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Sotiris Petropoulos

Evaluation of the European Structural Funds

A historical perspective

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Sotiris Petropoulos is a Research Fellow at the University of the Peloponnese. He holds a PhD in Geography from Harokopion University of Athens, Greece as well as an MA in International Political Economy from Warwick University, UK. His research focuses on regional integration schemes, East Asian international relations, international economic relations and emerging powers. Dr. Petropoulos has acted as project manager and research fellow at numerous research programmes while he has published various articles in academic journals.

EVALUATION OF THE EUROPEAN STRUCTURAL FUNDS

A historical perspective

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Executive Summary

The concept of evaluation is a notion that gradually evolved across the Western world and was applied to numerous activities especially the ones related to public spending. In Europe, this new trend first appeared in countries within the Anglo-Saxon sphere, namely the UK, the Nordics and to some degree the Netherlands. During the late 1970s and early 1980s the concept of Value for Money (VfM) was gaining ground in public institutions' activities, a tendency that gradually passed to the evolving Cohesion Policy of the progressively expanding European Union.

The evaluation of Cohesion Policy, i.e. the evaluation of the European Structural Funds, became a significant anxiety within both the European Commission and the member states as both the number of recipients and the volume of disbursed funds were growing.

New member states like Greece, Spain and Portugal during the 1980s and especially Poland, Romania, Bulgaria, etc during the 2000s meant a greater geographic diversification of available European funds leading to increased focus on whether these are used accordingly and whether they generate the expected outcomes, issues that cases of corrupted managing authorities and illegitimate use of such funds occasionally stressed.

Likewise, the increase of European cohesion policy spending from just €64 billion during the 1988-1993 programming period to over €345 billion during the current one (2007-2013) clearly highlighted the need for clear rules over their use followed by enhanced monitoring and evaluation procedures. Thus, the notions of ex-ante, interim and ex-post evaluations gradually became well-known vocabulary for anyone involved in EU affairs.

Furthermore, since the 1980s available evaluation techniques have multiplied while also becoming more comprehensive as is the case with European Commission's guidelines to EU funds' managing authorities prior to each programming period. Nowadays, managing authorities have to follow a clear set of rules and procedures, an indirect effect of which has been the gradual creation of an "evaluation culture" within member states. Nevertheless, there are aspects of EU funding impact being still much neglected as attention was (and is) mostly given to quantitative rather than qualitative data and outcomes.

Introduction

It is widely accepted that the creation of any regional integration scheme generates both opportunities and threats for its member states. Conventional economic wisdom dictates that the abolishment of tariffs between countries in different levels of economic development, not to mention the economic unification of any group of asymmetric national economies, puts significant pressure on those economies that are less developed. The creation of a redistributive mechanism within a regional integration scheme which would organize the transfer of funds from the more developed to the less developed economies of the regional group has been highlighted as a necessary initiative for counterbalancing the possible pressure of intense economic competition towards the less developed economies generated from the more developed ones (Hass 1976; Venables 1998). Going further, the idea of a redistributive mechanism is directly related to the need of achieving economic, among others, convergence within a given group of states as well as, in forward-thinking, with the notion of creating an Optimum Currency Area (OCA).

Indeed, the most advanced regional integration scheme in the world, i.e. the European Union, has been operating such a mechanism since at least the mid-1970s in order to achieving regional convergence and cohesion. For example, the Regional Policy – Info regio website (2013) informs us that *“Regional policy aims to reduce the significant economic, social and territorial disparities that still exist between Europe's regions. Leaving these disparities in place would undermine some of the cornerstones of the EU, including its large single market and its currency, the euro”*.

Of course, the idea of designing and implementing region-wide policies addressing regional imbalances was already apparent within the initial Treaty of Rome, while one of the major instruments for actually taking action over the matter, i.e. the European Regional Development Fund, was created in 1975.

European Councils decisions of 1988, 1992, 1999 and 2005 as well as sections in the Treaties of Maastricht, Amsterdam and Nice highlighted the importance for a *Cohesion Policy*. After all, the Single European Act directly expressed the need for achieving economic (and social) cohesion, building upon the 1988's regulations creating the European Cohesion Policy (DG Regio 2013). Overall, the importance given by the European Union to its Cohesion Policy is reflected by the fact that it gradually grew to represent the second (after price support for agriculture) largest part of its budget, accounting 30% of the EU's total spending until 2013 and approximately 33% for the 2014-2020 period (MMF 2014-2020).

Cohesion policy within the European Union is implemented through a number of Funds, including the famous “Structural Funds” (the European Social Fund-ESF established in 1958 and the European Regional Development Fund-ERDF created in 1975), that since 1988 channel, during 5-year programming periods (e.g. 2000-2006, 2007-2013, etc), specific amounts of money towards the implementation of programs and projects with the overall aim to achieve economic and social convergence of the EU member states.

The levels of funding for each member state for each program period are based on a series of specific rules and formulas. After the EU budget for the next programming period is agreed through intensive negotiations and after the amounts designated to the Structural

Funds are decided, each country, based on a series of rules, becomes entitled of a specific sum which can be used for programs and projects in accordance with specific national Operational and Regional Programs. The latter must be designed in a concrete way, ensuring that the European funds are used towards achieving tangible results which are in line with the “Structural Funds” aims and logic. To this end, programs funded by the EU budget are evaluated at the European, national and regional level.

Today, three types of evaluations can be identified based on procedures applied over the 2007-2013 programming period. These are the following:

1. Ex ante, i.e. before the programming period
2. Interim, i.e. during the implementation and usually after the first half of the programming period has passed
3. Ex post, i.e. after the programming period/end of a project.

The European Commission is responsible for ex post evaluations while it may also conduct – in partnership with the member states – ongoing / interim evaluations. On the other hand, ex ante evaluations lie directly to the hands of member states. The evaluation processes within the European Union are not uniform but the European Commission does provide specific guidelines during the start of each programming period while it also tries to facilitate the exchanges of best practices across the Union.

Overall, the importance given to the Structural Funds evaluation processes by the European Union in general and the European Commission in particular have gradually evolved since the late 1980s. This is highlighted from a number of facts, the most apparent of which being the number of guidelines issued by the European Commission during the start of each programming period. For the 1988-1993 there are no actual guidance documents regarding evaluation processes. For the 1994-1999 programming period four (4) documents were prepared by the European Commission:

1. Guide on Technical assistance,
2. Commission Working Document (February 2004)- Application of Article 151(4) of the EC Treaty: use of the Structural Funds in the field of culture during the period 1994-1999,
3. Understanding and Monitoring the Cost-Determining Factors of Infrastructure Projects (April 1998), and
4. Measuring Job Creation – Methods for the Evaluation of the Employment Effects of Structural Fund Interventions (January 1997).

The change in the importance given to overall Cohesion Policy Funds’ usage preparations and relevant evaluation processes becomes apparent in the 2000-2006 programming period for which the European Commission published 18 relevant documents / guides:

1. Vademecum on the preparation of Plans and programming documents,
2. The Ex-Ante Evaluation of the Structural Funds interventions,
3. Indicators for Monitoring and Evaluation: An indicative methodology,
4. Implementation of the performance reserve,
5. Verification of additionality for Objective 1,

6. Ex Ante Evaluation and Indicators for INTERREG (Strand A and B),
7. The Mid Term Evaluation of Structural Fund Interventions,
8. The Mid Term Evaluation of Structural Fund Interventions - INTERREG III,
9. The Mid Term Evaluation of Structural Fund Interventions – URBAN,
10. The Update of the Mid-term Evaluation of the Structural Fund Interventions,
11. Guide to cost-benefit analysis of investment projects published by DG Regional Policy in 2002,
12. Guide to the Cohesion Fund 2000-2006,
13. Application of the Polluter Pays Principle,
14. Information society and regional development : ERDF Interventions 2000/2006,
15. Mainstreaming equal opportunities for women and men in Structural Fund programmes and projects,
16. Vademecum for URBAN II Programmes,
17. Application of the “n+2” rule, and
18. Guidelines on Criteria and Modalities of Implementation of Structural Funds in Support of Electronic Communications.

