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AGREEMENT WITH THE PRESIDENT**

Responding to Strategic Needs: Reinforcing the use of evaluation

TABLE OF CONTENTS

1.	State of play	3
1.1.	Introduction	3
1.2.	The rationale and objectives of this communication.....	4
2.	Measures for improving the quality and use of evaluation	5
2.1.	Relevant coverage, focus and timing to meet strategic needs.....	6
2.2.	Integrating evaluation in the Commission’s Activity Based Management/ Strategic Planning and Programming cycle	10
2.3.	Better communication on evaluation results	11
2.4.	Streamlining the evaluation standards	12
3.	Conclusions	13
	ANNEX I.....	15
	ANNEX II	20
	ANNEX III.....	25

1. STATE OF PLAY

1.1. Introduction

As defined by the Commission, evaluation is a judgement of interventions according to their results, impacts and needs they aim to satisfy.¹ It is a systematic tool which provides a rigorous evidence-base to inform decision-making. For many years it has been the main tool used by the Commission to assess the extent to which EU interventions reach the set policy objectives and how their performance can be improved in the future.

New and challenging developments emphasise the essential role of evaluation:

- The world in which the EU exists is ever more complex due to globalisation, enlargement and changing geo-political situations. This means that the Community's field of activity and intervention become more widespread, and so the effects of its interventions become more difficult to assess, while at the same time it is becoming ever more important to ensure that EU actions are effectively tackling the real challenges that this increasing complexity entails. Evaluation must therefore play a key role in providing key data and knowledge to ensure better informed decision-making.
- The European Union's policy objectives are now more ambitious: notably Lisbon and the agenda for prosperity, solidarity, security and the drive for growth and jobs. Realising the Lisbon goals requires ever greater synergies and coherence between initiatives. Evaluation can serve as a sound resource for more 'joined up' policy and contribute to making a success of the Commission's "Better Regulation" activities, which aim for a better designed, simpler, more effective, and better understood regulatory environment.
- The Commission is committed to strengthening citizens' confidence in Europe with a focus upon results, transparency, informed debate, and good co-ordination and partnership across Member States and European Institutions. Evaluation is a key enabler in these processes.

Evaluation therefore has a key role to play: it can provide rational, structured and systematic means of informing decision making in complex interventions and policy arenas.

Evaluation generates a wealth of relevant information that is essential to evidence-based decision-making for planning, designing and implementing EU policies as well as for managing the institution. Evaluation also enhances the legitimacy of decisions and the accountability of decision-makers. Moreover, where evaluation results are communicated properly, they enhance transparency and democratic accountability. Last but not least, evaluation also supports the Commission in better communicating the added value of the European Union to the European citizen.

¹ SEC(2000)1051, Focus on Results: Strengthening Evaluation of Commission Activities.

This communication reiterates the Commission's commitment towards evaluation and provides new directions with a view to **ensuring that evaluations are of high quality, contribute to better regulation and are better integrated in the Strategic Planning and Programming Cycle.**

The Commission has over the last decade established a comprehensive framework for evaluation of its activities. It is a decentralised system where the DGs are responsible for evaluation of their activities and the central services provide support and coordination. Much progress has already been made, especially concerning expenditure programmes. Annex 1 gives further details on the Commission's evaluation framework.

1.2. The rationale and objectives of this communication

The previous Commission communication on evaluation dates back to 2000 and has partially become obsolete since most measures have already been successfully implemented.² Several crucial developments have also changed the context in which evaluation is carried out.

At a general level, the EU has become more socially and politically diverse. The nature of Community actions is more widespread and diverse. It is therefore ever more important to ensure coherence across these complex issues which interact at multiple levels. Evaluation is therefore the key tool to ensure learning, improve performance and to create transparency in a complex and evolving political system.

The Commission has also introduced and gradually implemented the **strategic planning and programming cycle** and **activity based management**, which facilitates and calls for reinforced assessments of past progress and related use of resources. Evaluation therefore needs to take account of the objectives of these tools and ensure it provides results that can be fed into them.

Moreover, the increasing importance and prominence of the Commission's **Better Regulation** agenda, which seeks to improve the quality of proposed new legislative measures and to simplify the existing body of EU legislation, has had an impact on evaluation in two important respects. The introduction of **impact assessment**, which, as a rule, is now applied to all legislative and policy-defining proposals in the Commission's annual Work Programme, has created the need to ensure maximum coherence and synergy with the pre-existing evaluation framework, in particular with the ex-ante evaluation requirement under the Financial Regulation.³ Furthermore, the principles of Better Regulation also dictate that interventions are regularly assessed to determine their 'real world impacts'. This has led to greater expectations in terms of "ex-post" evaluation of legislation. Although the Commission has traditionally focused evaluation on expenditure programmes, there is rightly an increasing tendency to also evaluate legislation and other non-spending activities which have substantial impacts on citizens, businesses and the environment. Further measures

² See footnote 1

³ For the Impact assessment Communication COM(2002)276 and the associated Impact assessment Guidelines:
http://ec.europa.eu/governance/impact/docs/COM_2002_0276_F_EN.pdf
http://ec.europa.eu/governance/impact/docs/SEC2005_791_IA_guidelines_main.pdf.

are needed to ensure that good practices in this relatively new domain are spread across the services.

In relation to the above issue and beyond the positive assessment of the system, the Court of Auditors recently suggested some areas for reinforcement.⁴ The Court pointed out that **legislation and other non-spending policies are not yet systematically evaluated**. Another issue raised by the Court of Auditors is the need to obtain more relevant results to support political decision-making within or across policy areas. The same message emerged from a recent external evaluation on the use of evaluation results in the Commission.⁵ This study showed that evaluation results are mainly used for improving preparation, implementation and performance of individual policy instruments and are therefore used less as input for setting political priorities.

In line with the enhanced focus of the Commission on **communication**, the role of evaluation also needs to be further developed to help communicate the achievement of policy objectives to decision-makers and stakeholders, as well as the challenges faced in achieving them. Similarly, evaluation results should be further used to communicate the achievement and value-added of EU action to European citizens.

In light of the above and in the context of the new financial framework 2007-2013, this communication **provides a general framework for further developing evaluation** in the Commission. It aims to build on the current experience and strengths within the existing system and thus the main structural elements of the Commission's current evaluation system will be maintained (cf. Annex 1). The main objectives are to further improve the quality of evaluation, better situate and reinforce the Commission's extensive evaluation work within the context of the Commission's overall approach to Better Regulation and evidence-based policy-making, and consolidate its integration within the Strategic Policy and Programming cycle and Activity-Based Management.

