



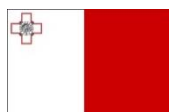
OFFICE OF THE DEPUTY PRIME MINISTER  
MINISTRY FOR EUROPEAN AFFAIRS

PARLIAMENTARY SECRETARIAT  
FOR THE EU PRESIDENCY 2017 AND EU FUNDS

# **MONITORING AND EVALUATION STRATEGY 2014-2020**

## **EUROPEAN REGIONAL DEVELOPMENT FUND AND COHESION FUND**

**Planning and Priorities Coordination Division  
2015**



Operational Programme I – European Structural and Investment Funds 2014-2020  
*“Fostering a competitive and sustainable economy to meet our challenges”*  
Project part-financed by the European Regional Development Fund  
Co-financing rate: 80% European Union; 20% National Funds



**List of Acronyms**

CF	Cohesion Fund
CSR	Common Strategic Recommendations
EE	Energy Efficiency
ERDF	European Regional Development Fund
ESF	European Social Fund
ESG	Evaluation Steering Group
ESIF	European Structural and Investment Funds
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
FTE	Full Time Equivalents
GDP	Gross Domestic Product
GHG	Greenhouse Gas
ICT	Information and Communications Technology
MA	Managing Authority
MEAIM	Ministry for European Affairs and Implementation of the Electoral Manifesto
MEAT	Most Economically Advantageous Tender
MSs	Member States
MT	Malta
MTE	Mid-Term Evaluation
M&E	Monitoring and Evaluation
NCPD	National Commission for Persons with Disability
NCPE	National Council for the Promotion of Equality
NEEAP	National Energy Efficiency Action Plan
NGOs	Non-Governmental Organisations
NRP	National Reform Programme
OP	Operational Programme
PAs	Priority Axes
PPCD	Planning and Priorities Co-Ordination Division
PPR's	Project Progress Reports
PSC	Project Selection Committee
Q1	Quarter One
Q2	Quarter Two
RES	Renewable Energy Sources
RTDi	Research, Technological Development & Innovation

R&D	Research and Development
R&D&I	Research and Development and Innovation
R&I	Research and Innovation
SFD	Structural Funds Database
SMEs	Small and Medium-Sized Enterprises
SPSS	Statistical Package for the Social Sciences
SSCs	Sectoral Sub-Committees
S&T	Strategy and Technology
TEN-T	Trans-European Transport Networks
TORs	Terms of Reference
VET	Vocational Education and Training

## Chapter 1 Legal Requirements

Article 4(9) of Regulation (EU) 1303/2013 obliges both the European Commission and its Member States to ensure the effectiveness of monitoring, reporting and evaluation during the preparation and implementation of the European Structural and Investment Funds (ESIF). Indeed, Articles 54 - 57 of Regulation (EU) 1303/2013 outline the provisions relating to evaluation and briefly describe the various forms of evaluations that need to be carried out by the Managing Authority (MA). Article 54(1) of the said Regulation defines the overall purpose of evaluation as being to:

Improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. The impact of programmes shall be evaluated, in the light of the mission of each ESI Fund, in relation to the targets under the Union strategy for smart, sustainable and inclusive growth and, having regard to the size of the programme, in relation to GDP and unemployment in the programme area concerned, where appropriate.

Thus in line with Article 56(1), the MA has drawn up a Monitoring and Evaluation Strategy covering the 2014-2020 programming period. This Monitoring and Evaluation Strategy covers Operational Programme I *Fostering a Competitive and Sustainable Economy to meet our Challenges*, which is being funded through the European Regional Development Fund (ERDF) and Cohesion Fund (CF), and also the SME Initiative *Stimulating Private Sector Investment for Economic Growth* which is being funded through the ERDF. This is being done in light of Point 54 of the same Regulation which states that it should be possible for a single Evaluation Plan to cover more than one Programme. Moreover, the Monitoring and Evaluation Strategy and any amendments thereof shall be approved by the Monitoring Committee in pursuant to Article 110(2)(c) of the same Regulation.

As outlined in Article 55(1), Member States are to carry out *ex ante* evaluations to improve the quality and design of the design of each programme. Malta has carried out two *ex ante* evaluations - one for Operational Programme I (OPI) and another one for Operational Programme II (OPII) – which were consequently presented to the Commission. The *ex ante* evaluation of OPI concluded that there is a strong internal coherence between the programme objectives within the same Priority Axis, and also coherence, mostly in terms of interdependencies, between the programme's objectives across the Priority Axes. In considering the relationship of the programme with other relevant instruments, OPI has strong convergence points within the six EU2020 flagship initiatives. With respect to national strategies and policies, the assessment has concluded that all relevant strategies and policies have been considered by the OP. Moreover, all the Priority Axes were found to be consistent with the thematic objectives outlined within the Regulation (EU) 1303/2013 and in the ERDF fund-specific Regulation (EU) 1301/2013 and in the

CF fund-specific Regulation (EU) 1300/2013. Further to this, equal opportunities and sustainable development were also appraised and concluded that they are being adequately addressed.