For the 2007-2013 programming period the production of guides and other relevant documents by the European Commission was lower in number as the documentation produced for the 2000-2006 covered much of the essentials of Structural Funds usage and evaluation. Nevertheless, 15 guidance documents were created:

1. Working Document No 1: Indicative Guidelines on Evaluation Methods: Ex-Ante Evaluation,
2. Working Document No 2: Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators,
3. Working Document No 3: Commission Methodological Paper giving guidelines on the calculation of public or equivalent structural spending for the purpose of additionality,
4. Working Document No 4: Guidance on the Methodology for carrying out Cost-Benefit Analysis,
5. Working Document No 5: Indicative Guidelines on Evaluation Methods : Evaluation during the Programming Period,
6. Working document No 7: "Reporting on core indicators for ERDF and Cohesion Fund",
7. Analysis of Errors in Cohesion Policy for the years 2006-2009 - Actions taken by the Commission and the way forward,
8. Regions 2020: An Assessment of Future Challenges for EU Regions - November 2008,
9. Fostering the urban dimension: Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007-2013) - November 2008,
10. Innovation in the national strategic reference frameworks (working document) - October 2006,
11. The Smart Guide to Innovation Based Incubators (IBI) - February 2010 pdf en - 20 Case studies,
12. Innovative strategies and actions: Results from 15 Years of Regional Experimentation,

13. EVALSED: The updated guide for the evaluation of Socio-Economic Development,
14. Handbook on SEA (Strategic Environmental Assessment) for Cohesion Policy 2007-2013, and
15. Checklist Water and Waste Major projects (20/11/09).

Finally, it should be noted that the European Commission is trying to push for an even more results-oriented approach to the use of Structural Funds. To this end, and while the 2014-2020 programming period is still under the discussions / design phase 12 guidance related documents have been produced:

1. Concepts and recommendations,
2. Result Indicator Pilot Report,
3. Outcome Indicators and targets – Towards a Performance oriented EU Cohesion Policy (Fabrizio Barca, Philip McCann),
4. Meeting climate change and energy objectives,
5. Improving the conditions for innovation, research and development,
6. Guidance for the Design of Quantitative Survey-Based Evaluation,
7. Guidance for the design of qualitative case study evaluation,
8. Good practices in the selection and use of outcome indicators,
9. Experience of the 2007-2013 Italian Performance Reserve (PR) – measurable objective for public services provision in Mezzogiorno,
10. Guide on ex-ante evaluation,
11. Draft Guidance on the performance framework review and reserve in 2014-2020, and
12. Guidance on evaluation of innovation.

Furthermore, the continuing rise of the importance given to the evaluation of Structural Funds can be explained by a number of reasons. First, the level of funding has gradually increased to significant levels leading to a clear call for efficiently recording where this funding goes and what is achieved.

During the 1988-1993 programming period ECU 64 billion (25 % of the EU budget and 0.3 % of the total GDP of the EU) were disbursed, with Spain (ECU 14.2 billion), Italy (ECU 11.4 billion), Portugal (ECU 9.2 billion) and Greece (ECU 8.2 billion) being the biggest recipients. During this period the much nationally-based projects across the European Union were integrated into a general cohesion policy “...*focusing on the poorest and most backward regions, including a strategic orientation of investments and enhancing the involvement of regional and local partners...*”.

The above figure was more than doubled during the next programming period, 1994-1999, in which ECU 168 billion (1/3 of the EU budget and 0.4% of the total GDP of the EU) were spent in projects mostly situated in Spain (ECU 42.4 billion), Germany (ECU 21.8 billion – partly due to the unification), Italy (ECU 21.7 billion), Portugal (ECU 18.2 billion), Greece (ECU 17.7 billion) and France (ECU 14.9 billion).

The total spending of Cohesion Policy Funds also increased (almost +50%) during the 2000-2006 period reaching €235 billion: €213 billion for old member states and €22 billion for new

member states (2004-2006). More importantly, the Cohesion Policy Funds were conditioned by the 'Lisbon Strategy' (2000) by which growth, jobs and innovation became the top priorities of the Union. The total figure again represented 1/3 of the EU budget while Spain (€56.3 billion), Germany (€29.8 billion), Italy (€29.6 billion), Greece (€24.9 billion), Portugal (€22.8 billion), the UK (€16.6 billion) and France (€15.7 billion) were among the main beneficiaries.

Finally, during the current programming period (2007-2013) the total budget of the Cohesion Policy Funds was elevated to €347 billion accompanied by an emphasis to increased transparency and accountability. This figure surpassed the 1/3 of the total EU budget reaching 35.7% while among the main beneficiaries Poland (€67.3 billion), Spain (€35.2 billion), Italy (€28.8 billion), Czech Republic (€26.7 billion), Germany (€26.3 billion), Hungary (€25.3 billion), Portugal (€21.5 billion) and Greece (€20.4 billion) were included.

Hence, the Cohesion Policy Funds gradually increased from ECU 64 billion to almost €350 billion leading to a clear necessity to enhance the procedures of monitoring and evaluation. This tendency was also reinforced by the fact that the total recipients of the Structural Funds also increased in parallel with the number of EU member states. From just 10 member states in 1981, the European Union reached 15 members in 1995, 25 in 2004 and 27 in 2007. Furthermore, it should be noted that the additional recipients were new member states just joining the European Union. Although European conditionality included the adoption of rules and legislation relevant to the *acquis communautaire*, European norms of transparency and good governance were not deeply rooted to newcomers as portrayed for example by the cases of irregular usage of European funds in Romania and Bulgaria (Economist 2008; EUobserver 2009). To this end, it did not come as a surprise that older EU member states called for a gradual enhancement of both monitoring and evaluation mechanisms of EU spending across the Union.

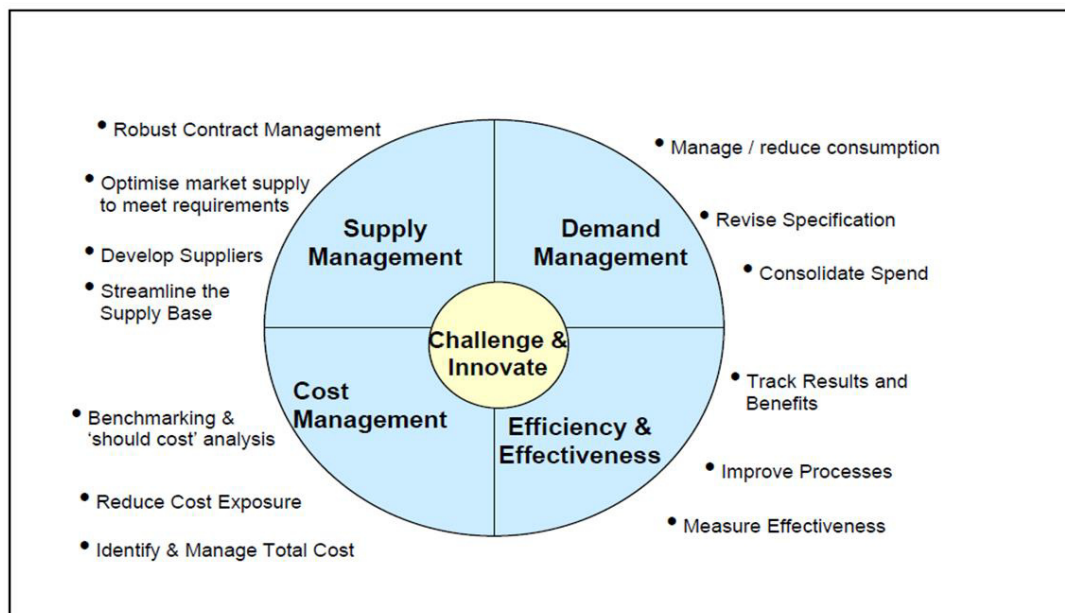
Certainly, relevant processes have been active within the European Union as early as the early 1990s. According to Sensi and Cracknell (1991) evaluation practices were well established since 1990 mainly in three specific policy areas of the Union, i.e. Development Aid, the Structural Funds and the Science and Technology Policy. The European Commission had been coordinating a sort of evaluation process starting with the dozens of programs completed in the Mediterranean region during the mid-1980s. Such evaluation procedures were seen as a way to improve European policies while initially the accountability aspects were neglected.