An action plan is included in Annex 3 and further detailed guidance will be provided by DG Budget in co-operation with the Secretariat General and the Evaluation Network as foreseen in the action plan.

2. MEASURES FOR IMPROVING THE QUALITY AND USE OF EVALUATION

This Communication focuses on three specific objectives that will enhance the overall use and usefulness of evaluation. The three key objectives, which are strongly interlinked, are the following:

- **Better Informed Decision-making** - evaluations need to have more relevant coverage, focus and timing in order that they better meet the strategic level needs (section 2.1).

⁴ Presidential letter of 19 September 2005

⁵ European Policy Evaluation Consortium 2005:

http://ec.europa.eu/budget/documents/evaluation_en.htm#ext_studies

- **Better regulation and coherence with the Strategic Planning and Programming Cycle** - evaluation results need to be more systematically fed into the Commission's planning and decision-making process and evaluation practice needs to be better integrated with the Commission's work on Better Regulation, notably on impact assessment and simplification (section 2.2).
- **Focus Upon Results and Transparency** - key messages arising out of evaluation results need to be better communicated and followed-up (section 2.3).

Separate actions are also included in the action plan to further improve the quality of evaluation activities. → *Actions 9.1, 10.2, 12.1, 13.1 and 14.1*

This Communication also introduces streamlined evaluation standards, in order that they continue to underpin the quality of evaluation and facilitate the effective implementation of the Commission's activities (section 2.4).⁶

2.1. Relevant coverage, focus and timing to meet strategic needs

New information needs are developing, calling for a degree of reorientation in the coverage and focus of evaluations. **Evaluation planning and design** therefore need to be adjusted for more relevant coverage and focus.

- **Relevant coverage of the Commission's activities: legislation and other type of non-spending activities should also be systematically considered for evaluation.**

The planning of evaluation activities needs to better cover activities other than expenditure programmes. In the context of Better Regulation and good governance, the Commission increasingly needs more systematic information on the added value and 'real world' impact of **Regulations, Directives, Decisions**, and other forms of EU action such as co-regulation, networks and open method of co-ordination. This will also respond to the growing demand from other EU Institutions and stakeholders for the ex-post evaluation of such activities to assess their actual impacts.⁷

In addition, a more systematic evaluation of legislation has the potential to assist the Commission in identifying areas of the existing *acquis* where the possibility exists for further simplification. It will also help identifying provisions that give rise to transposition difficulties which may be avoided in the future.

The new evaluation standards (cf. section 3.4 and Annex 2) therefore require **all activities addressed to external parties** (e.g. spending programmes and legislation) to be **periodically evaluated** on the basis of the life cycle of the intervention, the operational and strategic decision-making needs, general requirements for evaluation as set out in the Financial Regulation and the Implementing Rules, as well as any specific requirements set out in the legal basis of the intervention.⁸ → *Action 1.1*

⁶ This Communication provides Commission guidance on how to undertake evaluation as foreseen in the Financial Regulation, article 27(4).

⁷ For example, see the European Parliament Resolution on the Implementation, Consequences and Impact of the Internal Market Legislation in Force (A6-0083/2006/P6_TA-PROV(2006)0204)

⁸ This refers to interventions that are covered by the Commission's ABB activities.

The Commission had already extended the principle of regular evaluation from expenditure programmes to all types of activities and acknowledged the need to focus evaluation on ABB-activities (Activity Based Budgeting) in 2000.⁹ However, due to the complexity of such ABB-activities, which often embrace several different policy instruments, it will most often be necessary to carry out individual evaluations at a more disaggregated level. This means that evaluation can be carried out at different levels, e.g. at the level of individual policy instruments (which would normally be at the same level as any previous impact assessment which has been carried out at the moment the proposal was being prepared), at a more aggregated level or at the level of thematic issues. The approach needs to be tailored to the subject matter, but it is important to ensure that adequate evaluative information is generated through either one or several evaluations for the ABB-activity. The DGs and Services therefore have the flexibility to choose the most appropriate level(s) according to their specific needs.

Careful evaluation planning is thus crucial to ensure relevant information through systematic retrospective evaluation of significant expenditure programmes¹⁰ and of legislation or other regulatory measures, including those for which an impact assessment has been carried out.¹¹ To avoid duplication of efforts and a multitude of separate evaluations on the same subject in too narrow a time frame, evaluations can look both backward and forward simultaneously (i.e. to give account of past performance by focusing on short term and long term impacts while at the same time informing the ex-ante evaluation or impact assessment of any proposal seeking the renewal or modification of the activity concerned).

It will also be important to avoid duplication of efforts and to exploit synergies between ex-ante evaluation and impact assessment. Impact assessment is a new approach to policy development which is applied to the Commission's most significant proposals. In some cases these proposals will also have an impact on the Community budget and will require an evaluation in line with Article 21(1) of the Implementing Rules to the Financial Regulation.¹² However, this **does not mean that two separate exercises are required**. Where the impact assessment has addressed all of the points listed under Article 21(1), **no separate ex-ante evaluation is required**.¹³ Where the impact assessment has not sufficiently considered these requirements, it will be necessary to complement the impact assessment with an ex-ante evaluation. Those proposals for which no impact

⁹ See footnote 1

¹⁰ The Financial Regulation, article 27(4) requires evaluation of all programmes and activities entailing significant expenditure.

¹¹ As indicated above, the evaluation may be carried out at aggregated level to cover several activities that have undergone Impact Assessments. There may also be cases where no retrospective evaluation is needed, e.g. Communications.

¹² Article 21 of the Implementing Rules requires interim and/or ex-post evaluation of all programmes and activities exceeding 5 million EUR. This threshold relates to the EU budget and is only one criterion to consider when planning evaluations. Another important criterion, especially for non-spending activities, is the expected impact (standard B3).

¹³ The latest revision of the Implementing Rules to the Financial Regulation brought the requirements for ex-ante evaluations closer to the rules for Impact assessment set out in the Commission's internal Guidelines of 15 March 2006.

assessment is carried out, but which have budgetary implications, will continue to require an ex-ante evaluation in line with Article 21(1).¹⁴ → *Actions 14.1*

Community actions are often implemented in co-operation with national governments or other organisations (e.g. expenditure programmes implemented through shared management or regulatory measures requiring transposition into national law). To establish close co-operation with stakeholders involved in national level monitoring and evaluation is therefore important to ensure relevant and useful evaluation results. The relevant policy instruments should therefore include legislative provisions with clearly defined responsibilities concerning monitoring and evaluation for the parties involved. This is already the case for many existing activities. However, such requirements are not always adapted to the method of implementation, or they dictate a timing which is inappropriate or too rigid for decision-making needs. It is therefore necessary, when examining the monitoring and evaluation arrangements in the context of an impact assessment, to consider the evaluation arrangements to be included in the new proposal. Evaluation functions should therefore be consulted on these aspects in new proposals before they are sent to inter-service consultation. → *Actions 3.1 and 3.2*

Partnership and commitment for evaluation at national level can also be fostered by setting up evaluation networks with those involved at national level, as several DGs have done or plan to do. Involving relevant stakeholders in the evaluation process can improve the common understanding of a policy instrument to be evaluated, provide access to information and enhance the democratic involvement.

