

# 2021-2027 programming and indicators

20 November 2020

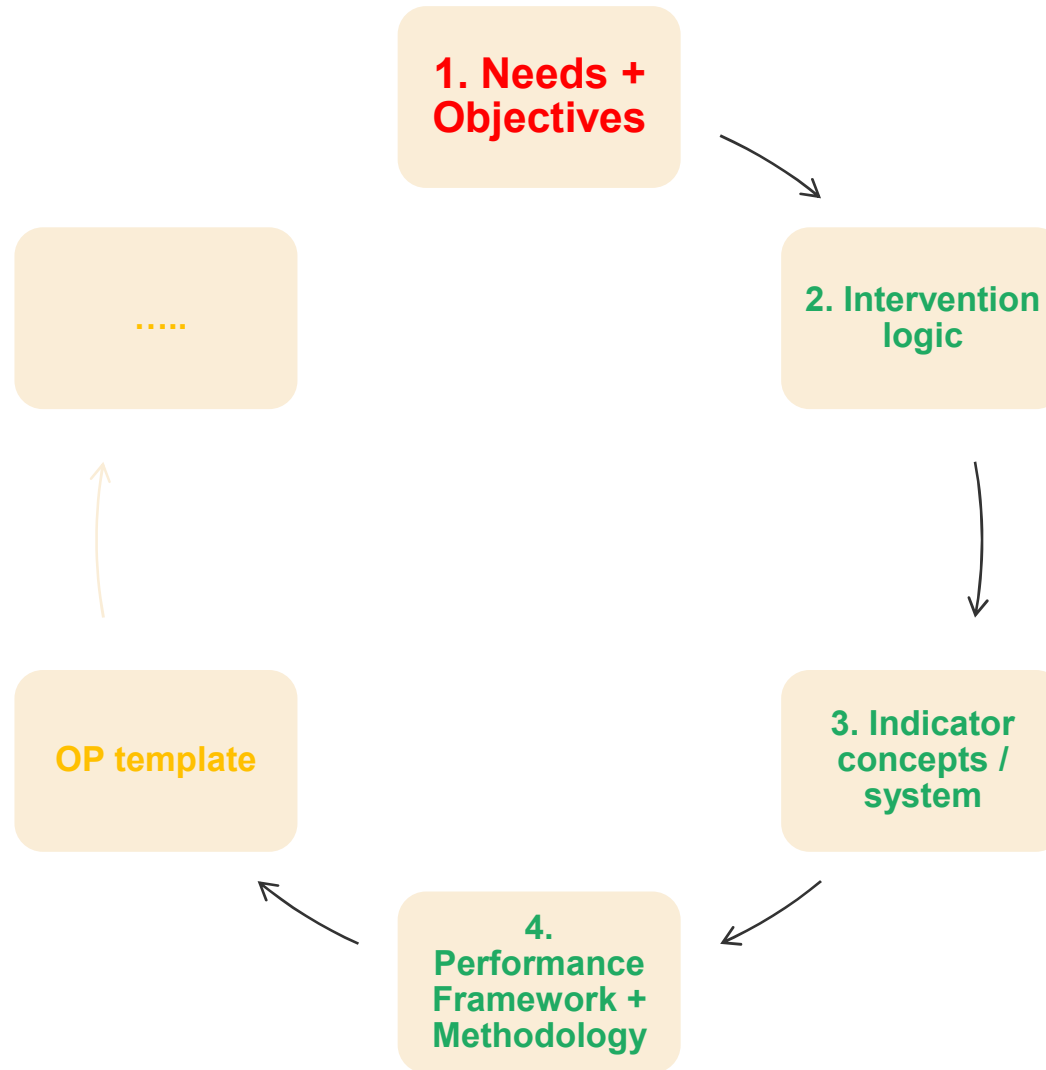
Programming of Cohesion Policy funds



# AGENDA

- 1. Intervention logic**
- 2. Performance framework**
- 3. Practicalities of indicators**

# Objective setting and performance concepts



# Performance – Key legal provisions linked to programming

## **Draft CPR (Council agreed)**

- Art 2 - Definitions (indicator concepts, ...)
- Art 11 - Performance Framework
- Art 13 - PF Methodology
- Art 17 - Programme Contents

