in the Netherlands, involving the four Dutch regions and four MAs. The evaluation, carried out by around 20 experts at the University of Groningen, was based on two main research questions: "Do MAs select the right projects?", "Does the intervention logic work?" Both questions were answered positively by the evaluators and follow-up actions will be discussed in the coming months.

The evaluation process saw a successful collaboration between regions, managing authorities and academia.

In the Q&A session that followed:

- Mr. Hulsman was asked whether the scientific approach adopted by the University matched the business people's approach. The answer was positive: it was explained that there is no actual gap between these two approaches in the Netherlands and that many exchanges with the business world happened during the implementation of the evaluation.
- COM welcomed the fact that the methods used in the evaluation were interesting and proposed to circulate the evaluation report in machine translation on CIRCABC.

13.LATVIA: EVALUATION OF THE CONTRIBUTION OF EU FUNDS TO ENTREPRENEURSHIP SUPPORT IN 2007-2013 PROGRAMMING PERIOD

The first presentation of the afternoon session aimed at sharing the LV ex-post evaluation experience on the contribution of EU funds to entrepreneurship support in 2007-2013 programming period.

Points of discussion:

- Some requests for clarification were presented and concerned: (i) the identity of the evaluation's contractor; (ii) the kind of cooperation developed with the contractor; (iii) the availability of the data needed for the evaluation; (iv) the common features of those enterprises which proved to be the biggest beneficiaries.
- In its reply, LV explained that the Latvian Ministry of Finance is responsible for all the evaluations and that, for each evaluation, a coordination group is set up (the one

regarding the evaluation presented was made up of a member of the Ministry of Finance, a member of the Ministry which is responsible for the intervention as well as members from financial institution in charge of the interventions). Monthly meetings with the evaluators were organised in order to find solutions to arising issues, such as data issues. It was also mentioned that the evaluation presented was the first Latvian evaluation in the field of ERDF support to enterprises based on the use of state revenue service' data.

After the presentation, COM gave the floor to LT for the announcement of the biennial evaluation conference, which will take place in Vilnius on 23 May 2019 and focus on the future of evaluation in the new programming period. MS were offered the opportunity to express their interest to present at the event.

REGIO.B2 announced its 8th Evaluation Conference of EU Cohesion Policy "Investing in our shared future", which will take place in Bucharest on 20-21 June 2019. Invitations to the event will be sent by email.

14. 2018 STUDY: "NEW ASSESSMENT OF ESIF ADMINISTRATIVE COSTS AND BURDEN"

REGIO.B1 presented the study commissioned by COM on administrative costs and burdens of ESIF. The study was published at the end of October 2018 and its overall objectives were: (i) to establish a new baseline concerning the administrative costs and burden of the current ESIF programming period; (ii) to compare the baseline to results of previous studies; (iii) to perform simulations on how possible regulatory changes for post 2020 might affect administrative costs and burden. Amongst the main findings, heterogeneity of administrative burdens among MS and high costs related to audit and reporting were mentioned. An outlook on the administrative costs for the post 2020 period was also presented to the audience.

Points of discussion:

- MS pointed out that: (i) the application of the future common indicators will represent part of the administrative burden for MS; (ii) TA costs should not be reduced to the plafond and not be covered by lump sums; (iii) regulatory uncertainty should be included in the calculation of the administrative burden; (iv) the application of the simplified cost option is welcome, provided it is defined by a solid legal structure.
- Some doubts were expressed as for the effects of simplification: since the biggest part of the administrative burden is generated by audit and reporting costs and since, in the context of the simplified costs system's implementation, MAs will be more cautious about the beneficiaries, MS called for a change in auditors' mindset (which should take into account the implications of the new requirements).
- Some requests for clarification were presented and concerned: (i) the extent of administrative costs' coverage through TA; (ii) the forecasts for costs related to the reimbursement phase (reduction thanks to the simplified cost option?).
- AT, which was involved in the study, claimed that the delivery of data for this study proved to be cumbersome. In addition, the Austrian delegation asked whether the

methodology used by COM changed from the methodology on which a similar study previously conducted by COM was based and which are the lessons learnt. AT also mentioned that the ECA is carrying out an audit in Austria and in other MS and that the initial findings will be announced in 2019.

- In its reply REGIO.B1 stated that the future regulation will allow for a higher legal certainty because almost the totality of implementing acts has been deleted (giving space to the use of annexes to the regulation instead) and the number of guidelines will be reduced. COM also acknowledged that the main impediment to the reduction of the administrative burden is related to the pressure entailed by audit; for this reason, a dedicated provision has been included in the proposal.

15.EXCHANGE OF INFORMATION AND CLOSING REMARKS

After the final presentation of the afternoon session REGIO.B2 gave the floor to MS in order to allow them to share information about their monitoring and evaluation activities. REGIO.B2 also informed the audience about the ongoing evaluations and expressed appreciation about the data collected in the 2018 Annual Summary Report. Moreover, B2 signalled the webinar on the use of Open Data, which will be carried out in the coming weeks; the possibility of rolling-out this webinar to consultants and the academia was also mentioned.

The meeting was closed and the audience was informed that the next Evaluation Network is foreseen by end of January.