- **Relevant focus – making evaluation results more useful**

Increasing efforts are important to satisfy information needs at the more **strategic level**. Community policies normally comprise a mix of different policy instruments such as expenditure programmes, legislation and other regulatory measures. The strategic aspect of evaluation is how it assesses the link between individual interventions and global policy objectives at the level of the ABB-activities, horizontal objectives or wider EU objectives such as the Lisbon strategy. Individual evaluations should therefore, where appropriate, include questions that put them into the broader policy context, which would imply finding answers to the following questions:

- To what extent have individual interventions contributed to the strategic objectives?
- How coherent and complementary have these interventions been? Is there scope for simplifying existing interventions or legislation?
- What progress has the DG/Commission made towards reaching its strategic-level objectives?

¹⁴ The scope of a proposed framework regulation may be so wide that an impact assessment cannot go in sufficient detail to meet the IR requirements. In some cases, such proposals will be followed up by more specific measures to implement the regulation. These follow-up measures may be subject to further impact assessment or ex-ante evaluation.

Such information is useful for the DGs/Services and central services. It should be systematically fed into the decision-making process at the appropriate stages of the SPP-cycle. → *Action 5.1*

Individual evaluations should also increasingly include questions concerning cost-effectiveness and adequacy of resources since the corresponding evaluation results should be used to justify budgetary amendments and to arbitrate between competing demands for activities.¹⁵

Ensuring relevant focus also implies that the information needs on cross-cutting issues be considered in order to better assess the coherence, complementarity and combined impact of several interventions that pursue the same or similar objectives, e.g. ABB activities, the Lisbon strategy, sustainable development etc. At this general level, it is important to improve the Commission's evaluation planning to ensure that the different policy areas and cross-cutting issues are adequately covered. "Common questions" should also be asked in sets of families of policies (such as Competitiveness or External Relations) in order to ensure that comparative data are gathered which can then be examined across the policies or delivery modes. The Commission's Forward Evaluation Programme will therefore be further developed by including relevant cross-cutting issues to be evaluated against selected strategic objectives. DG Budget, in co-operation with the Secretariat General and the Evaluation Network, will further develop the Commission's Forward Evaluation Programme and annually submit it to the ABM Steering Group¹⁶ for strategic orientation for planning and designing future evaluations. → *Action 4.1*

- **Relevant timing to meet the decision-making needs**

Timing is a crucial factor for fostering the use of evaluation in the decision-making process.¹⁷ Evaluation activities must be planned in a transparent and consistent way so that relevant evaluation results are available in due time for operational and strategic decision-making and reporting needs. The timing of evaluations must therefore enable the results to be fed into any decision on the design, renewal, modification or suspension of activities. The key instrument to facilitate the long-term planning of evaluation is the multi-annual evaluation programme.

A final general remark under this section 2.1 is that the DGs also need to better factor into their planning the corresponding human and financial resource requirements in their internal resource allocation process. The necessary resources for evaluation should be requested and justified for in the Preliminary Draft Budget. In principle, this should be done within the global enveloped of each DG.

¹⁵ Article 33.2 (d) of the Financial Regulation.

¹⁶ The central services (Secretary General, the Directors General of DG Budget, ADMIN, DIGIT, IAS) and their cabinets.

¹⁷ See footnote 5

2.2. Integrating evaluation in the Commission's Activity Based Management/ Strategic Planning and Programming cycle

EU activities are driven by political priorities and long-term objectives.¹⁸ The main context in which these priorities and objectives are translated into activities is the Activity Based Management/Strategic Planning and Programming (ABM/SPP) cycle. This tool helps the Commission to improve planning, deliver better results and be more accountable to the European citizens. It should also facilitate assessment of past progress and related use of resources. However, this requires that objectives are well defined, and that the extent to which they have been achieved is assessed as accurately and reliably as possible.¹⁹ In the ABM/SPP-cycle, evaluation should therefore further assist in:

- translating political priorities into meaningful objectives and indicators, based on the experience gained from previous interventions/policies (e.g. in the preparation of the Annual Policy Strategy, the Activity Statements in the Preliminary Draft Budget, and the Annual Management Plan);
- the efficient allocation of resources, as evaluation results can be used to justify existing or new initiatives and to arbitrate between competing demands for activities;
- identifying areas of the Community acquis that may lend themselves to the Commission's simplification policy;
- the reporting on results achieved (in the context of the Annual Activity Reports, the Synthesis of policy achievements and through other appropriate communication means), thus complementing and enriching data emanating from monitoring exercises;
- identifying gaps (or missing links) and emerging needs.

However, evaluation can only achieve this if the co-ordination and co-operation between the evaluation functions and all relevant actors, notably SPP functions, financial services, operational services, central services, and existing networks, are reinforced. It will be particularly important to systematise close co-operation between the evaluation functions and the SPP functions to ensure that the match of planning and evaluation is institutionalised. → *Action 6.1*

It should be noted that the extent to which the use and usefulness of evaluation can be strengthened also depends on the demand for evaluation results from decision-makers and senior management.²⁰ Senior management should therefore give their full support to evaluation at the planning stage – notably by approval by the Directors General of their annual management plans – and by committing themselves to using

¹⁸ E.g. those identified in the Financial Framework, the Commission's five-year programme, long-term political commitments such as the Lisbon process, etc.

¹⁹ The objectives (and corresponding indicators) to be defined in this context apply to different levels (e.g. strategic, ABB, cross-cutting, operational), time horizons (i.e. multi-annual versus annual) and types of deliverables (e.g. impacts, results, outputs).

²⁰ An external study of the use of evaluation results in the Commission concluded that support by the senior management is a crucial factor in fostering the use of evaluation, see footnote 10.

evaluation results. High level support from senior management and cabinets is important within individual policy areas as well as for the Commission as a whole to increase the strategic aspects of evaluation. At central level, DG Budget will therefore submit the Forward Evaluation Programme and report on the developments of the evaluation framework to the ABM Steering Group to ensure regular strategic orientations. Evaluation issues could also be addressed regularly in the other SPP or Better Regulation fora, such as the SPP network and in joint meetings of the Evaluation and Impact Assessment Networks. → *Actions 4.1 and 10.1*

2.3. Better communication of evaluation results

Evaluation results will have the strongest impact on decision-making, be more useful and be better exploited if they are communicated effectively. The aim is to ensure that evaluation results are communicated to decision-makers and other relevant stakeholders in a clear and transparent manner to facilitate the use of evaluation results. This requires a careful assessment of *what* type of information is useful to *whom*.