## **Draft ERDF/CF Regulation**

- Art 2, 7 – Specific Objectives and common indicators
- Annex I - Common output + result indicators – IGJ + Interreg (listed by Specific Objective)
- Annex II - not for programmes

## **Draft Interreg Regulation**

- Art. 33 Indicators for ETC (Interreg) goal
- Art. 34 Evaluation during programming period
- Annex – Programme template

# I. Intervention logic - Evidence for programming (Art 17)

- Analysis of challenges and disparities, economic, social and territorial (national statistics, Eurostat)
  - Market failures, needs, complementarities
  - Admin Capacity + governance challenges
  - Lessons learned: Past Programming
    - 2007-2013 impact evaluations
    - 2014-2020 programme needs + monitoring data
    - 2014-2020 evaluations => studies + impact evaluations (if any)
  - OTHER: National strategies, other studies
  - [Voluntary ex-ante evaluation]
- => CONCLUSION: justification for selected policy objectives + specific objectives**

# I. Intervention logic - rationale

**Specific Objectives (#21 for ERDF + 2 ISO) are the building blocks for the intervention rationale, programming and the performance framework, (and, later, for monitoring and reporting)**

Key Questions

- **What is / are the need(s) that the programme will address?**  
**=> "expected contribution to those specific objectives" chosen**
- **What is the change expected for beneficiaries?**  
**=> Result indicator**
- **What will be the relevant actions to support beneficiaries to reach that change?**  
**=> identify actions and output indicators**
- **What is the budget? How will it be used?**  
**=> budget with breakdown by 3 categorisation dimensions (Intervention – Finance form – Territorial delivery + focus)**

# I. Intervention logic - Programming by Specific Objective

Objective	Results	Outputs	Inputs
Identify need(s): choose ERDF, ISO specific objective from the Regs	Common and specific result indicators (proxy for the objectives)	Common and specific outputs indicators for actions / measures	EUR budget allocated via categorisation tables by SO

- **Concept of results:** short term effects, outcome for beneficiary or users. What has changed as a direct result; reported at closure or after +/- 1 year
- **Concept of outputs:** ERDF direct deliverables; reported when achieved

# I. Intervention logic -> Questions?



## II. Performance framework - Indicator principles

### ■ Common indicators:

- Definitions + methodologies will be set out in indicator fiches
- National application may be more restrictive but not broader than the indicator fiche (=> specific indicators)
- Work underway with National experts

ERDF/CF: Revised draft of fiches in September 2019 CIRCABC & Interact

Interreg: Revised draft of fiches in July 2020 CIRCABC & Interact

### ■ Common Indicator coverage:

- All types of expenditure 1) payments based on expenditure, 2) Simplified cost options 3) payments not based on expenditure
- ERDF: A high proportion of all actions to “contribute to measuring overall performance” (CPR Art 12) => 80% plus coverage

### ■ Cost of implementing the indicator system + collection, either by programme or by beneficiary, is an eligible cost

## II. Performance framework – Key characteristics of the ERDF indicator system 2021-2027

- All indicators included in the programme are part of the performance framework => monitoring and reporting
- Common results for beneficiaries
- Common indicators for outputs have higher policy coverage (est. 70-80%)
- Use common indicators whenever relevant
- Programme-specific indicators when needed (fewer)
- Data collection only from projects / registries / etc.
- *No obligation on impact indicators, but clearly useful in needs, narrative and for evaluation*

## II. Performance framework - Common outputs (RCO)

During Programming :

- Identify the actions to finance (linked to beneficiaries)
- Choose common output indicators  
(or define specific output indicators)
- Baselines = “0” (not applicable)
- Milestones **are obligatory for all outputs**  
 (“0” is possible when justified)
- Targets are set for 2029 for all output indicators based on 7 years of investments + N+2, by category of region  
(NB: Council position, flexibility amount is programmed up front)

