

The Evaluation of the System of Indicators and the Individual objectives of the OP TA

Supplier:

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Executive summary

This final report was prepared as one of the components of the public tender “The Evaluation of the System of Indicators and the Individual objectives of the OP TA” (hereafter “the Evaluation”). The contracting authority, i.e. the Ministry of Regional Development of the Czech Republic (hereafter “MMR” or “the Contracting Authority”), on 18 December 2018 contracted Ernst & Young, s.r.o. (hereafter “EY”) as a supplier of the Evaluation.

The purpose of the Evaluation is to assess the system of indicators of the Operational Programme Technical Assistance in the 2014-2020 programming period (hereafter “OP TA” or “the Programme”). The system of indicators was hereby evaluated on the grounds of two fundamental topics (evaluation questions):

- ▶ To what extent does the system of indicators cover the OP TA-supported activities?
- ▶ Relative to the execution of the Operational Programme, are the current target values set up realistically and functionally?

The Evaluation focused on output and results indicators of the Programme.

Several analytical methods were employed, including data analysis, in-person interviews with both the recipients and representatives of the Managing Authority (MA) and focus group with representatives of the beneficiaries. When formulating the conclusions and recommendations of the Evaluation, it was necessary to account for the specific character of the Programme; OP TA finances predominantly personal expenses, business trips, and vocational training of the MMR and Ministry of Finance personnel. Therefore, the outcomes of the activities financed from OP TA are not as concrete and tangible relative to other operational programmes.

In general, the OP TA system of indicators can be considered sufficiently broad, covering most of the Operational Programme’s activities, although the activity-indicator bond is not always adequately strong.

The setting of target values thus often diverges from the actual execution of the Programme. The divergence is most notable within the specific objectives, as a significant number of the indicators have either substantially exceeded the target values already, or on the contrary, are reporting extremely low values.

The problems in the setting of the system of indicators were located predominantly in three areas: (i) the intervention logic of the Programme and the indicators offered, (ii) the selection of indicators, and (iii) the fulfilment of indicators. These areas are followed by recommendations.

The intervention logic and the indicators offered

The quality of the intervention logic differs with each specific objective. Nevertheless, either weak or completely missing interconnections between the targets, activities, and indicators have been identified in each of the specific objectives. In this respect, the best-ranking specific objectives are no. 1.2 and 1.4. These, however, have a comparatively lesser scope in terms of the number of projects.

Activities having insufficient indicator coverage were also identified, i.e. there are indicators with a low connection to the supported activities. Hence, the offer of indicators does not always present an accurate picture of a project’s activities and status. Another influencing factor is the project executives’ selection of the indicators, a matter discussed in more depth below.

From the standpoint of the intervention logic setup and the system of indicators, for the short term (*i.e.* until the end of the current 2014-2020 programming period) we recommend that



certain indicators – those not corresponding to the project activities – be removed from the system. Namely, this recommendation concerns the following indicators: “The amount of information material produced” (specific objective 1.1) and “The number of newly-obtained equipment” (specific objective 1.2).

Considering the preparations of a similar operational programme for the 2021+ period, we further recommend that the specific sections of the intervention logic be better intertwined. Emphasis should be put on establishing a clear connection between the logic’s individual components, above all the activities and indicators.

Additionally, we advise that the setting of the OP TA system of indicators be reconsidered so as the specifics of the Programme are better accounted for. Specifically, the system should allow for a more effective reporting on a project’s progress, and clearer presentation of its contribution and impact. With this in mind, we suggest that the setting of the OP TA system of indicators be oriented towards (i) lowering the number of generic indicators, or (ii) distinguishing between two fundamental categories of indicators – generic and specific. The latter should be supplemented by an obligation binding the applicant to select at least one indicator from each category. Still to add, this option would increase the representative value of the indicators, as well as provide for better project progress monitoring and, subsequently, better monitoring of the Programme itself. On the other hand, the former would lower the administrative burden of indicator reporting and unify the representative value of the indicators.

The selection of indicators

According to the rules stipulated by the methodological environment, the beneficiaries have to follow at least one indicator in their projects. In effect, most beneficiaries (78%) follow only two indicators at the most. Moreover, almost one in three projects follow merely one indicator. At the same time, the beneficiaries most often opt for indicators that can be easily controlled and influenced, e.g. “The number of analytical documents written and published” or “Purchase of material, goods and services.” On the downside, such “easy” indicators may not be accurately representative of neither the project nor the Programme. In the context of a broad offer of the indicators and the (in some instances) weak indicator-activity bond, the requirement for the selection of *only* one indicator appears inefficient.

In the current programming period, we recommend that more discussions with beneficiaries are carried out, including cooperation on the planning of follow-up and future projects. So as to fulfil the target values of the indicators, it is advisable to coordinate the indicator-selection process with the beneficiaries. For the long run, we suggest that both generic and specific indicators be monitored in projects. As noted above, the introduction of these two categories of indicators should enable the MA to monitor the real implementation of the individual projects as well as the Programme overall.

For the forthcoming programming period 2021+, we advise the setting of the indicator-selection method be set so that the entire system of indicators can be made use of. An example of this setting would be the aforementioned requirement to select one generic and one specific indicator.

The fulfilment of indicators

The fulfilment of the outcome indicators is very unequal. Some indicators are being significantly overachieved. For example, the indicator “Purchase of material, goods, and services” is in the specific objective 2.1 being fulfilled at 1,453%. On the contrary, other indicators are not being fulfilled at all; e.g. “The number of issued certificates” (specific objective 1.1), “The number of participants in training” (specific objective 1.1), or “Purchase of material, goods, and services”



(specific objective 1.2). Outliers in the reported values, be they positive or negative, are primarily due to the given indicator being selected by none of the beneficiaries; or on the other hand, by a vast majority of them. Additionally, the performance levels of the same indicator can differ across the various specific objectives.

Based on a thorough analysis, we predict that most of the indicators will either not reach their planned target values by the end of 2020, or exceed it significantly. Only a small number of indicators (9 out of 28) can be expected to be fulfilled adequately (*i.e.* between 70% and 130%) or partly adequately (*i.e.* falling in the range of 40 – 69% and 131 – 160%). With the remaining 19 projects we expect either a minimal fulfilment (*i.e.* under 40%) or significant overachievement (*i.e.* more than 160%).¹

For an adequate indicator fulfilment, in the short term we recommend that the values of the specific objectives be reconsidered. This adjustment should be based on the projects already planned for, to obtain the most accurate picture of the concluded, ongoing, and future projects, and their estimated performance. For the long-term outlook (*i.e.* 2021+), the indicator-selection method ought to be modified to allow for better planning of the target value as well as the. Likewise, the method of setting the target values on the grounds of analyses and predictions should also be reconsidered.

¹ Fulfilment ranges are described further in the text.