To further strengthen the use of evaluation in decision-making, both the evaluation planning and the evaluation results generally need to be **more effectively communicated to senior management** and, where appropriate, to the Members of the Commission and political stakeholders such as the Parliament and Council.²¹ Evaluation results should be communicated in such a way that they **meet the needs of decision-makers**. The information needs to be politically relevant, concise and easily comprehensible. Evaluation functions should therefore promote the use of evaluation in decision-making by ensuring that policy implications and lessons learnt from (and across) evaluations are synthesised and appropriately disseminated.

Action 7.1

The implementation of most Community actions entails co-operation and communication with different stakeholders,²² which is particularly relevant when evaluating legislation and other non-spending policy instruments. In this regard it is worth underlining that evaluation can promote greater mutual understanding of problems and solutions and also bring further benefits in the form of involvement of all levels of government in the policy process.

Results of the Community actions should also be communicated to the **European citizens and tax-payers**. It is an essential part of the political process and it involves dialogue, debate and transparency. Evaluation often brings to light the achievements of Community actions and abstracts of these data can be used to **demonstrate European added-value**. Communication to the public and media should take the form of short summary reports focusing on European added-value, impact on daily life and sustainability. For this purpose the evaluation functions and the operational

²¹ The European Parliaments has invited the Commission to consider whether the debate on major evaluation reports within the Commission takes place at the appropriate level (Report on the Commission's evaluation activities A5-0284/2002)

²² The term stakeholder is used in a broad sense. It refers not only to those affected by a certain intervention (e.g. addressees, beneficiaries, professional associations, etc.), but also those that may assist the Commission in its implementation (e.g. Member States, Agencies), as well as those involved in the legislative or budgetary process (Council, European Parliament).

services need to co-operate closely with the information and communication units.
→ *Action 8.2*

While operational DGs are responsible for effectively communicating the results of evaluations carried out under their responsibility, DG Budget will increasingly **aggregate and synthesise cross-cutting evaluation findings**²³ generated across the Commission Services. This will ensure that appropriate and aggregated information across different policy areas is available for decision-making, in particular for the preparation of the annual APS decision and the Commission Legislative and Work Programme. → *Action 4.2*

There is also a need to reinforce reporting on the developments of the Commission's evaluation framework with a view to ensuring its effectiveness and efficiency. DG Budget will hence streamline its reporting activities on the developments of the Commission's evaluation framework and submit the relevant information on an annual basis to the ABM Steering Group for strategic orientations. It will also be further disseminated to institutional (ECA, CoCoBu etc.) and external stakeholders.
→ *Action 10.1*

To enhance the availability of relevant and timely evaluation information a new management system for evaluation information will be implemented by the Commission services. The system will include information on the evaluation process and facilitate access to relevant evaluation results. An IT-based search engine will facilitate the identification of information on specific topics and selected parts of the system will be publicly accessible. → *Action 8.1*

2.4. Streamlining the evaluation standards

With a view to adjusting the Commission's evaluation standards²⁴ to current needs, Annex 2 contains a revised version of the binding evaluation standards. The motivation behind the revised standards has been to clarify and simplify the content to ensure that it is more relevant to current needs and is more understandable, while emphasising effectiveness rather than just compliance. The aim of the revised standards is to ensure **relevant and timely evaluations of high quality** and that **evaluation results are communicated to decision-makers and other relevant stakeholders in a clear and transparent manner to facilitate the use of evaluation results**.²⁵ → *Action 11.1*

The **scope** is adjusted to ensure that the Commission's evaluations first and foremost focus on activities that affect entities outside the EU Institutions (e.g. organisations, companies and citizens). The standards are therefore binding upon all DGs and Services of the Commission with activities that affect entities outside the European institutions (e.g. organisations, companies and citizens). Where a DG performs evaluation of internal policies or service provision the standards also apply.

²³ For ex-ante evaluation/impact assessments, this should be in conjunction with the appropriate unit of the Secretariat General

²⁴ C(2002)5267, Evaluation Standards and Good Practice.

²⁵ The standards are linked to the Commission's Internal Control Standard no. 23, which means that they are binding and the way they are implemented may be audited on this basis.

The standards are restructured into five categories:

- A. Resources and organisation of evaluation activities;
- B. Planning evaluation activities;
- C. Designing evaluations;
- D. Conducting evaluations;
- E. Dissemination and utilisation of evaluation results.

For each category, a **guiding principle** is defined as well as **baseline requirements** (21 in total) which contribute to achieving compliance with the overriding principle. Meeting the baseline requirements will hence be important, but not necessarily sufficient, to ensure full compliance with the guiding principles.

The standards apply to the different temporal types of evaluations. However, whilst the *guiding principles* for designing and conducting evaluations and dissemination and utilisation of evaluation results apply to all types of evaluation, the corresponding *baseline requirements* refer only to **retrospective** (interim, final and ex-post) as well as to evaluations that combine aspects of retrospective and prospective evaluations. By contrast, purely **prospective evaluations** (ex-ante and impact assessments) must be carried out in accordance with DG Budget's guide for ex-ante evaluation²⁶ or the Commission's Impact Assessment Guidelines to ensure adequate quality.

Building on these standards and on existing practices, a new simplified approach will be taken concerning the non-binding **good practices** which will be separate from the standards. As good evaluation practices emerge and develop over time, in a situation where they may not be equally applicable to all contexts and circumstances, a more flexible and dynamic process is appropriate. DG Budget, in collaboration with the Secretariat General and the Evaluation Network, will set up a process aimed at stimulating good practice and ensuring that Commission services have the opportunity to learn from and adopt relevant good practices.
→ *Actions 10.1, 13.1 and 14.1*

3. CONCLUSIONS

This communication consolidates the existing evaluation framework and it provides new directions to strengthen the overall use and usefulness of evaluation. It foresees measures to:

- increase the strategic use of evaluation by generating more relevant results within and across different policy areas;
- further integrate evaluation with the planning, design and reporting on Commission activities;

²⁶ The existing ex-ante guidelines will be updated and developed to be more complementary to the impact assessment guidelines (action 12.1).

- strengthen the use of evaluation in decision-making by effectively communicating key messages from evaluation to senior management and other institutional stakeholders;
- use evaluation results to communicate the added value of the European Union to citizens.