Since the Maastricht Treaty, calls for a more democratic, accountable and Value for Money (VfM) European system became stronger and the European Council started to push for an expansion of evaluation processes in all European policies and functions. This trend was combined by a parallel overall wave of reforming national public management policies across the Western world which would now have in their core a more results and effectiveness-oriented approach (Summa and Toulemonde 2002).

Within the European Union, the entrance of the Nordics (Sweden and Finland) which enclosed a results-focused public management culture undoubtedly reinforced the push for the expansion and amelioration of evaluation processes. (Summa and Toulemonde 2002).

Furthermore, the Netherlands and especially the UK gradually evolved to the fiercest proponents among the older member states of enhanced evaluation processes throughout all policies and activities as well as of the adoption of a VfM mentality. This does not come as a surprise if someone observes the gradual transformation of UK public management policies to a very VfM-oriented path. Indeed, as early as the 1980s, UK governments have been imposing the evaluation of public bodies through a sort of Value for Money approach that gradually evolved (Toulemonde 1995). More recently, the Department for International Development (DFID), i.e. the main institution responsible for UK development assistance, has surpassed the issue of VfM applied in its own functions and has initiated a set of guidelines for transferring VfM techniques to its main partners in the disbursement of its development funds (usually international NGOs). The figure below, extracted from DFID website, is indicative of this trend:

Figure I: Procurement Approaches to Improving Value for Money



Hence, under the pressure of new and old member states as well as a global trend towards rendering public management structures more accountable, the Santer Commission initiated during 1995 the "Sound and Efficient Management – SEM 2000" program aiming at sounder financial management and control as well as more systematic evaluation of programs. Although it is sort of an irony that such an initiative was undertaken by a Commission that was later on charged with fraud and unaccountability, the 'SEM 2000' had a strong influence on the Structural Funds management system. According to the 1997 Guide on Evaluating EU Expenditure Programmes (EC), "...evaluation is an essential part of modern public sector management practice. It is for this reason that the systematic evaluation of European Union expenditure programmes is one of the key components of the Commission's Sound and Efficient Management 2000 initiative". In addition, the SEM 2000 Initiative was aiming at taking steps towards a really sound and efficient management of the EU budget and leading to a system which guarantees that European funds are not only used according to the rules but that tax payers get good *value for money* (EC 1996).

Of course evaluation procedures and rules were present since the mid-1980s but for the first time the notions of 'ex ante' and 'interim' evaluation were introduced. While an ex post evaluation mainly aimed at a certain budget and financial control the ex ante and interim evaluations aimed at the programming nature of the Structural Funds. Through the introduction of ex ante evaluations specific objectives and indicators were made available prior to the initiation of a project. The aim was to enhance the clarity, the evaluability, the consistency and the relevance of the Structural Funds in general as well as inspecific national and regional programs. According to the first guidelines of the European Commission, ex ante evaluation of national programs, subprograms, projects, etc must show at least "*some medium-term economic and social benefits commensurate with the resources deployed*" (EC 1998).

As mentioned above, for enhancing evaluation practices dedicated to Structural Funds, the European Commission drafted a series of guidelines, including a "*...Vademecum on the preparation of RDPs and programme documents...*" as well as working papers related to ex ante evaluation, suggestions on monitoring indicators, etc (Bachtler and Mendez 2007).

The ex ante evaluation procedures were applied in full during the 2000-2006 programming period. The aim was to drive member states to a more accountable use of the Structural Funds resources as well as to reaching greater results across the Union. The ex ante evaluation reports were understood as an indicator of National / Regional / Operational Program's ability to address the issues in each country or region as well as a control over the inclusion of well-defined priorities, objectives and targets which are in the same time achievable (Summa and Toulemonde 2002). The overall aim of the ex ante evaluation procedures also included a more detailed and accurate quantification of objectives which was not the norm in past programming periods. This quantification would then lead a better assessment of how successful the implementation of a program was. Finally, the ex ante evaluation reports had to include an assessment of the implementation and monitoring processes to be set by each member state as well as of the *project selection procedures and criteria*. The following figure has been extracted from the European Commission's guidelines to member states for the 2000-2006 programming period:

Table I: Key Issues of Ex-ante Evaluation

KEY ISSUES OF EVALUATION	PLAN for the CSF	PLAN for the SPD	PROGRAMME	PROGRAMME COMPLEMENT
1. ANALYSIS OF PREVIOUS EVALUATION RESULTS				
• <i>Relevance of the existing strategy</i>	✓	✓	✓	
• <i>Effectiveness of existing instruments for policy delivery</i>	✓	✓	✓	
• <i>Lessons from key incidents affecting policy implementation</i>			✓	
• <i>Problems with evaluability and monitoring</i>	✓	✓	✓	✓
2. ANALYSIS OF STRENGTHS- WEAKNESSES AND POTENTIAL				
• <i>Coherent ranking of disparities to be addressed</i>	✓	✓	✓	
• <i>Driving factors towards economic and social cohesion and sustainable development and/or conversion</i>	✓	✓	✓	
3. ASSESSMENT OF THE RATIONALE AND CONSISTENCY OF THE STRATEGY				
• <i>Justification of the strategy, axes and priorities</i>	✓	✓	✓	
• <i>Consistency between operational and global objectives</i>	✓	✓	✓	✓
• <i>Coherence with national and Community policies</i>	✓	✓	✓	

KEY ISSUES OF EVALUATION	PLAN for the CSF	PLAN for the SPD	PROGRAMME	PROGRAMME COMPLEMENT
4. QUANTIFICATION				
• <i>Quantification of objectives and key disparities</i>	✓	✓	✓	✓
• <i>Relevance of indicators</i>	✓	✓	✓	✓
• <i>Reliability of quantification and data selection procedures</i>	✓	✓	✓	✓
• <i>Degree of monitoring and evaluation coverage</i>			✓	✓
• <i>Yardsticks and specific procedures fields which are difficult to quantify</i>		✓	✓	✓
5. ANALYSIS OF EXPECTED IMPACTS AND POLICY JUSTIFICATION				
• <i>Expected impacts and results related to the:</i>				
- <i>global objectives</i>	✓	✓	✓	
- <i>specific objectives</i>	✓	✓	✓	✓
- <i>operational objectives</i>				✓
• <i>Justification of the policy mix and financial resources allocation</i>	✓	✓	✓	
6. QUALITY OF THE IMPLEMENTATION AND MONITORING ARRANGEMENTS				
• <i>Identification of necessary improvements</i>	✓	✓	✓	✓
• <i>Degree of clarification of responsibilities</i>	✓	✓	✓	
• <i>Effective financial networks and control mechanisms</i>			✓	
• <i>Competitive procedures and selection criteria reinforcing efficiency on projects selection</i>			✓	✓
• <i>Specific arrangements for innovative operations</i>			✓	✓

In essence, ex ante evaluation was supposed to render the organization of the use of Structural Funds resources more coherent and more professional. The fact that ex ante evaluations took place before any funds were disbursed was making amendments easier, while the reports created by this process were used in the negotiations between the European Commission and member states before the finalization of the new programming period national plans.