=> PF Methodology

# Common Outputs: #90 output indicators spread by SO

<b>RSO 1.1 Research and innovation</b>	<b>RSO 1.2 Digitisation of society</b>	<b>RSO 1.3 SME competitiveness</b>	<b>RSO 1.4 Skills for smart specialisation</b>			
4	2	6	3			
<b>RSO 2.1 Energy efficiency</b>	<b>RSO 2.2 Renewable energy</b>	<b>RSO 2.3 Smart energy systems</b>	<b>RSO 2.4 Climate change adaptation</b>	<b>RSO 2.5 Sustainable water</b>	<b>RSO 2.6 Circular economy</b>	<b>RSO 2.7 Nature protection and biodiversity</b>
4	2	2	6	4	2	4
<b>RSO 3.1 Digital connectivity</b>	<b>RSO 3.2 Sustainable TEN-T</b>	<b>RSO 3.3 Sustainable transport</b>	<b>RSO 3.4 Sustainable urban mobility</b>			
2	10	6	6			
<b>RSO 4.1 Labour market infrastructure</b>	<b>RSO 4.2 Education and training infrastructure</b>	<b>RSO 4.3 Integration of marginalised communities</b>	<b>RSO 4.4 Access to health care</b>		<b>RSO 5.1 Integrated development in urban areas</b>	<b>Interreg - all SOs</b>
1	2	3	1		7	13

## II. Performance framework - Common Results (RCR) (1)

During Programming :

- **Identify the change expected for beneficiaries (link to challenges / needs)**
- **Choose common result indicators or define specific result indicators (should allow closer link to selection criteria)**
- **Baselines may be zero or  $>0$  – varies per RCR**
- **Milestones are not required**
- **Targets are set for all results indicators based on 7 years of investments, by category of region**

=> Documented in PF Methodology

## II. Performance framework - Common Results (RCR) (2)

- **Target setting may be challenging: mid term modifications of targets possible**
- **Narrative will be important for EC and programmes.**  
There are lags in achievement, measurement and reporting of outputs and, even more so, of results for beneficiaries (cf. infrastructures)

*Achievements values collected either at closure or within 1 year of completion; => will not reflect full outcome or wider impact => task for Evaluation*

# Common Results: #57 result indicators spread by SO

RSO 1.1 Research and innovation	RSO 1.2 Digitisation of society	RSO 1.3 SME competitiveness	RSO 1.4 Skills for smart specialisation			
7	3	5	1			
RSO 2.1 Energy efficiency	RSO 2.2 Renewable energy	RSO 2.3 Smart energy systems	RSO 2.4 Climate change adaptation	RSO 2.5 Sustainable water	RSO 2.6 Circular economy	RSO 2.7 Nature protection and biodiversity
2	2	2	4	1	3	3
RSO 3.1 Digital connectivity	RSO 3.2 Sustainable TEN-T	RSO 3.3 Sustainable transport	RSO 3.4 Sustainable urban mobility			
2	6	6	3			
RSO 4.1 Labour market infrastructure	RSO 4.2 Education and training infrastructure	RSO 4.3 Integration of marginalised communities	RSO 4.4 Access to health care		RSO 5.1 Integrated development in urban areas	Interreg - all SOs
1	2	2	2		1	7

## II. Performance framework -> Questions?



### III. Practicalities of indicators – Mid-term review (Art. 14 of CPR)

- By 31 March 2025 -> *a request for the amendment of each programme following the mid-term review*
- Mid-term review -> both qualitative (challenges faced, socio-economic environment) and quantitative (milestones)

*\* Achievement of milestones only one of the elements in mid term review*

=> Financial allocations for the remaining years + revised targets for indicators, if necessary

# III. Practicalities of indicators - PF methodology Document - Art 13

## Methodologies to include ...

- **Criteria applied to select indicators**
- **Data, evidence, quality assurance**
- **Factors that may influence achievement of milestones and targets, how they were factored in**

**Available on request to Commission -> will be requested during the negotiations, with a mature draft of the programme**

## Added Value for programmes:

- Documents the starting point, data and assumptions made;
- Useful during implementation for programmers (institutional memory) and at programme modification
- Useful to share with key stakeholders

# III. Practicalities of indicators – Example of methodological document

Policy Objective 1 - SO 1.1 - Enhancing research and innovation capacities and the uptake of advanced technologies

The related types of actions:

- **Action 1.1 Support R&I in SMEs by investing in fixed assets for relevant activities**
- **Action 1.2 Investments in intangible assets in SMEs for activities directly related to R&I**

The main target groups: SMEs

Actions safeguarding equality, etc. : ....