The Commission instructs the DGs and Services to implement this communication, including the attached action plan and the streamlined version of the evaluation standards.

DG Budget will report on the implementation and effectiveness of this communication on an annual basis to the ABM Steering Group.

COMMISSION'S EVALUATION FRAMEWORK**Introduction**

This annex outlines the development and achievements of evaluation in the Commission and the basic acts governing evaluation. Moreover, it briefly describes the main elements of the evaluation framework.

1. The development of evaluation in the European Commission

Evaluation has a relatively long tradition in the Commission since it first began on a sectorial basis in the 1980s. General interest for evaluation grew substantially in the 1990s due to an increasing focus on accountability, budgetary stringency and effective programme execution. Systematic evaluation of expenditure programmes was developed later on as part of the initiative to reform the management of the EU spending known as Sound and Efficient Management (SEM 2000) in the mid-1990s, as the Commission put in place organisations and systems to ensure systematic, timely and rigorous evaluation of expenditure programmes.²⁷

Strengthening evaluation became an important element of the reform of the Commission which started in 2000. The principle of regular evaluation was extended from expenditure programmes to cover also other types of public interventions (notably legislation and other non-spending activities), as well as cross-cutting themes of a horizontal nature.²⁸ As a result evaluation capacity has gradually been built up in all policy areas, including internal management, and evaluation results have increasingly been used to support decision-making. Many Commission activities have become more relevant, effective and efficient thanks to the evidenced-based input provided by evaluation.

2. The achievements of evaluation in the European Commission

The Commission has a well-established evaluation system – a statement which mainly holds for evaluation of expenditure programmes. An independent comparative study concluded that EU has been successful in institutionalising evaluation, in establishing an evaluation culture and that this has even influenced the growth of evaluation across the whole continent.²⁹ In the same vein a recent audit on the Evaluation Framework of the Commission, the Court of Auditors concluded that the Commission's evaluation framework provides an adequate basis for implementing its policy measures.³⁰ The Court also acknowledged that evaluation had become an established management tool, which is widely used to improve the preparation, implementation and performance of individual policy instruments.

The capacity to carry out evaluations has noticeably increased in recent years. Since the inception of the Commission's generalised evaluation policy in 1996 the number of

²⁷ SEC(1996)659, Concrete steps towards best practice across the Commission.

²⁸ See footnote 1

²⁹ International Atlas of Evaluation 2003, by editors Furubo, Rist and Sandahls

³⁰ See footnote 4

evaluations carried out annually has more than doubled from around 80 to around 170 in 2005.³¹

Commission services have also made strong efforts in recent years to improve the quality of evaluation. The Commission's evaluation standards, adopted in 2002, are considered as an important measure in this respect.³² They are linked to the Commission internal control standards and have been an essential tool for organising evaluation functions in the Directorates General and for preparing and conducting evaluations commissioned by the Commission.

The main structural elements of the Commission's evaluation system, which should be maintained and built upon, are described as follows:

Main structural elements of the Commission's evaluation system

A decentralised system – the DGs are responsible for evaluation of their activities.

The DGs' evaluation functions plan, manage/co-ordinate and follow-up evaluation activities and promote quality of evaluation and organisational learning.

Central support and co-ordination – DG Budget provides guidance, training (together with DG ADMIN), work-shops, seminars, overviews of the Commission's evaluation activities and evaluation results, and promotes, monitors and reports on good evaluation practice. In addition, the Secretariat General co-ordinates impact assessments.

Evaluation Network – DG Budget co-ordinates an Evaluation Network, formed by the DGs evaluation functions, to spread best practice.

3. Basic acts governing Commission evaluation

The basic acts governing evaluations carried out under the responsibility of the Commission are:

- The **Financial Regulation** (Article 27.4, 28, 33, 56.3 and 166) and its **Implementing Rules** (Article 21), which contain the basic requirements concerning the scope, purpose, timing and use of evaluations of programmes and activities entailing expenditure from the general budget of the European Communities.³³
- **Sector-specific regulations and communications** (e.g. in the area of Structural Funds, Rural Development, Justice, Freedom and Security etc).
- The **present communication** on evaluation addresses spending as well as non-spending activities. It provides new directions and measures for further developing evaluation in the

³¹ This number includes mainly programme and policy level evaluations managed by the Commission services and not project level evaluations or evaluations managed by Member States or regions.

³² See footnote 24

³³ Commission Regulation 1248/2006 of 7 August 2006

Commission and a streamlined version of the **evaluation standards** (replacing earlier communications SEC(2000)1051 and C(2002)5267).

- The **communication** of 5 June 2002 on **impact assessment**.³⁴

4. Evaluation capacity

Within the Commission's general decentralised evaluation framework, two different ways of organising evaluation have emerged. The first one is a centralised approach, where a dedicated evaluation function is responsible for managing individual evaluations. It is most common in DGs responsible for expenditure programmes. The second one is a decentralised approach, where the evaluation function mainly supports the operational units in charge of the evaluation projects. The decentralised approach is most common in DGs mainly responsible for legislation and other policy instruments than expenditure programmes.

The total number of Commission staff members working in the dedicated evaluation functions of the various Directorates General amounts to around 140 full time equivalents (A, B and C staff). The time spent on evaluation activities by staff members in operational units depends on the organisational set-up. In DGs with a decentralised evaluation function, the operational staff members generally spend relatively more time in the whole evaluation process.

The total annual costs to the budget (including staff resources) related to the Commission's evaluation activities have been estimated by the Court of Auditors at around 45 Mio EUR. The vast majority of this resource is dedicated to policy areas which mainly deal with instruments entailing expenditure to the EU budget.

The Commission's evaluation capacities have been developed by various means. For example, a large number of evaluation guides (32) have been produced in the operational DGs. These guides cover different policies as well as both prospective and retrospective evaluations.

Capacity building has also been developed through the Commission's Evaluation Network, which is co-ordinated by DG Budget. In recent years the whole Network has met around six times per year. The Network has a number of working groups focusing on specific issues, and for this purpose an annual work programme is set up annually. In addition, several DGs have set up their own, more specific evaluation networks with the Member States in order to improve cooperation and share evaluation results in their particular policy domain.

Training is also an important element for capacity building. The Commission's training on various aspects of evaluation is organised by the central services and has become more diverse over time. Currently there are four different courses on evaluation, namely understanding the challenges of an evaluation, managing the evaluation process, methods and tools of an evaluation and integration of evaluation practices within the Commission. Altogether 347 staff members attended one of the above four evaluation courses in 2004 and 2005. In addition to these courses, the Commission's training activities also include various types of seminars and workshops on topics such as planning of evaluation activities, follow-up of evaluation results and analysis of an evaluation offer.