The relevance and clarity of the proposed programme indicators, the appropriateness of the indicator values as well as the sustainability of the performance framework milestones were also assessed. The consistency of the financial allocations was also one of the areas which was appraised by the evaluators. The evaluation further assessed the contribution of the OP to the EU 2020 strategy of achieving smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities and taking into account national and regional needs. The evaluators also noted that the OP recognises the need for the effective management, control and implementation of EU funds and commits to the strengthening and consolidation of expertise within the relevant entities. Moreover, the *ex ante* evaluation noted that the monitoring and evaluation framework to be adopted should be modelled along the same lines as the one used during the 2007-2013 programme. With regard to monitoring, the plans to provide training and the adoption of guidelines during the 2014-2020 programming period are good practices that will eventually contribute towards ensuring the quality and consistency of data across the programme.

Furthermore, in line with Article 57 of Regulation (EU) 1303/2013, *ex post* evaluations shall be carried out by the Commission or by the Member State in close cooperation with the Commission. The Regulation states that “*ex post* evaluations shall examine the effectiveness and efficiency of the ESI Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth...” Therefore the targets set in the EU’s strategies should be taken into consideration, together with the specific requirements established in the fund-specific rules. Although the *ex post* evaluations shall be completed by end of 2024, the Commission has till end of 2025 to compile a synthesis report outlining the main conclusions.

Moreover, the MA shall ensure that the evaluations are carried out on the basis of this Strategy and that they are subject to appropriate follow-up in accordance with the fund-specific rules. Thus, all evaluations shall be examined by the Monitoring Committee of the respective fund and sent to the Commission for further review. Given that the Monitoring Committee is composed of members from different competent authorities, such as the Line Ministries, socio-economic organisations, environmental organisations and non-governmental organisations (NGOs), by presenting them with the results and main findings of the evaluations, it is being ensured that the necessary actions are taken and followed up in a formal and transparent manner. In accordance with Article 56(4), can also carry its own evaluation of the Programmes whereby the results will be sent to the MA and the Monitoring Committee concerned.

Articles 47-49 of Regulation (EU) 1303/2013 indicates the role and functions of the Monitoring Committee. In line with Article 47 of the same Regulation, Member States are obliged to set up a Monitoring

Committee, in accordance with its institutional, legal and financial framework, to monitor implementation of the programme, three months of the date of notification of the adoption of the programmes by Member States. In the case of Malta, one Monitoring Committee was set for OPI and the SME Initiative while another Monitoring Committee was set up for OPII and Fund for the European Aid of the Most Deprived (FEAD), and are made up of representatives of relevant authorities, Intermediate Bodies and other partners. The list of the members of the Monitoring Committee was also published. Each member has a voting right. It is chaired by the Permanent Secretary of the Ministry responsible of the MA, and in case of his/her absence, the Committees are chaired by the Head of the MA.

In line with Article 49, the Monitoring Committee “shall meet at least once a year and shall review implementation of the programme and progress made towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators and progress towards quantified target values, and the milestones defined in the performance framework referred to in Article 21(1), and, where relevant, the results of qualitative analyses.” Throughout the course of this programming period, the Monitoring Committee will be consulted and shall also provide an opinion on any amendment of the programme proposed by the MA.

The MA is also required to ensure that the essential data is available in order to adhere to the reporting requirements outlined in Articles 50, 52 and 114 of Regulation (EU) 1303/2013. Article 50 specifies that from 2016 until 2023, Member States are to draft an annual report on the implementation of the programme in the previous financial year. These will then be submitted to the European Commission whereby it will make its observations concerning issues which significantly affect the implementation of the programme within two months of the date of receipt of the annual implementation report and within five months of the date of receipt of the final implementation report and the MA shall provide all necessary information within three months, of measures taken.

Article 50 (2) states that “annual implementation reports shall set out key information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in the value of result indicators where appropriate, and, beginning from the annual implementation report to be submitted in 2017, the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also, where possible, having regard to the stage of implementation, for selected operations. They shall also set out a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, any issues which affect the performance of the programme, and the measures taken. The annual implementation report to be submitted in 2016 may also set out, where relevant, actions taken to fulfil *ex ante* conditionalities.” In line

with Article 111(4)(a), the annual implementation reports shall also report on the progress in the implementation of the Monitoring and Evaluation Strategy, together with the follow-up given to the findings of the evaluations. In addition to this, the MA will be submitting to the Commission a report summarising the findings of evaluations carried out during the programming period and the main outputs and results of each Operational Programme by end of 2022.

On the other hand, progress reports on the implementation of the Partnership Agreement covering the August 2017 and 2019 should be provided to the Commission by end of 2016 and 2018. It shall set out information and assess all things mentioned under Article 52(2) of the changes in the development needs of the Member States, progress made towards the EU 2020 Strategy, thematic objectives and milestones set in the performance framework, and reducing administrative burden to the beneficiaries, a summary of actions taken in relation to the application of the horizontal principles referred to in Articles 5, 7 and 8 and policy objectives for the implementation of the ESI Funds.

The annual and final implementation reports, as well as a summary for citizens of their content, shall be made available to the public.

