

Programme Finance and Programme Performance

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Closure and Financial Management
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Performance – progress and success

- Priorities identified? Clear objectives? financial allocations *
- Programme Management and Admin. Capacities
- Projects make up Programmes. Using a sound *project pipeline*?
 - *Stakeholders involved? Publicity and Information? Addressing needs?*
 - *Hitting target groups? Good project managers? Learning lessons?*
- Selecting best projects? →
- Measuring and reporting performance - progress and success?
 - Monitoring systems; use of indicators
 - Evaluating programmes and activities – delivering value for money (VfM)

Project Selection – Criteria

Selection Criteria (**Article 67 draft CPR**):

- Contribution to SOs
- Consistent with strategies/plans etc. as per ENC
- Maximise finance-activity-objectives link (...cost-benefit)
- Beneficiary is sound
- Horizontal compliance + climate change
- Eligibility of expenditure rules

Linking Finance and Performance

1. Measuring Progress: Monitoring and Reporting

2. the New Reporting template

3. Measuring Success: Evaluation & VfM

Monitoring & Reporting

Performance Framework, 2014-2020

Priority	Indicators	Milestones 2018	Targets 2023
ESF: P1	<ul style="list-style-type: none"> • Total (EU) Spend (€)* • Output - no. of trainees (by age group etc.) • Result - no. with jobs; no. active in labour market 	<ul style="list-style-type: none"> • Financial; • Output; • Result 	<ul style="list-style-type: none"> • Financial; • Output; • Result
P2	(NB: *Spend = total certified eligible expenditure)		

Priority	Indicators (and unit of measurement)	Milestones for 2018	Targets for 2023
ERDF: P1	<ul style="list-style-type: none"> ▪ Spend (€)* ▪ Output – eg. no. new companies assisted ▪ Stage of project / initiative 	<ul style="list-style-type: none"> ▪ Financial; ▪ Output; ▪ Key implementation step 	<ul style="list-style-type: none"> ▪ Financial; ▪ Output;
P2			
P3			

Performance Review, 2019

- indicators must cover activities that spend at least 50% of financial allocation
- Performance Review - progress to end 2018, reported in AIR 2019
- to award Performance Reserve (6% of Fund)
- success – indicators
 - where 1 or 2 indicators per priority, all must reach 85% of milestone or target (where more than 2 indicators per priority, all but one must reach 85%, the other must reach 75%)
- revision of targets where failure to get performance reserve or...if extra funds allocation from other priorities following performance review
- Progress to end 2023? Potential financial correction if serious failure

Priority	Indicators (choose unit of measurement)	Success	“Serious Failure”	Achievement rates 2023	Correction scale
P1	1 or 2 indicators used Financial (F) Output (Q) Key Implementation step (K)	All indicators reach 85% of milestone or target	Any indicator does not reach 65% of milestone or target	Calculate average achievement rate (A) of both indicators; Divide by S (absorption rate of €) x100 (%); ie. achievement rate as % of (spend) absorption rate	60-65% Flat 5% financial correction to priority contribution 50-60% Flat 10% financial correction
P2	More than 2 indicators used Financial (F) Output (Q) Key Implementation step (K) (Result) (R)	All indicators reach 85% of milestone or target OR all but one reach 85%, 75% for the other	At least 2 indicators do not reach 65% of milestone or target.	Average achievement rate (A) of all indicators; Divide by S (absorption rate of €)	Below 50% Flat rate 25% financial correction Correction rates can be reduced by up to 50%
Note:	Q and K correspond to more than 50% of priority €	By priority, assessed for each Fund, each category of region	YEI assessed separately	A and S are final value / target value (%) for each indicator	

Monitoring and reporting, 2021-2027

- Annual Report (AIR) X GONE
- Performance Framework - modified
- Performance Reserve (6%) X GONE
- Performance Review X GONE
- Annual Review Meeting (MS-EC) becomes
- Annual Performance Review (MS-EC) →

- REPORTING: closer data monitoring approx every 2 months
 - transmission of financial data, **PLUS...**
 - Performance Framework data - wider / more comprehensive / more common indicators (except for ESF) →

Annual Performance Review, 2021-2027



MS to:

- Follow up issues agreed at review meeting
- inform EC of measures taken within 3 months

“Real Time Reporting”, 2021-2027



Transmission of data, 2021-2027 (Annex VII, draft CPR)

by Specific Objective.....