Of course, the ex ante evaluation procedures had, and to much extent still have, a series of deficiencies. First of all, although some guidelines did not supply clear and strict rules of what exactly an ex ante evaluation report should include and which evaluation method should be used. Thus, many ex ante evaluation reports of that period could be defined as too descriptive to actually lead to clear-cut objectives and accurately quantified goals (Bachtler and Michie 2007). Moreover, the fact the member states were responsible for organizing the ex ante evaluations through the use of “Call for Tenders” meant that some national authorities interference with the final reports was possible. As these reports were to become one of the main elements of the negotiations with the European Commission for finalizing the National Programs for the coming programming period, selected ex ante evaluation experts would tend to be “soft” in their assessments. To be fair, as their results had to be based on the data supplied by mainly governmental sources and as usually there was no time or funds to gather primary data, ex ante evaluation reports were mainly based on the personal relationships between civil servants responsible for drafting the various Operational and Regional Programs and the experts evaluating these programs (DG Regio 2013).

Of course, this is not to say that the ex ante evaluation processes institutionalized since the late 1990s did not lead to a much more accountable and better usage of the Structural Funds. The main effort was directed to making the Operational / Regional Programs’ objectives more quantifiable and in this way rendering the process of evaluating the actual effects of these programs easier and more straight forward. Indeed, there was a widespread lack of monitoring data and poor prior appraisal of programs’ impact until the 2000-2006 period (and partly even during this programming period) but the new evaluation framework was a major factor in changing the situation (Bachtler and Mendez 2007). Overall, this meant a significant attention to quantifiable results and evaluation processes that focus mainly on measurable, in essence quantitative, outcomes.

This is apparent even in the DG Regio webpage in which some overall results of Structural Funds are presented. There is no mention of institutional changes in member states nor changes in the way their economies, societies and government are functioning but figures of jobs created and kilometers of motorways constructed.

Hence, during the 1988-1993 programming period we are informed that 600,000 jobs were created in Greece, Ireland, Portugal and Spain due to the Structural Funds. Moreover, 917,000 individuals were trained through the ESF while 470,000 small and medium-sized enterprises (SMEs) received assistance.

During the 1994-1999 period, 1,267,000 additional jobs were created across the Union and 800,000 SMEs received direct investment aid. Furthermore, the DG Regio informs us that

more than 4,000 kilometers of motorways were constructed or upgraded as well as around 32,000 kilometers of other types of roads. Finally, a *“...total of ECU 3.2 billion of ERDF funds was invested in developing 115.1 million square metres of new sites and premises...”*.

The 2000-2006 programming period had an even bigger effect over employment via the creation of around 1,300,000 jobs while a specific focus on Research and Technology led to over 13,000 research projects involving nearly 100,000 researchers being funded only in Spain. Focus on infrastructure continued with the Athens metro being highlighted: *“...the Athens metro reduced traffic congestion and pollution...by mid-2005, 17,200 passengers were using it at peak times...”* (DG Regio website, 2013). In addition, investments in the Spanish road system *“...saved an estimated 1.2 million hours of travel time a year...”* (DG Regio website, 2013). Moreover, over 250,000 SMEs received support only in the United Kingdom.

Finally, expected results of the still ongoing 2007-2013 programming period include more than 2 million additional jobs (at least 40,000 in R&D), 25,000 kilometers of newly-built or reconstructed roads as well as around 7,700 kilometers of rail.

Besides the focus on more measurable outcomes that render evaluation processes easier, the European Union inserted another innovation during the 2000-2006 programming period, partly based on the European Commission and Member States' enhanced ability to more clearly define which Operational Programs are doing well. More specifically, the Council Regulation (EC) No 1260/99 of 21 June 1999 laying down general provisions on the Structural Funds introduced the notion of the “performance reserve”. The performance reserve is a new feature, designed to motivate the final beneficiaries: *“...4% of the appropriations allocated to each Member State for the 2000-2006 period were placed in reserve until 2003, for distribution to the best-performing programmes by 31 March 2004 at the latest. Each Member State made proposals to the Commission on the basis of monitoring indicators that it has introduced itself...”*.

In essence, about 8.3 billion euros were disbursed in highly successful Operational Programs across the Union during the 2004-2006 period. Overall, 200 programs across Europe received an additional funding between 6% to 9% of the initial allocation. This allocation was based on the interim evaluations conducted by member states in cooperation with the European Commission. The most efficient programs were assessed in late 2003 on the occasion of the mid-term evaluations. The assessment covered the three Objectives 1, 2 and 3 and the structural measures under the FIFG outside Objective 1. The evaluation was based on a small number of indicators related to efficiency, management and financial implementation and reached conclusions on how the programs had progressed against the initial objectives set. Based on this interim assessment, member states proposed the programs they believed should be rewarded to the EC, the final decision resting centrally in Brussels (Bachtler and Mendez 2007).

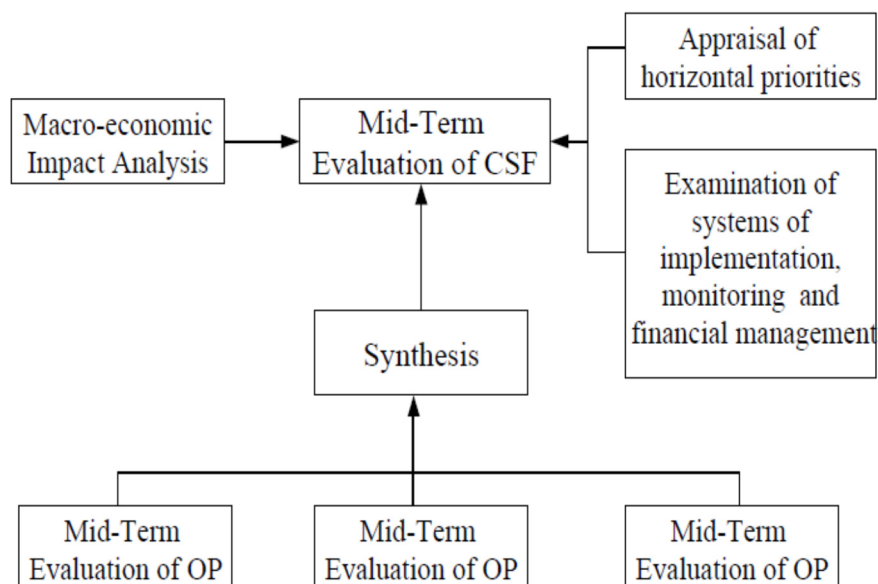
Hence, the interim evaluations in any programming period since 2000 enclosed a special feature. Managing authorities of each Operational Program were supposed to make their best to reach their mid-term targets in order to be close to receiving more funding via the performance reserve.

Furthermore, interim evaluations were also aiming at assessing whether the overall form of assistance remains the appropriate means to address the issues confronting the region or sector. In addition, interim evaluations were meant for checking the ongoing relevancy of programs, their overall progress and the extent to which initially set objectives could actually be achieved (Raines and Taylor 2002). The following table and figure refer to the mid-term evaluations under the 2000-2006 programming period:

Table II: Indicative Timetable of Interim Evaluation (2000-2006)

Timeframe	Stage of Process
June 2001 - June 2002	Planning the Evaluation Establish Steering Group Agree Terms of Reference Advertise or otherwise invite tenders
July 2002 – December 2002	Award Contract Evaluation Underway
January 2003 – June 2003	Evaluation Underway First Draft sent to Steering Group and Meeting with Evaluators Steering Group signs off on final draft
July 2003– December 2003	Final Evaluation Report forwarded to Monitoring Committee Meeting of Monitoring Committee to consider Mid Term Evaluation Evaluation Report forwarded to the Commission

Figure II: Indicative Content of Interim Evaluation (2000-2006)



Overall, the introduction of the “performance reserve” enhanced the role of interim evaluations and reinforced the monitoring systems applied by managing authorities, a prerequisite for facilitating mid-term evaluations (Bachtler and Mendez 2007).