³⁴ COM(2002)276

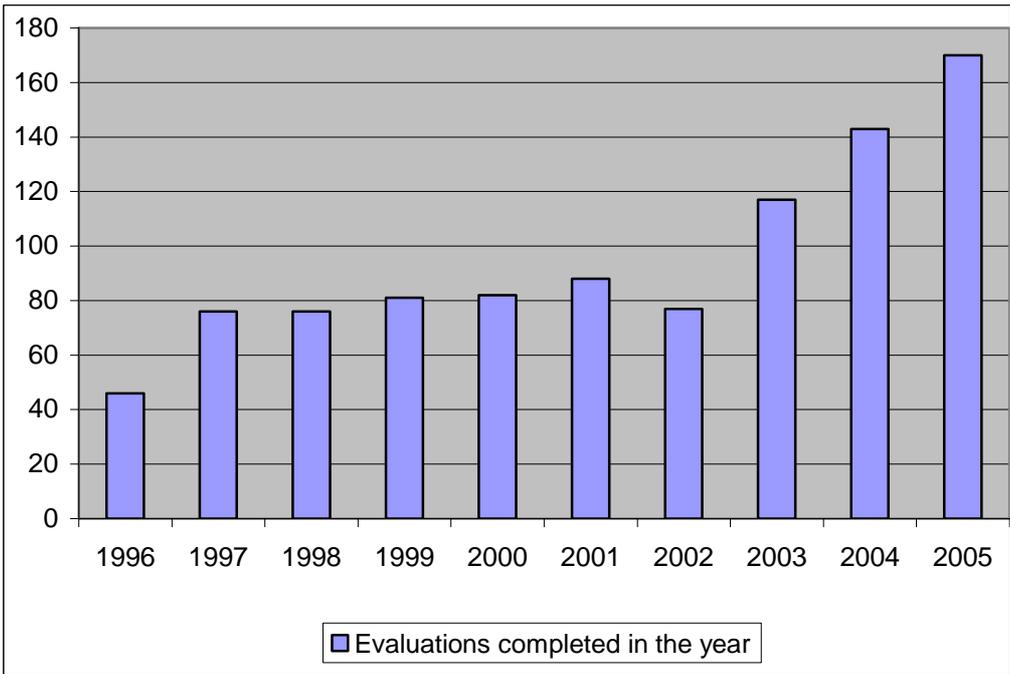
Most of the evaluations in the Commission are carried out with the assistance of external experts. This practice of outsourcing has implications on both the costs and duration of evaluation projects. The costs of evaluation studies were 19 Mio EUR in 2002, 31 in 2003, 23 in 2004 and 19 in 2005. As far as the average duration is concerned, it was 11 months in 2005. This figure has been calculated from the actual start of the work until the submission of the final report. It is important to notice that the above figure is an average, and that there is a variation across different policy domains. While evaluation projects lasting for more than two years are common in all headings of the Financial Perspectives, evaluations in the field of humanitarian aid, for example, are in almost all cases completed within 12 months and in many cases even within half a year.

Measures have also been taken to ensure access to external evaluation expertise. Specific AMI lists of external experts, which are managed by different DGs and accessible to all Services of the Commission, have been established. Furthermore, a new Framework Contract managed by DG Budget including more diverse types of services, will be put into practice in 2006.

Recourse to steering groups for the management of the evaluations has become a standard practice over the last ten years. For example, in 2005 around 82 % of all completed evaluation projects were conducted under the guidance of a steering group, either internal or external. Compared to internal steering groups, the number of steering groups with participation of external people is still rather limited. In most cases, they relate to internal policies.

5. Coverage and volume of the evaluation framework

Within the general evaluation framework introduced in 1996, the Commission carried out around 80 evaluations per year. These were almost exclusively of a retrospective nature (intermediate or ex post evaluations). The number of evaluations has gradually risen since 2003 and it attained the level of 170 evaluations in 2005. The increase is for a large part due to an increase in the number of prospective evaluations, particularly in the form of impact assessments.



These evaluations are carried out in almost all Policy Areas of the Commission. A breakdown to the more detailed level of ABB-activities for the approximately 500 evaluations carried out in the period 2002-2005 (since the introduction of the ABB budget structure) shows that of the total of 175 ABB activities with budget line, 101 have been subject to at least one evaluation during the period and many of the remaining activities may have been affected by a cross-cutting evaluation.³⁵

However, legislative instruments which do not involve budgetary expenditure are still less frequently evaluated than expenditure programmes. The situation for 2005 is that 45 % of retrospective evaluations concerned expenditure programmes, while 35 % of retrospective evaluations concerned legislative instruments (incl. soft law instruments and instruments involving insignificant auxiliary expenditure such as networking). The remainder was roughly evenly distributed between strategic or thematic evaluations (linked to, but not necessarily exclusively related to expenditure) and evaluations concerning internal processes such as service provision within the Commission.

35 Overview of completed evaluations per ABB activity for the years 2002-2005, April 2006

EVALUATION STANDARDS

Context and purpose

Evaluation involves a judgement of interventions according to their results, impacts and needs they aim to satisfy. It is a systematic tool which provides a rigorous evidence base to inform decision-making and contributing to making Commission activities more effective, coherent, useful, relevant and efficient. Evaluation also enhances transparency, learning and accountability. To achieve this, the Commission's evaluation standards aim to ensure relevant and timely evaluations of high quality and that evaluation results are communicated to decision-makers and other relevant stakeholders in a clear and transparent manner to facilitate the use of evaluation results.

In light of the above objectives, the standards are grouped into five categories:

- Resources and organisation of evaluation activities (A1-A3),
- Planning evaluation activities (B1-B5),
- Designing evaluations (C1-C3),
- Conducting evaluations (D1-D5), and
- Dissemination and utilisation of evaluation results (E1-E5).

The standards are expressed as a set of guiding principles. For each guiding principle, a number of baseline requirements (forming an integral part of the standards) have been defined which should contribute to achieving compliance with the overriding principle. Meeting the baseline requirements will hence be important, but not necessarily sufficient, to ensure full compliance with the guiding principles.³⁶

The standards are an integral part of the Commission's Internal Control Standard n°23 on evaluation, which means that they are binding and that the way they are implemented may be audited on this basis.

Scope

The standards apply to Commission evaluations of policy instruments such as expenditure programmes, legislation and other non-spending activities.³⁷ The standards are binding upon all DGs and Services of the Commission with activities that affect entities outside the European institutions (e.g. organisations, companies and citizens).