- 5x per year Financial information (3 elements)
- 2x per year physical indicators
- Progress of Expenditure: BY INTERVENTION TYPE (planned exp. in Prog)
 - planned expenditure of approved operations
 - expenditure declared by beneficiaries in payment claims
 - number of operations
- Financial Instruments eligible expenditure

Outputs – Milestone (2024), Target, Progress

Results – Baseline, Target (2029), Progress

- Annex VIII: Annual Forecast (end Jan; end July)
 - forecasts of EU contribution in payment applications - current and subsequent financial years

Performance Framework, 2021-2027: Split tables

e.g. ESF: Priority 1 OUTPUTS	Indicators (and unit of measurement)	Milestones for end 2024	Targets for end 2029
SO1	<ul style="list-style-type: none"> Output - no. of trainees (by age group etc.) 	<ul style="list-style-type: none"> Output; 	<ul style="list-style-type: none"> Output;
SO2			
SO3			

ESF: Priority 1 RESULTS	Indicators (and unit of measurement)	Baseline or Reference Year	Targets 2029
SO1	<ul style="list-style-type: none"> Result - no. with jobs; no. active in labour market 	<ul style="list-style-type: none"> Result; 	<ul style="list-style-type: none"> Result;
	<ul style="list-style-type: none"> ❖ Finance (spend) excluded here ❖ No Key Implementation Steps for ERDF/CF 	(Note: result milestones not required)	

PF and Indicators, 2021-2027

- PF provides one part of Mid-term Review (MS) – progress – allocation of flexibility amount
- all relevant common and programme-specific indicators into PF
- common indicators coverage wider for ERDF/CF:
 - 97 common *OUTPUT* indicators (*by SO, but can be for multiple SOs*)
 - PLUS 66 common *RESULT* indicators now added for ERDF/CF
 - (NB: « direct results » for beneficiary, rather than longer-term/wider impacts)
- try to reduce number of programme-specific indicators
- fewer common indicators for ESF+
- (ESF: use registers for ESF data; less reliance on questionnaires, which are a burden to get data)