Specific territories targeted: ....

Interregional/cross-border/transnational actions: ....

Use of financial instruments: No

# III. Practicalities of indicators – Example of methodological document

**Table 2: Output indicators**

<b>Priority</b>	<b>Specific objective (Jobs and growth goal) or area of support (EMFF)</b>	<b>Fund</b>	<b>Category of region</b>	<b>ID [5]</b>	<b>Indicator [255]</b>	<b>Measurement unit</b>	<b>Milestone (2024)</b>	<b>Target (2029)</b>
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCO01</i>	<i>Enterprises supported</i>	<i>enterprises</i>	<i>62</i>	<i>620</i>
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCO02</i>	<i>Enterprises supported by grants</i>	<i>enterprises</i>	<i>62</i>	<i>620</i>
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCO06</i>	<i>Researchers working in supported research facilities</i>	<i>Annual FTE</i>	<i>36</i>	<i>360</i>

# III. Practicalities of indicators – Example of methodological document

**Table 3: Result indicators**

Priority	Specific objective	Fund	Category of region	ID [5]	Indicator [255]	Measurement unit	Baseline or reference value	Reference year	Target (2029)	Source of data [200]	Comments [200]
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCR03</i>	<i>SMEs introducing product or process innovation</i>	<i>enterprises</i>	<i>0</i>	<i>2021</i>	<i>450</i>	<i>Monitoring system</i>	
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCR102</i>	<i>Research jobs created in supported entities</i>	<i>annual FTE</i>	<i>0</i>	<i>2021</i>	<i>60</i>	<i>Monitoring system</i>	
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCR02</i>	<i>Private investments matching public support</i>	<i>Eur</i>	<i>0</i>	<i>2021</i>	<i>147 000 000</i>	<i>Monitoring system</i>	
<i>PA1</i>	<i>SO1.i</i>	<i>ERDF</i>	<i>More</i>	<i>RCR07</i>	<i>Patent applications</i>	<i>patents</i>	<i>0</i>	<i>2021</i>	<i>84</i>	<i>Monitoring system</i>	

# III. Practicalities of indicators – Example of methodological document

<b>Table 4: Dimension 1 – intervention field</b>					
<b>Priority No</b>	<b>Fund</b>	<b>Category of region</b>	<b>Specific objective</b>	<b>Code</b>	<b>Amount (EUR)</b>
<b>PA1</b>	<b>ERDF</b>	<b>More</b>	<b>SO 1.i</b>	<b>002</b>	<b>50,000,000</b>
<b>PA1</b>	<b>ERDF</b>	<b>More</b>	<b>SO1.i</b>	<b>005</b>	<b>60,000,000</b>

<b>Table 5: Dimension 2 – form of financing</b>					
<b>Priority No</b>	<b>Fund</b>	<b>Category of region</b>	<b>Specific objective</b>	<b>Code</b>	<b>Amount (EUR)</b>
<b>PA1</b>	<b>ERDF</b>	<b>More</b>	<b>SO1.i</b>	<b>01</b>	<b>110,000,000</b>

<b>Table 6: Dimension 3 – territorial delivery mechanism and territorial focus</b>					
<b>Priority No</b>	<b>Fund</b>	<b>Category of region</b>	<b>Specific objective</b>	<b>Code</b>	<b>Amount (EUR)</b>
<b>etc</b>					

# III. Practicalities of indicators – Example of methodological document

- **Methodological document (Article 13) is clearly needed to understand**
  - the intervention logic,
  - the use of resources and
  - the choice of indicators by type of intervention.
- The methodological document should present also the evidence which supports the assumptions used for the calculation of the 2024 milestones (for output indicators) and the 2029 targets (for output and result indicators).
  - *For example: the rate of innovation of 90% assumed for action 1.1 can be based on experience from similar interventions in the past programming period, related research or experience from other (similar) regions.*
- The document should also discuss risks (e.g. it should document assumptions around success, durability of interventions, data reliability, etc.)