Besides the value of interim evaluations for the then ongoing 2000-2006 programming period, i.e. choosing the Operational Programs to receive the performance reserve funding, making necessary modifications to ongoing programs for enhancing their successful implementation etc. their results were also quite useful for the design of the upcoming programming period. As ex post evaluations are only finalized up to 2+ years after the end of a programming period, their results are not usable for the discussions of the following programming period. Based on this understanding, the European Commission had asked in 2004 all member states to prepare updated mid-term evaluations (delivered by the end of 2005) in order to facilitate the discussions and design preparations of the 2007-2013 programming period (EC/DG Regio, 2004).

These updated evaluation reports would include “...an analysis of outputs and results achieved to date, analysed in the light of programme targets and financial performance, an analysis of the impacts achieved to date and the likely achievement of objectives as well as (and most importantly) conclusions on efficiency, effectiveness and impact and recommendations for the future...”. The following table gives a clear image of what was requested by the European Commission:

Table III: Core Indicators for Updated Interim Evaluation (2000-2006)

Areas of Structural Funds Intervention	Output Indicators	Result Indicators	Impact Indicators
<u>Infrastructure Development</u>			
Transport/ Roads	<ul style="list-style-type: none"> km of motorways constructed/upgraded km of secondary roads constructed/ upgraded 	<ul style="list-style-type: none"> time savings (journey time * freight/passengers volume) 	<ul style="list-style-type: none"> increase in flow of passengers/freight (%)
Transport/ Railways	<ul style="list-style-type: none"> km of railways constructed/upgraded 	<ul style="list-style-type: none"> time saved (journey time * freight/passengers volume) 	<ul style="list-style-type: none"> increase in flow of passengers/freight (%) Rail revenue generated (% increase)
Environment	<ul style="list-style-type: none"> capacity improvements in water supply capacity improvements for waste water treatment (m³) 	<ul style="list-style-type: none"> population served (%) increase in the amount of waste water treated (%) 	<ul style="list-style-type: none"> decline of identified waste water pollutants (%)
Information and Communication Technology	<ul style="list-style-type: none"> length of broadband network installed (km) 	<ul style="list-style-type: none"> increase of people and businesses connected to the Internet (%) 	<ul style="list-style-type: none"> increased economic activity
<u>Business Development</u>			
SMEs Development	<ul style="list-style-type: none"> number of SMEs assisted number of new business start-ups 	<ul style="list-style-type: none"> investment induced (in m€) survival rate of new businesses (%) 	<ul style="list-style-type: none"> gross/net jobs created
Research and Development	<ul style="list-style-type: none"> number of research projects supported 	<ul style="list-style-type: none"> increase of RTD personnel employed (%) increase of business RTD expenditure (%) 	<ul style="list-style-type: none"> number of collaborative arrangements between research institutions and assisted firms
<u>Human Resources Development</u>			
	<ul style="list-style-type: none"> number of people trained (by target population) 	<ul style="list-style-type: none"> number of people who have successfully completed training courses increase in the coverage ratio of the reference population (%) 	<ul style="list-style-type: none"> net placement rate as a % of beneficiaries trained

Under the 2007-2013 programming period further attention to both ex ante and interim evaluation processes was given. The basis of these types of evaluations was set during the 2000-2006 period but further guidelines were created in order to be taken into consideration by the Structural Funds. According to the Council Regulation (EC) 1083/2006 of 11 July 2006 Structural Funds are included in a more strategic approach within the aims of the European Union, while their expenditures are even more associated to performance and results. Furthermore, overall Cohesion policy during the 2007-2013 programming period is closely linked to the re-launched Lisbon Strategy while its resources are to be mobilized to support the achievement of the Lisbon objectives.

The main evaluation criteria to be used are as follows:

Figure III: Evaluation Process (2007-2013)

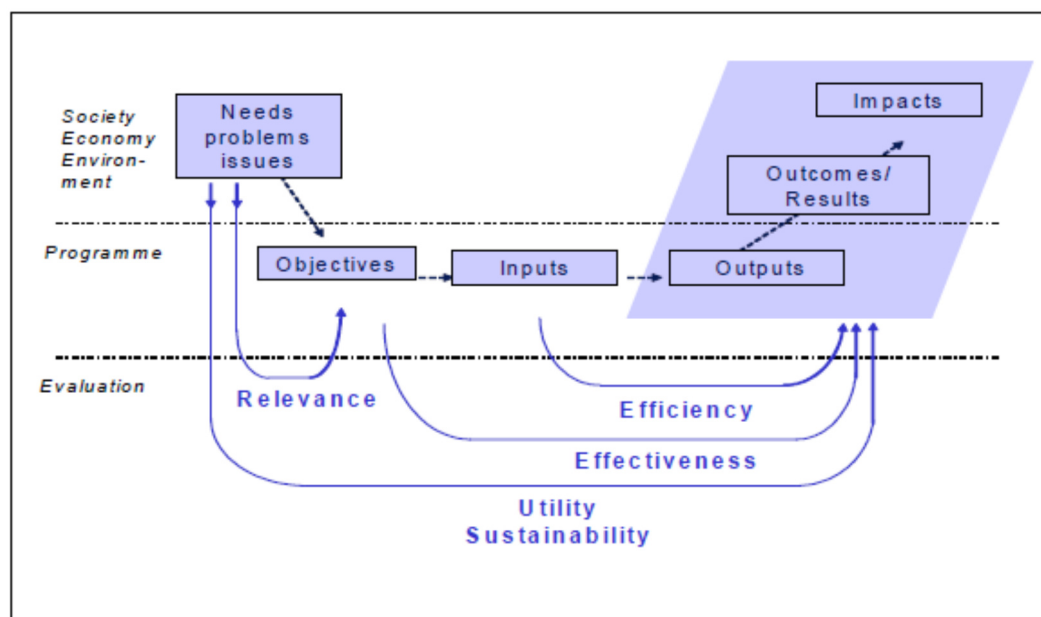
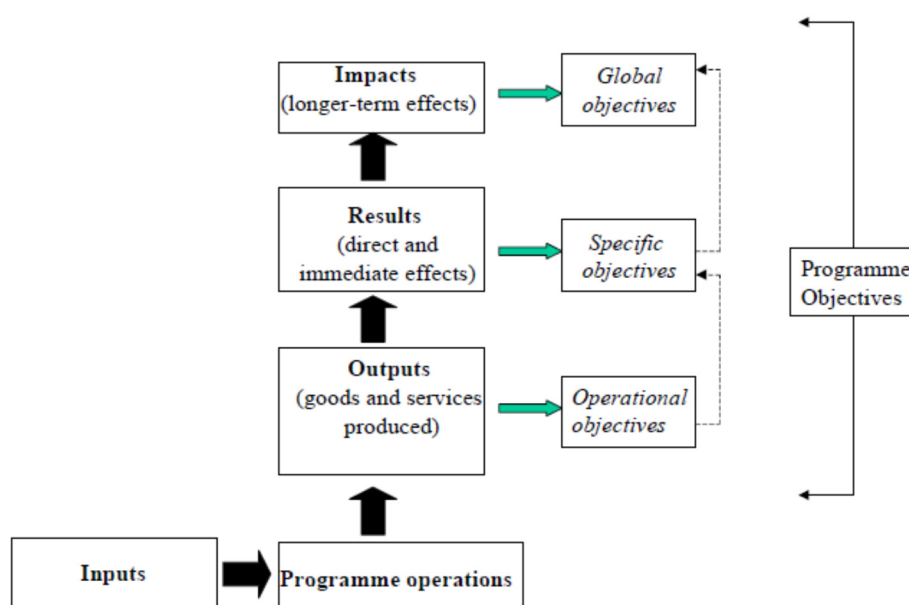


Figure IV: Evaluation Process 2 (2007-2013)



Furthermore, the new guidelines included more detailed information on what an ex ante evaluation report should contain while an example of planning an ex ante evaluation was also supplied (see tables below).