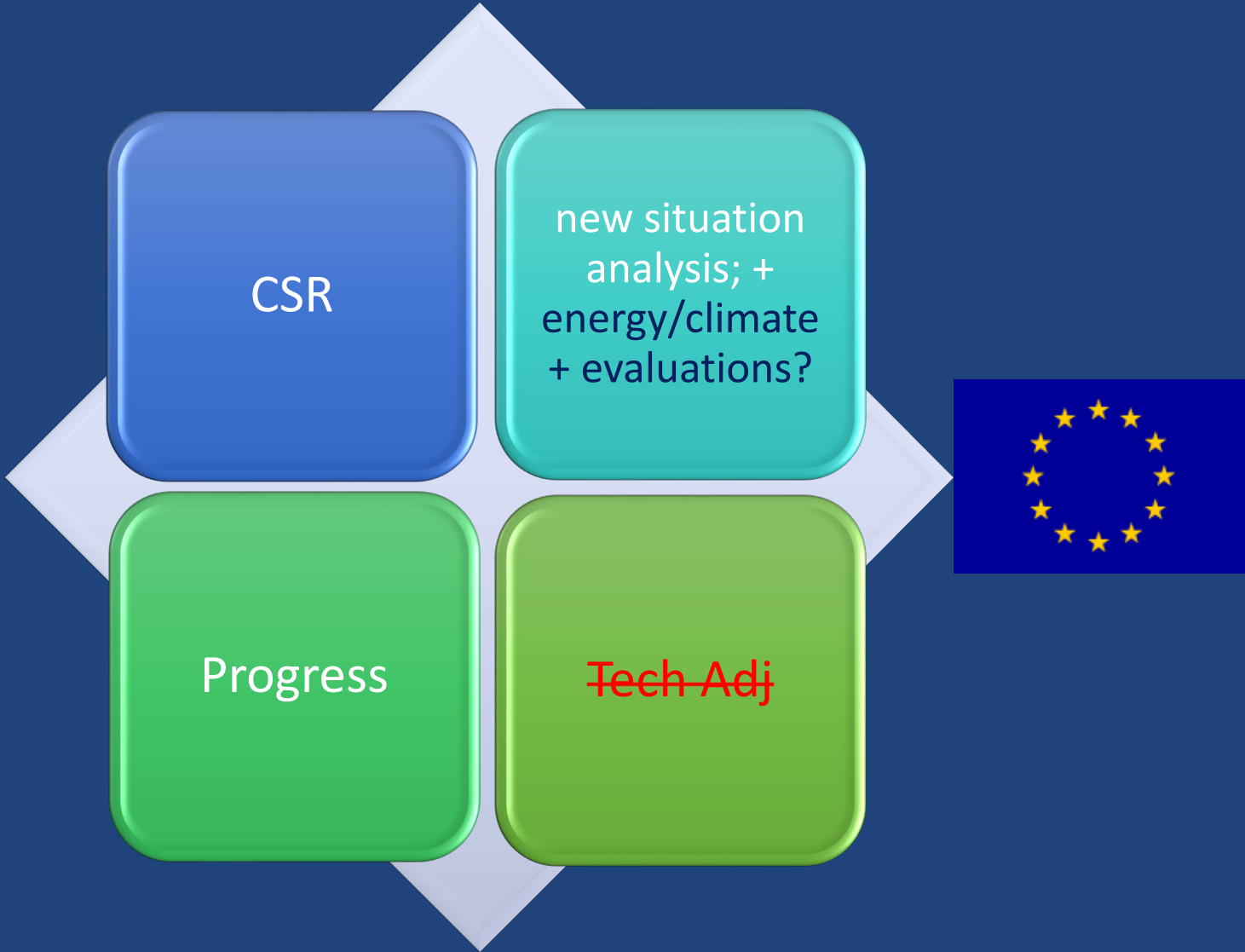
Setting Milestones and Targets

- PF indicators to cover much more expenditure than before (ESF+ should cover 100%)
- **criteria for selecting indicators; calculation method**
- **milestones and targets – other factors of influence? (*Use unit cost benchmarks?*)**

revision of targets... in line with financial allocation revision /MTR

- *account for forecast profile of expenditure of priority / SO*
- *account for MINIMUM expenditure in order to avoid n+3/n+2 automatic de-commitment*

Mid-term Review, 2024-2025



Role of the Monitoring Committee



- ❖ within 3 months of Programme decision
- ❖ approves project selection method & criteria
- ❖ ~~approves AIR~~
- ❖ approves amendments to Prog.
- ❖ ~~approves Communication strategy (for OP or multiple OPs)~~
- ❖ approves Evaluation Plan

- ❖ meet at least once a year

- ❖ *Commission participates in an advisory capacity*

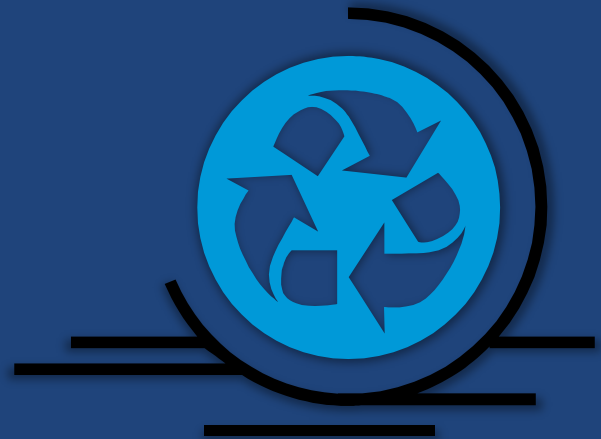
Role of the Monitoring Committee

- ❖ review and examine issues affecting progress towards Programme objectives
- ❖ examines:
 - ❖ implementation progress and
 - ❖ progress to milestones and targets
 - ❖ measures taken to address issues
 - ❖ progress of evaluations and follow-up actions
 - ❖ Prog. contribution to CSRs
 - ❖ implementation of communications and visibility actions
 - ❖ progress implementing FIs and OSIs
 - ❖ ongoing fulfilment of ENCs



Final Performance Report, 2021-2027

- MA to send Final Performance Report to EC by 15 Feb 2031
- Reaching **programme objectives** ... incl milestones and targets
- Issues affecting performance
- Contribution to CSRs?
- Findings of evaluations
- OSI progress
- EC has 5 months – observations – MS has 3 months to provide any further info, before acceptance