³⁶ The implementation of the baseline requirements will normally need to be complemented by additional measures, such as developing and implementing good practices or the various actions set out in the present Communication.

³⁷ Separate evaluations of individual projects financed under programmes are not subject to these standards. However, project evaluations required by specific provisions, for example pilot projects, are covered by the standards.

The standards also apply where a DG performs evaluation of internal policies or service provision. However, additional organisational structures are not necessarily needed in these cases. The key issue is to clarify *who* is responsible for *what* and it is the responsibility of the Director General to consider the most appropriate way of organising evaluation activities in accordance with their needs.

The standards apply to the different temporal types of evaluations. However, whilst the *guiding principles* for designing and conducting evaluations and dissemination and utilisation of evaluation results apply to all types of evaluation, the corresponding *baseline requirements* refer only to retrospective or combinations of retrospective evaluations (interim, final and ex-post). By contrast, purely prospective evaluations (ex-ante and impact assessments) must be carried out in accordance with DG Budget's guide for ex-ante evaluation³⁸ or the Commission's Impact Assessment Guidelines to ensure adequate quality.

Moreover, the standards apply irrespective of the nature of the author of the evaluation, i.e. to both internal and external evaluations (and combinations thereof).

³⁸ The existing ex-ante guidelines will be updated and developed to be more complementary to the impact assessment guidelines (action 12.1).

A) RESOURCES AND ORGANISATION OF EVALUATION ACTIVITIES

Evaluation activities must be appropriately organised and resourced to meet their purposes.

1. Each Directorate General must have an evaluation function with a clearly defined responsibility for co-ordinating and monitoring evaluation activities of the Directorate General (from the planning of evaluations until their dissemination and use), promoting quality of evaluation and organisational learning, and assisting the central services in the implementation of the Commission Evaluation Policy.
2. Each Directorate General must ensure that human and financial resources are clearly identified and proportionately allocated for evaluation activities to be carried out.³⁹
3. Each Director General must clearly define the tasks, responsibilities, organisation and procedures for all actors involved in planning, designing and conducting evaluations, and disseminating and using evaluation results.

B) PLANNING EVALUATION ACTIVITIES

Evaluation activities must be planned in a transparent and consistent way so that relevant evaluation results are available in due time for operational and strategic decision-making and reporting needs.

1. An annual evaluation plan and an indicative multi-annual evaluation programme are to be prepared by the evaluation function in consultation with the other units in the Directorate General and integrated in the Annual Management Plan.
2. The multi-annual evaluation programme must be drawn up on the basis of the life cycle of the interventions, the operational and strategic decision-making needs of the Directorate General, general requirements for evaluation, and any specific requirement for evaluation as set out in the legal base of the intervention.
3. All activities addressed to external parties must be periodically evaluated in proportion with the allocated resources and the expected impact.
4. The timing of evaluations must enable the results to be fed into decisions on the design, renewal, modification or suspension of activities.
5. All relevant services (in particular the evaluation function, SPP/policy planning co-ordinators, IA co-ordinators and key operational units) must contribute to or be consulted on the annual evaluation plan and the indicative multi-annual evaluation programme.

³⁹ Especially in the SPP cycle within the APS and AMP exercises.

C) DESIGNING EVALUATIONS

Evaluation design must provide clear and specific objectives, and appropriate methods and means for managing the evaluation process and its results.

1. Save in duly justified cases, a steering group must be set up for each evaluation to advise on the terms of reference, support the evaluation work and take part in assessing the quality of the evaluation at the appropriate regularity; its composition must be adjusted to the specific needs and circumstances of each evaluation and the evaluation function must be advised thereon.
2. Terms of reference must be established for each external evaluation and a corresponding document/mandate must be established for each internal evaluation, which must at least specify the following points: purpose and objectives, key questions, scope, expected outputs, deadlines, and quality criteria.⁴⁰
3. Issues of relevance to all services concerned must be considered for the terms of reference.

D) CONDUCTING EVALUATIONS

Evaluation activities must be conducted to provide reliable, robust and complete results.

1. The evaluation must be conducted in such a way that the results are supported by evidence and rigorous analysis.
2. All actors involved in evaluation activities must comply with principles and rules regarding conflict of interest.
3. Evaluators must be free to present their results without compromise or interference, although they should take account of the steering group's comments on evaluation quality and accuracy.
4. The final evaluation reports must as a minimum set out the purpose, context, objectives, questions, information sources, methods used, evidence and conclusions.
5. The quality of the evaluation must be assessed on the basis of the pre-established criteria throughout the evaluation process and the quality criteria must as a minimum relate to relevant scope, appropriate methods, reliable data, sound analysis, credible results, valuable conclusions and clarity of the deliverables.

⁴⁰ The evaluation questions should reflect the following evaluation issues whenever relevant: effectiveness, efficiency/cost-effectiveness, relevance, coherence, sustainability, utility and/or community added value, and where relevant the contribution to broader strategic objectives. Additional evaluation issues may also have to be added to the terms of reference.

E) DISSEMINATION AND UTILISATION OF EVALUATION RESULTS

Evaluation results must be communicated in such a way that it ensures the maximum use of the results and that they meet the needs of decision-makers and stakeholders.

1. The evaluation results must be examined by the services concerned, who must outline the actions they propose to take towards the formulation, planning and/or revision of the relevant interventions, in accordance with procedures set out by the Director General (cf. standard A1).
2. Evaluation results must be communicated effectively to all relevant decision-makers and other interested stakeholders/parties.
3. The evaluation results must be made publicly available⁴¹ and targeted summary information should be prepared to facilitate communication to the general public.
4. The evaluation function must promote the use of evaluation in decision-making and organisational learning by ensuring that policy implications and lessons learnt from (and across) evaluations are synthesised and disseminated.
5. The use of the evaluation results must be regularly monitored by the evaluation function.