Table IV: Ex Ante Evaluation – Example of Planning

Stage of Programme Preparation	Stage of Ex Ante Evaluation	Calendar starting in Month 1
<ul style="list-style-type: none"> Decision on number of ex ante evaluations 	<ul style="list-style-type: none"> Core Terms of Reference drawn up (optional) 	1
	<ul style="list-style-type: none"> Responsible Authority draws up Terms of Reference 	2
<ul style="list-style-type: none"> Socio-economic analysis undertaken for Programme Broad lines of strategy developed 	<ul style="list-style-type: none"> Evaluator Appointed 	4
	<ul style="list-style-type: none"> Evaluation of socio-economic analysis and resulting needs assessment and appraisal of the relevance of the proposed strategy to the needs identified 	5
<ul style="list-style-type: none"> Socio-economic analysis revised Strategic chapters of operational programme prepared 		5-6
	<ul style="list-style-type: none"> Evaluation of the rationale and overall consistency of the strategy Appraisal of the coherence of the strategy with regional and national policies and the Community Strategic Guidelines 	6
<ul style="list-style-type: none"> Strategic chapters revised Quantified objectives for programme priorities identified 		6-7
	<ul style="list-style-type: none"> Appraisal of the quantified objectives and evaluation of estimated impact 	8
<ul style="list-style-type: none"> Revision of quantified objectives Implementation system for Programme described 		8
	<ul style="list-style-type: none"> Appraisal of the proposed implementation systems 	8
<ul style="list-style-type: none"> Final revisions of draft Operational Programme 	<ul style="list-style-type: none"> Production of Ex Ante Evaluation report which synthesises the evaluation work undertaken and describes the process 	10
<ul style="list-style-type: none"> Submission of Operational Programme and Ex Ante Evaluation to the Commission 		10
	<ul style="list-style-type: none"> Some further analytical work by the ex ante evaluator, as necessary 	11
<ul style="list-style-type: none"> Agreement on Operational Programme 		12-14

Table V: Ex Ante Evaluation – Indicators

Indicators - what should be included in the Operational Programme? A checklist
Analysis Context indicators - name / definition - baseline - data source, frequency of reviewing
Description of strategy Indicators at programme level: Impact or result indicators and Core indicators - name / definition - baseline - quantified target - description of source or measurement method - breakdown by sex and size of recipient undertakings Indicators at priority level: result (impact) indicators; output indicators if necessary - name / definition - baseline - quantified target - description of measurement method or source - breakdown by sex and recipient undertakings where appropriate: - source of information - periodicity - measurement method
Description of implementation system - description of responsibilities for data collection and analysis - provisions for annual report: up-date of context and programme indicators planned - regular information on indicator values for Monitoring committee planned

As far interim evaluations are concerned the European Commission, based on the results of 2000-2006 relevant evaluations, decided to “...*shift towards a more flexible approach, driven by the needs of decision-makers...*” (EC DG Regio, 2007).

As the European Commission acknowledges, evaluations undertaken during the 2004-2006 period (updated interim evaluations) provided important information on the needed processes for enhancing the overall added value of European Cohesion Policy while the analysis of those reports facilitated the design of the new programming period (2007-2013).

Under the new guidelines, interim evaluations are closely linked to the monitoring processes by the managing authorities. More specifically, member states are free to initiate interim evaluations when information generated by the monitoring of operational programs identifies specific issues. The interim evaluation report of any operational program can be used to define whether a reexamination is needed following (a) significant socio-economic changes, (b) in order to take greater or different account of major changes in Community, national or regional priorities or (c) following implementation difficulties (Article 33 Council Regulation (EC) No 1083/2006).

In addition, guidelines under the 2007-2013 programming period include a very detailed list of 41 indicative indicators to be taken into consideration during the ex ante, interim and ex post evaluations:

- (1) Jobs Created; also (2) jobs created for men and (3) jobs created for women
- (4) Number of RTD projects
- (5) Number of cooperation projects enterprises – research institutions
- (6) Research jobs created
- (7) Number of projects (Direct investment aid to SME)
- (8) Number of start-ups supported
- (9) Jobs created (gross, full time equivalent) (Direct investment aid to SME)
- (10) Investment induced (million €)
- (11) Number of projects (Information society)
- (12) Number of additional population covered by broadband access
- (13) Number of projects (Transport)
- (14) km of new roads
- (15) km of new TEN roads (previously: km of new roads, of which TEN)
- (16) km of reconstructed roads
- (17) km of new railroads
- (18) km of TEN railroads (previously: km of new railroads, of which TEN)
- (19) km of reconstructed railroads
- (20) Value for time savings in Euro / year stemming from new and reconstructed roads
- (21) Value for time savings in Euro / year stemming from new and reconstructed Railroads
- (22) Additional population served with improved urban transport
- (23) Number of projects (Renewable energy)
- (24) Additional capacity of renewable energy production (MW)
- (25) Additional population served by water projects
- (26) Additional population served by waste water projects
- (27) Number of waste projects
- (28) Number of projects on improvement of air quality
- (29) Area rehabilitated (km²)
- (30) Reduction greenhouse gas emissions (CO₂ and equivalents, kt)
- (31) Number of projects (Risk prevention)
- (32) Number of people benefiting from flood protection measures

- (33) Number of people benefiting from forest fire protection and other protection Measures
- (34) Number of projects (Tourism)
- (35) Number of jobs created (Tourism)
- (36) Number of projects (Education)
- (37) Number of benefiting students (Education)
- (38) Number of projects (Health)
- (39) Number of projects ensuring sustainability and improving the attractiveness of towns and cities (Urban development)
- (40) Number of projects seeking to promote businesses, entrepreneurship, new technology (Urban development)
- (41) Number of projects offering services to promote equal opportunities and social inclusion for minorities and young people (Urban development).

Once again, the importance given by the European Commission to measurable results is more than obvious from the list presented above. Number of kilometers of motorways and railways, number of companies assisted and most importantly number of new jobs created remain the main focus of evaluations conducted under the Structural Funds.

It should be noted that the European Commission has given immense importance on the job creation feature of the Structural Funds. Partly due to the fact that the creation of new jobs in less developed member states enhances economic convergence at the European level and partly because lack of employment is a very sensitive economic and social issue, the European Commission has issued a detailed guide on “Measuring Job Creation – Methods for the Evaluation of the Employment Effects of Structural Fund Interventions” as early as January 1997.