# III. Practicalities of indicators – Example of methodological document

Action	Total allocation at action level (indicative)	Indicator		M.U.	Baseline		Milestone 2024	Target 2029	Allocation	Intervention field	
		Code	Name		Value	Year				Code and name	Amount (EU+National) (euro)
Action 1.1	100,000,000	RCO01	Enterprises supported	enterprises	0	n.a.	50	500	100,000,000	002 - Investments in fixed assets in SMEs directly linked to R&I activities	100,000,000
		RCO02	Enterprises supported by grants	enterprises	0	n.a.	50	500			
		RCR03	SMEs introducing product or process innovation	enterprises	0	n.a.	n.a.	450			
		RCR02	Private investments matching	EUR	0	n.a.	n.a.	67,000,000			
Action 1.2	120,000,000	RCO01	Enterprises supported	enterprises	0	n.a.	12	120	120,000,000	005 - Investments in intangible assets in SMEs directly linked to R&I activities	120,000,000
		RCO02	Enterprises supported by grants	enterprises	0	n.a.	12	120			
		RCO06	Researchers working in supported research facilities	annual FTE	0	2021	36	360			
		RCR102	Research jobs created in supported enterprises	annual FTE	0	2021	n.a.	60			
		RCR02	Private investments matching public support	EUR	0	n.a.	n.a.	80,000,000			
		RCR07	Patent applications submitted	patents	0	n.a.	n.a.	84			



# III. Practicalities of indicators – Example of methodological document

## Action (or measure / scheme) 1: Support to product and process innovation in SMEs

- *The outputs are measured in terms of enterprises supported by grants.*
- The 2029 target for RCO02 is based on the assumption of 200 000 euro average support per enterprise (i.e. EUR 100 million / EUR 200 000 = 500 enterprises)
- The 2029 target for RCO01 equals the 2029 target for RCO02
- As regards output milestones for 2024, it is assumed that progress with the action would amount to 10% of the final targets set based on the allocation for 2021-2025 (i.e. 10% \* 500=50 enterprises)
  
- The 2029 target for RCR02 (private investment) is based on the assumption of 40% private financing under state aid rules (i.e. EUR 100 m public = 60% total => Private = EUR 67 m)
- The 2029 target for RCR03 is based on the assumption of a success rate of innovation of 90%. That is, 90% of all enterprises supported (as reflected by RCO02) will introduce product or process innovation as a result of the support (i.e. 90% \* 500 = 450 enterprises).

# III. Practicalities of indicators – Example of methodological document

## Action (or measure/scheme) 2: Support patentable innovation and SMEs and creation of research jobs in SMEs

- The 2029 target for RCO02 is based on the assumption of 1 million euro average support per enterprise (i.e. EU 120 million/ EUR 1 million = 120 enterprises). The 2029 target for RCO01 equals the 2029 target for RCO02.
- The 2029 target for RCO06 is based on the assumption of, on average, 3 researchers employed per enterprises supported (at the start of the project) (i.e.  $3 * 120 = 360$  FTEs).
- As regards milestones for 2024, it is assumed that progress with the action would amount to 10% of the final targets set based on the allocation for 2021-2025 (i.e.  $10% * 120 = 12$  enterprises).
- The 2029 target for RCR102 is determined based on the assumption that 50% of the enterprises supported by the action will finance, on average, one additional researcher (i.e.  $50% * 120 = 60$  FTEs).
- The 2029 target for RCR02 is based on the assumption that the supported enterprises will provide private matching finance of 40% of the total public cost under state aid rules (i.e. EUR 120 million = 60% of total => private = EUR 80 million).
- The 2029 target for RCR07 is based on the assumption that 70% of the supported enterprises will submit patents as a result of the support one year after the (research) output is completed (i.e.  $70% * 120 = 84$  patents).

## III. Practicalities of indicators -> Questions?

## Key messages

- (1) Harmonisation and simplification of the intervention logic;
- (2) Availability of common output and result indicators, data collection from projects/registries;
- (3) Performance framework including not only baselines and targets, but also milestones for outputs;
- (4) Combination between SO, actions and indicators tells the programme story
- (5) Milestones are part of the mid-term review (thus not just a formality);
- (6) Performance framework methodology has to be developed by each programme.