⁴¹ Unless a case for confidentiality can be made under one of the exceptions provided for in article 4 of Regulation 1049/2001 of the European Parliament and the Council, 30 May 2001

ACTION PLAN⁴²

Section of the communication	Objectives/deliverables	Actions/Means	Actor(s)	Timeframe
2.1 Ensuring relevant coverage and focus to meet strategic needs	1. Ensure relevant coverage and focus of the annual evaluation plans and multi-annual evaluation programmes.	1.1 Systematically consider legislation, soft law and other significant non-spending activities for evaluation when drawing up evaluation plans.	DGs and Services / Evaluation Functions	Annually
		1.2 Take maximum account of operational, budgetary and strategic-level information needs when drawing up evaluation plans.	DGs and Services / Evaluation Functions	Annually
		1.3 Ensure appropriate evaluation of Agencies in line with Article 56(3) of the Financial Regulation.	DGs and Services	Annually
	2. Further improve evaluation of legislation and soft law by establishing good practices.	2.1 Provide guidance and fora for exchanging experiences.	BUDG; SG; Evaluation Network	Continuously
	3. Improve evaluation requirements in proposals for new legal bases.	3.1 Adapt and simplify evaluation requirements in future proposals for legal bases to allow for flexible provisions on evaluation, adapted to different types of management and enabling evaluation results to be taken into account for any decision on the renewal, modification or suspension of an activity and prospective and retrospective evaluations to be combined when appropriate.	DGs and Services / Evaluation functions; BUDG	Continuously

⁴² This annex identifies the concrete actions and deliverables to implement the strategic and operational orientations in the Communication and its annexes. The actions have been formulated in light of the experience gained since 2000 when the previous Communication on evaluation was adopted. Other sources of information have also been considered, such as the Court of Auditors' audit in 2005 of the Commission's Evaluation Policy and the external evaluation of the use of evaluation results in the Commission carried out in 2005 by the European Policy Evaluation Consortium.

		3.2 The evaluation functions should review the evaluation provisions in new proposals and where appropriate establish evaluation partnerships with relevant stakeholders in the Member States.	DGs and Services / Evaluation Functions	Continuously
	4. Further improve the Commission's Forward Evaluation Programme.	4.1 Identify and ensure high level orientation concerning cross-cutting issues to be evaluated against selected strategic objectives. Formulate evaluation questions on the cross-cutting issues to be included in relevant individual evaluations.	BUDG; Evaluation Network; SG; The Evaluation Programme will be submitted to the ABM-Steering Group for strategic orientations	Annually
		4.2 Analyse, synthesise and report on cross-cutting issues (using meta studies or separate strategic evaluations) (cf. 4.1).	BUDG	Annually/Ad hoc
	5. Increase the strategic aspects of individual evaluations to ensure relevant information to support decision-making.	5.1 Include evaluation questions relating to the broader policy context and cost effectiveness in evaluations concerning individual policy instruments.	DGs and Services / Evaluation functions	Continuously
2.2 Integrating evaluation in the Commission's performance management system	6. Increase the use of evaluation results in the ABM/SPP cycle for planning and reporting purposes.	6.1 Evaluation should further assist in: <ul style="list-style-type: none"> - setting meaningful objectives and indicators in the preparation of the Annual Policy Strategy, the Activity Statements in the Preliminary Draft Budgets and the Annual Management Plans; - justify existing or new initiatives and arbitrate between competing demands for activities in the Annual Policy Strategy and the Preliminary Draft Budget; - reporting on results achieved in the Annual Activity Reports and the Annual Policy Synthesis 	Evaluation and SPP functions; financial and operational services of operational DGs and Services	Annually, as from the publication of the various ABM/SPP circulars

2.3 Ensuring better communication on evaluation results	7. Promote the use of evaluation in decision-making and organisation learning	7.1 Synthesise and disseminate policy implications and lessons learnt from evaluations.	DGs and Services / Evaluation Functions	Continuously
		7.2 Aggregate and synthesise evaluation findings generated across the Commission services and disseminate them by: - issuing reviews of policy effectiveness, addressed to relevant internal and external stakeholders, which will report on the added value, effectiveness and efficiency of EU programmes, regulations and policies, in relation to the Commission strategic objectives - issuing focused reviews of the effectiveness or good practices concerning key cross-cutting themes or policies.	BUDG	Annually/Ad hoc
	8. Enhance the availability of relevant and timely information on the evaluation process and the evaluation results for Commission services and external stakeholders.	8.1 Implement the Evaluation Information Management System	BUDG; Evaluation Functions	In phases to be completed in 2007
		8.2 Synthesise and disseminate evaluation results in the form of short summary reports with the main focus on added value for the general public.	DGs and Services / Evaluation Functions in co-operation with operational services and information and communication units	Ad hoc
	9. Provide coherent, accurate and transparent information on the quality of evaluations.	9.1 Systematically assess quality of evaluation.	DGs and Services / Evaluation Functions	Continuously

	10. Ensure an effective and efficient evaluation framework.	10.1 Streamline the reporting activities on the developments of the Commission's evaluation framework. Issue an annual review of evaluation capacity to be submitted to the ABM Steering Group with further dissemination to relevant internal and external stakeholders (IAS, ECA, CoCoBu). The report will analyse the measures undertaken to implement this Communication, including the continuous development of quality in line with the evaluation standards, in particular the coverage and quality of evaluations of non-spending activities. It will deal with the Commission's evaluation activities and, where relevant, also of other entities involved in the implementation and evaluation of EU-activities.	BUDG; ABM Steering Group	Annually
2.4 Streamlining the evaluation standards	11. Further improve the quality of evaluation activities by implementing the evaluation standards	11.1 Ensure compliance with the new evaluation standards.	DGs and Services / Evaluation Functions	Within 12 months of adoption of this communication and continuously
	12. Provide guidance on evaluation in line with the communication.	12.1 Revise and complete the Commission's guides on evaluation ⁴³ . This will include all aspects of evaluation and where relevant be differentiated to different types of policy instruments and services (expenditure, legislation, service provision). The existing ex-ante guidelines will be updated and developed to be more complementary to the impact assessment guidelines	BUDG; Evaluation Network	Within 12 months of adoption of this communication and continuously

⁴³ The Commission services are in this context also expected to integrate evaluation of the administrative costs imposed by EU legislation into its guidance on evaluation, cf. the Communication from the Commission on an EU methodology for assessing administrative costs imposed by legislation, COM(2005)518

	<p>13. Further develop good evaluation practices in and jointly among services.</p>	<p>13.1 Continue to ensure systematic exchange of good practices through evaluation network meetings, training, working groups, seminars, reporting etc. This is a long-term action developing good practices on a bottom-up basis, but also in line with regular strategic orientations provided by the ABM Steering group according to action 10.1.</p> <p>This will, for example, include steps to further develop a methodological framework for evaluation of legislation and non-spending activities.</p>	<p>BUDG; SG; DGs and Services / Evaluation functions; Evaluation Network; ABM Steering Group</p>	<p>Continuously</p>
	<p>14. Avoid duplication of efforts and ensure synergies between ex-ante evaluation and impact assessment</p>	<p>14.1 Draw on the expertise within the Evaluation Network, the IA Working Group and the ABM-SPP Network on matters relating to ex-ante evaluation and impact assessment.</p>	<p>BUDG; SG; Evaluation Network; IA Working Group, ABM-SPP Network; DGs and services</p>	<p>Continuously</p>