According to this guide, all evaluations of Structural Funds programs must take into consideration their direct and indirect effect on employment levels. Furthermore, the analysis for identifying the numbers of new jobs (reported in Full Time Equivalents-FTE) created should take into consideration the “deadweight”, “displacement” and “substitution” effects of the programs under focus. The following figure and table were included in the guide:

Figure V: Measuring Job Creation

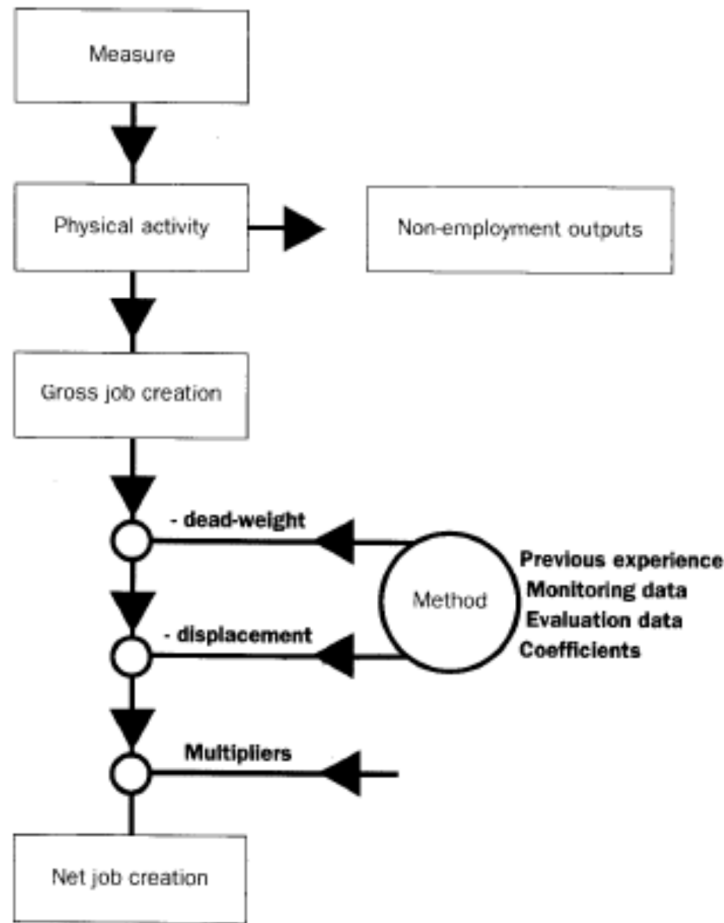


Table VI: Typology of Actions and Employment Effects

Typical Physical Outputs ►	Non-Employment Impacts ►	Employment Effects
Business Development <ul style="list-style-type: none"> ● Number of SMEs assisted ● Number of new SMEs assisted ● Number of R&D initiatives ● Number of grants/loans ● Number of advisory visits 	<ul style="list-style-type: none"> ● Increase in business turnover ● Increase in exports ● Increase in SME survival rate ● Increase in R&D ● Increase in investment 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>
Business Infrastructure <ul style="list-style-type: none"> ● Hectares of land serviced ● Hectares of land improved ● Hectares of land accessed ● m² of premises developed 	<ul style="list-style-type: none"> ● Hectares of land developed ● Number of companies in premises 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>
Economic Infrastructure <ul style="list-style-type: none"> ● Kilometres of road improved ● Kilometres of rail improved ● Transport system improved 	<ul style="list-style-type: none"> ● Journey time saving ● Increased freight usage ● Increased passenger numbers 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i>
Tourism <ul style="list-style-type: none"> ● New/improved attractions ● New/improved facilities ● Number of SMEs assisted ● Number of marketing schemes ● Number of grants/loans 	<ul style="list-style-type: none"> ● Increase in visitor numbers ● Increase in length of stay ● Increase in visitor expenditure ● Increase in business turnover 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>
Labour Market Counselling and Brokerage <ul style="list-style-type: none"> ● Number of persons (successfully) counselled and mediated 	<ul style="list-style-type: none"> ● Improvement of local labour market ● Increase in employability of the individual ● Number of people referred to non-employment destinations (e.g. further training) 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Number of vacancies filled</i>
Training <ul style="list-style-type: none"> ● Number of people trained ● Number of SMEs assisted ● Vocational qualifications achieved ● Number of employees or particular target group trained 	<ul style="list-style-type: none"> ● Increase in business turnover ● Increase in employment of disadvantaged groups ● Increase in SME survival rate ● Increase in new business starts 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>
Wage subsidies <ul style="list-style-type: none"> ● Number of subsidised persons and firms 	<ul style="list-style-type: none"> ● Increase in firms productivity and competitiveness 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i>
Environment <ul style="list-style-type: none"> ● Hectares of land improved ● Number of locations improved ● Number of environments improved ● Number of recycling initiatives 	<ul style="list-style-type: none"> ● Increase in tourism numbers ● Increase in development of land ● Increase in environmentally based business 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>
Community regeneration <ul style="list-style-type: none"> ● Community facilities improved ● SMEs assisted ● Individuals assisted 	<ul style="list-style-type: none"> ● Increase in activity rates ● Reduction in local unemployment ● Increase in community enterprise and co-operatives ● Increase in household incomes 	<ul style="list-style-type: none"> ● <i>Gross additional jobs</i> ● <i>Gross jobs transformed</i>

The Evaluation Process

According to Article 47 of the EC Decision on Structural Funds, the evaluations of Cohesion Policy programs in all levels (European, National, Regional) have to be conducted by independent experts. In essence, the credibility of these evaluations is secured by the fact that they are “...carried out by experts or bodies (internal or external) that are functionally independent of the certifying and audit authorities...”. Furthermore, such activities need to also be as much independent as possible from the respective managing authorities, i.e. special commissions within member states.

Of course, the evaluations cannot be conducted without some interaction with national / regional managing authorities but, on the one hand, experts should make their best in maintaining their independence during the evaluation process while, on the other, managing authorities should understand that the work of these experts, though unavoidably enclosing a certain level of criticism, is of constructive nature towards the enhancement of the quality of the program they manage.

For safeguarding the experts' independence, they are usually selected via a competitive process which is initiated by a Call for Tenders. The Call for Tenders related to a European-level evaluation is typically more detailed than the national calls - though both include an indicative methodology as well as a number of evaluation questions to be answered. Indeed, in almost all member states evaluations are sub-contracted to private independent entities, namely private consultants or consultancy firms, universities and other academic institutions or individual scholars. The Terms of Reference (ToR) are usually being produced centrally, while the Managing Authorities of each Operational / Regional Program proceed to the selection of the evaluator (NEI Regional and Urban Development 2002).

As far as the methodology is concerned, most evaluations calls highlight the importance of (a) documentary review and desk research, (b) sourcing and analysing administrative data, (c) surveys of operators and addressees about the contribution of Structural Funds programs, (d) focus groups or group discussions¹, and (e) semi-structured or in-depth interviews with program managers, intermediate bodies and enterprises.

The following table is a clear example of the evaluation questions included in a 2011 *Call for Tender by open procedure n° 2011.CE.16.B.AT.015 - Evaluation of the main achievements of Cohesion Policy programmes and projects over the longer term in 15 selected regions (from 1989-1993 programming period to the present)*.

¹ Focus groups are highly recommended as a mechanism for cross-checking and refining findings. More specifically, according to one Call for Tenders, focus groups can be used: to collect information and points of view and to shape and to refine them through the interaction of groups of experts (such as academics), policy makers, stakeholders, operators or beneficiaries, to shape and to refine assessments of the cohesion policy program and projects' contribution to regional development; to check hypotheses and analyses with groups of stakeholders, operators and beneficiaries; to prompt and validate various suggestions and recommendations.

Table VII: Typical Evaluation Questions in a Call for Tender

Evaluation questions	Research or second level related evaluation questions
1.- To what extent the programmes addressed regional needs and problems over time?	1.a. - What were the initial regional needs and problems and what has been their evolution?
	1.b. - What was the strategy of ERDF programmes of each programming period? What has been their evolution?
	1.c. - What were the priorities and objectives of ERDF programmes of each programming period? What has been their evolution? Were the objectives SMART (specific, measurable, achievable, relevant, timely)?
	1.d. - What has ERDF support been spent on in each programming period? Have there been significant transfers from initial allocations of ERDF resources to other priorities in any period?
2.- To what extent do ERDF achievements meet regional objectives and needs in each programming period and across all periods?	2.a. - What are the reported achievements of each programming period?
	2.b. - To what extent were objectives achieved in each programming period?
	2.c. - To what extent were needs met in each programming period? To what extent can observed changes in regional needs and problems be imputed to ERDF programmes over time?
	2.d. - What have been the complementarities and synergies of ERDF interventions with ESF ¹⁴ ; EAGGF ¹⁵ Guarantee Section and Guidance Section until 2006 and for 2007-2013 programming period EAFRD ¹⁶ ; and FIFG ¹⁷ interventions (where relevant) in these regions and with domestic regional policy interventions?
3.- What are the main lessons learnt on the effectiveness and the utility of ERDF interventions in each region?	2.e. - What has been the overall contribution of ERDF programmes to regional development?
	3.a. - What are the main good / bad practices?
	3.b. - What conclusions can be drawn for improving ERDF programme design, implementation, results based management, achievements?