Monitoring & Reporting

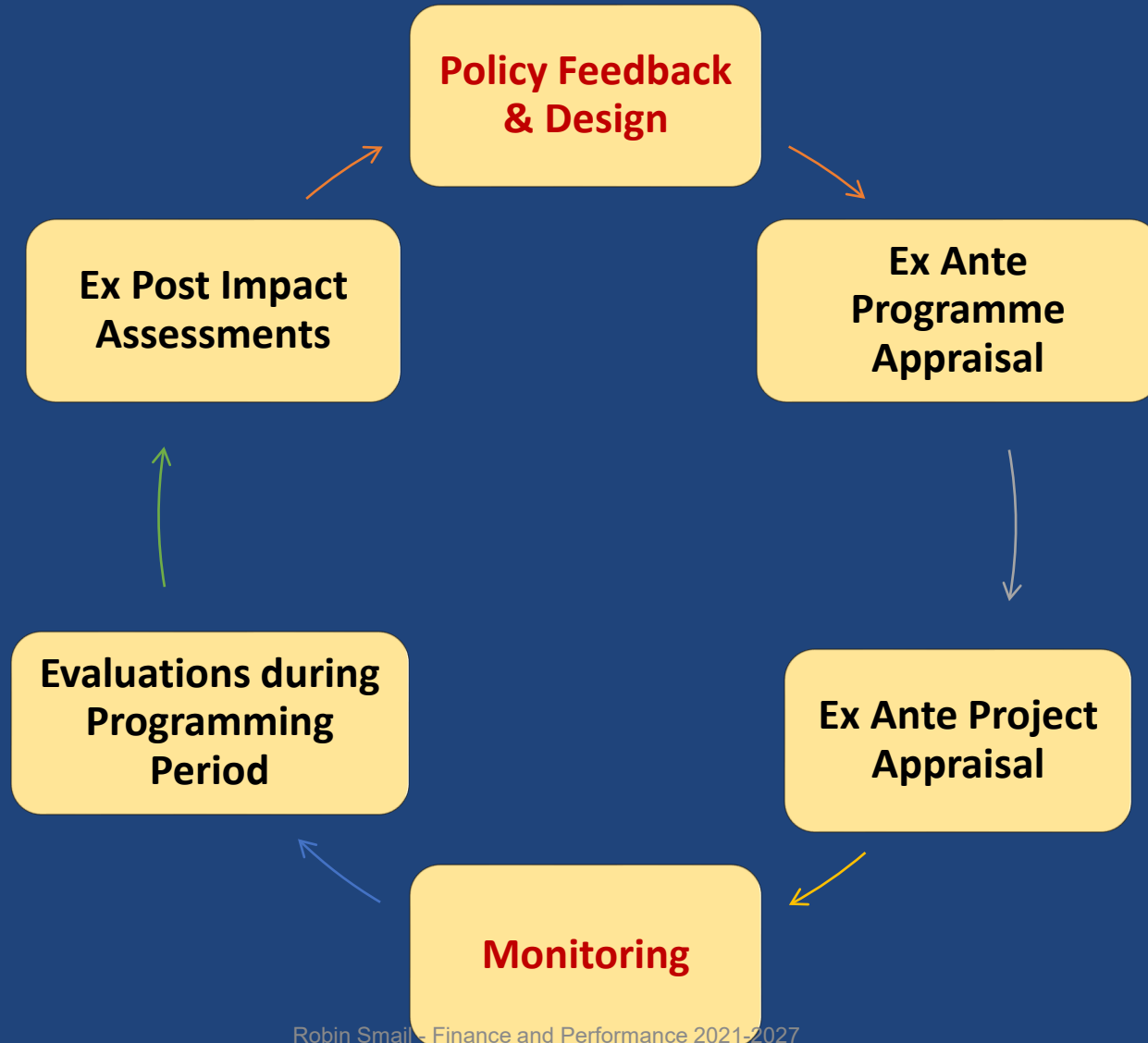
New OP Template:
Performance Framework

Monitoring & Reporting

New Reporting Template
(ESF+ in separate tables)

Evaluation & VfM

Timing of Evaluations – The Evaluation-Policy Cycle



Evaluation, 2021-2027

- **Evaluation Plan →**
- evaluation required at different times
 - ex ante programme evaluation..... ? (no longer compulsory X)
 - ongoing evaluations continue..... ✓ (see criteria below)
 - ex post IMPACT evaluation compulsory..... ✓ NEW
- MA will evaluate Programme using criteria:
 - effectiveness, efficiency, relevance, coherence, EU added value (** see below: ADD horizontal requirements)
- MA Evaluation of Prog. IMPACT by 30 June 2029 (** or MS)

Evaluation for 2021-2027

Criteria:

- Effectiveness
- Efficiency
- Relevance
- Coherence (with other EU priorities and policies)
- EU - added value

** EC/EP/Council negotiations: to use ONE OR MORE of the criteria; and can ADD other criteria eg. inclusiveness, non-discrimination, etc.

AUDIT:

- Compliance Audit
- Performance Audit

3 x E : Effectiveness, Efficiency, Economy

UK Treasury: for economic development

- VfM = value of “output” / cost of “input”

Effectiveness x Efficiency x Economy

Value for Money

Effectiveness	Efficiency	Economy
Value of output/ Physical output	Physical output/ Physical input	Physical input/ Cost of input

- UK Treasury: $ExExE = VfM$
- $VfM = \text{value of output} / \text{cost of input}$

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