The contract is awarded to the *most economically advantageous* tender that has earned at least 50% on the technical offer. Moreover, the tenderer must provide sufficient proof that he/she encloses the required technical capacity assessed on the basis of expertise, knowledge, efficiency, experience and reliability in the following areas:

1. *The theory and practice of socio-economic analysis and evaluation*
2. *Knowledge of fundamental features of cohesion policy*
3. *The drafting and presentation of analytical reports*
4. *The manipulation and analysis of data and*
5. *Capacity to deliver texts of good quality in English.*

Overall contractors in the national and regional level are small national consultancy firms mainly due to time, funding and level of tender publicity restrictions. On the other hand, evaluations in the European level are split among various consultancy companies and academic institutions across Europe. The following list includes the 2010 successful tenderers related to evaluations and studies on Structural Funds (EU level):

1. Adetef/AEIDL, France
2. Association for Development of Evaluation and Public Policy Analysis, Italy
3. Association of European Border Regions, Germany
4. Centre for Industrial Studies, Italy
5. COWI A/S, Denmark (2 contracts)
6. Ecorys Nederland BV, The Netherlands (3 contracts)
7. EEO Group S.A., Greece
8. European Investment Fund, Luxembourg
9. European Policies Research Centre (EPRC), University of Strathclyde, UK
10. GEFRA GbR, Germany
11. Iseri Europa SRL, Italy (3 contracts)
12. Public Policy and Management Institute, PPMI, Lithuania
13. The Welsh Assembly Government, UK
14. Vision & Value S.R.L., Italy
15. Wiener Institut für Internationale Wirtschaftsvergleiche, Austria

The Theoretical Background

In essence, the field of 'evaluation' can be described as a rather new field for which a lot of progress has been made during the past two decades both on the theoretical and the practical side. As in all disciplines, various theoretical models concerning evaluation have been developed while through time new models have replaced the older ones or became one additional option to the available evaluation techniques.

As far as the evaluation within the European Union is concerned, a 1992 survey revealed that although an "evaluation culture" was absent during the first years of the Structural Funds, the need for evaluation reports has gradually created a European as well as national demand for evaluation experts. This demand has been covered, and much still is being

covered, by people and consultancy firms that cannot be clearly defined as evaluation professionals but do, on the other hand, possess a certain perspective and partial knowledge of overall evaluation techniques (Toulemonde 1995). The latter is actually ameliorating in parallel with a general trend towards the infusion in all public management issues of an “evaluation culture” (NEI Regional and Urban Development 2002; Bachtler and Michie 2007).

Initial evaluations of the impact of Cohesion Policy during the late-1970s – mid-1980s focused on the analysis of economic data and applied econometric techniques based on statistical and regression analysis. Going forward, these practices were put aside for focusing on other evaluation techniques, mainly cost-benefit analysis as well as survey-based approaches. As mentioned above, the Value for Money principle gained ground throughout Europe during the 1990s, thus reinforcing cost-benefit analysis as the main technique applied to evaluations of the Structural Funds (Diez 2001).

Overall, meaningful economic as well as political/institutional evaluation of the results of Structural Funds as opposed to simple monitoring of how (and how efficiently) resources are being used was mostly absent (Begg 1997). Only recently a new trend of focusing also to qualitative and political in nature data is evolving, in a period where “...*the toolbox of the new evaluator is expanding, given the multiple combinations of techniques and data that are possible to obtain and use...*” (Diez 2001: 915).

Overall, the crucial questions asked during ex ante evaluations are “what do you want to change?” and “how would you know if you have changed it?”. These enclose the essence of good programming and are used as the main guideline to evaluation studies of the actual impact of Structural Funds during the interim and ex post phases. As explained in the DG Regio website, “*impact evaluation in DG Regional Policy falls into two broad categories: the ‘Theory-based’ impact approach and the (most recent) ‘Counterfactual’ impact approach*”.

The *Theory-based approach* is in fact an approach that focuses on the “why”, “how” and “in what context” questions for each activity / project / program. It places significant importance to the mechanisms leading to the change recorded by quantitative data (Stame 2004). The *Counterfactual impact approach*, on the other hand, focuses on the “how much” question regarding the recorded change due to an activity / project / program. This approach uses comparison as its main tool, i.e. “...*comparing the effects of different instruments (or the same instrument applied to different target groups)*...”. In essence, the two approaches are rather complementary and general trends focus on the use of a mix of methods in order to enhance the value of impact evaluations. The theory-based techniques provide an understanding of the context of an intervention while counterfactual ones give a quantitatively estimate of the impact.

Overall, the new trend of focusing on qualitative and political in nature data described above is actually developed in parallel with a special attention given to the “counterfactual” impact approach, which is found in the spotlight of European Commission since the 2007-2013 programming period. Indeed, the European Commission has already commissioned and finalized 5 European-wide evaluation reports:

- (2012) Enterprise support: support to SMEs and large enterprises in Italy, including a comparison of grants and other financial instruments,
- (2011) Innovation support: examination of data for 9 countries, counterfactual analysis for Czech republic and Germany,
- (2011) Enterprise support in Northern Ireland,
- (2010) Enterprise and innovation support in Eastern Germany, and
- (2010) Urban neighborhoods in crisis – URBAN II.

Conclusion

Overall, the evaluation of the Structural Funds has received much attention since the 1990s. The gradual increase of the amounts disbursed as well as the number of recipient countries has reinforced the calls for a more transparent and efficient use of European funds. In parallel, a global trend towards enhanced national public management policies as well as a VfM approach to public spending (initially at least in Western Europe and the Nordics), has also boosted discussions within the European Union for more concrete and tight monitoring and evaluation of Structural Funds' disbursements.

Hence, although it is well recorded that an "evaluation culture" was absent across most European countries during the late 1980s and early 1990s, the regulations gradually developed concerning ex ante, interim and ex post evaluations of funding under the EU's Cohesion Policy progressively pushed towards the development of such a culture. To this end, a demand for evaluation services evolved which in turn led to the development of a growing number of evaluation professionals / experts found within either consultancy firms or academic institutions.

Moreover, it is widely accepted that the evaluation-related regulations of Structural Funds and especially the "performance reserve" innovation have increased the need for enhanced monitoring capabilities on behalf of national / regional managing authorities. If the need for well-prepared program proposals for every new programming period (checked via the necessary ex ante evaluations) is added to the above, then another significant added value of the Structural Funds' evaluation obligations is revealed: increased monitoring capabilities and thus improved efficiency of program implementation (CEC 2002).

Nevertheless, the infused VfM approach and the consequent enhanced emphasis on cost-benefit analyses draws attention to the necessity for Operational and Regional Programs under design to include much quantifiable objectives and aims. In this way monitoring and evaluation processes would become easier and more successful. Although, new evaluation trends also include notions of non-quantitative nature such as political / institutional evaluation of Structural Funds' results, the legacy of cost-benefit analysis and of understanding Structural Funds' impact in terms of number of employment positions created and number of kilometers of highways constructed is still much affecting a significant percentage of European / national / regional / project evaluations.

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Editors:

Professor Panagiotis Liargovas, e-mail: liargova@uop.gr

Professor Asteris Huliaras, e-mail: huliaras@uop.gr

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Associate Professor Konstantinos Magliveras, University of the Aegean

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