Hereunder, is a summary of the required reporting system as indicated in Regulation (EU) 1303/2013:

<b>Who?</b>	<b>What?</b>	<b>When?</b>	<b>Feedback?</b>	<b>Reference</b>
Member State / Managing Authority	Synthesis of the findings of all evaluations of the programme	By 31 May each year from 2016 until 2023, by 30 June in 2017 and 2019	<p>15 working days of the date of receipt of the annual implementation report for the Commission to notify whether it is admissible</p> <p>The Commission shall examine the annual and final implementation report and inform the Member State of its observations within two months of the date of receipt of the annual implementation report and within five months of the date of receipt of the final implementation report</p> <p>Where such observations to the MA concerning issues which significantly affect the implementation of the programme</p>	Article 50

Commission	Summary report based on the annual implementation reports of the Member States; as well as a synthesis of the findings of the available evaluations of programmes	Each year from 2016		Article 53
Member State	In the progress reports: Progress made towards achievement of the Union strategy for smart, sustainable and inclusive growth, as well as of the Fund-specific missions	By 31 August 2017 and by 31 August 2019	Where the Commission determines, within two months of the date of submission of the progress report, that the information submitted is incomplete or unclear in a manner which significantly affects the quality and reliability of the assessment concerned, it may request additional information from the Member State, on condition that request does not cause unjustified delays and that the Commission provides reasons to substantiate the alleged lack of quality and reliability. The Member State shall provide to the Commission the information requested within three months and, where appropriate, shall revise the progress report accordingly	Article 52
Commission	Strategic report summarising the progress reports of the Member States	By 31 December 2017 and 31 December 2019	The reports shall be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and those institutions shall be invited to hold a debate on it	Article 53
Member State	Report summarising the findings of evaluations carried out during the programming period	By 31 December 2022		Article 114

## Chapter 2 Overview of the Evaluation and Monitoring Functions

The Monitoring and Evaluation Unit within the Planning and Priorities Coordination Division (PPCD) will be delivering and implementing the Monitoring and Evaluation Strategies of both European Regional Development Fund (ERDF) and Cohesion Fund (CF) and the European Social Fund (ESF) throughout the 2014-2020 programming period. The guiding principles are:

- A combination of top-down and bottom-up evaluation methods;
- Incorporation of key evaluation issues and horizontal themes into the proposed research activities;
- An enhancement of the current monitoring system;
- If appropriate, *ad hoc* evaluations triggered by under-performance against the Operational Programme or Performance Framework targets.

### Combination of top-down to bottom-up approach

Depending on their focus and timing, evaluations will employ a range of methods, including top-down and bottom-up approaches and a mix of quantitative and qualitative methods.

- Top-down approach means monitoring of overall trends in Malta's economy and labour market during the 2014-2020 programming period to assess progress towards the overall objectives and results of the Operational Programmes (i.e. empirical research);
- Bottom-up approach means analysis of monitoring data of interventions, to identify 'outputs' and 'results', and to evaluate key issues such as contribution towards horizontal issues, achievement of performance indicators as well as financial absorption.

The advantage of a top-down approach is that it captures the totality of OP effects, is less resource-intensive and can produce estimates of Structural Funds effects when complemented with data collection. However, it is often difficult if not impossible, using a purely top-down approach, to establish a cause-and-effect relationship between specific Programme interventions and the overall effect on economic and labour market trends. A bottom-up approach gets round this problem since this is better able to identify the direct and specific effects arising from interventions. However, the disadvantage of a bottom-up approach is that it is difficult to assess indirect effects or overall impacts. A combination of top-down and bottom-up evaluation methods is therefore more ideal to measure results and impacts of socio-economic interventions.

### **Incorporation of key evaluation issues and horizontal themes into the proposed research activities**

The key evaluation issues that will be used in assessing EU-funded activities and the Programmes' objectives are:

- **Relevance:** The extent to which OP interventions benefit the intended target areas/groups and are relevant to their needs ('utility') and, more generally, the extent to which interventions support overall EU goals and Programmes' objectives.
- **Effectiveness:** The achievement or otherwise of the specific operational targets and, more generally, the contribution these make to achieving the overall Programmes' objectives.
- **Efficiency:** The relationship between financial inputs and the effects achieved by OP interventions, and value for money, i.e. whether the same inputs could have achieved more/better effects or, conversely, whether the same effects could have been achieved with reduced financial inputs (value for money).
- **Impacts:** The (net) impacts achieved by OP interventions, i.e. what has been achieved that would have been difficult or impossible for Malta to achieve using purely its own resources.

### ***Ad hoc* Evaluations**

*Ad hoc* evaluations are specifically important given that the European Commission shall undertake a performance review in 2019 as established in Annex II of Regulation (EU) 1303/2013. As per Article 21 of the same Regulation this shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the annual implementation report submitted by the Member States in the year 2019. In order to reach the targets therefore, the performance reserve shall constitute between 5% and 7% of the allocation to each priority within a programme, with the exception of priorities dedicated to technical assistance and programmes dedicated to financial instruments.

## **Chapter 3 Past Experience: 2007-2013 Programming Period**

The primary purpose of the Evaluation Plan 2007-2013 programming period was to provide a framework for the evaluation of the two Operational Programmes, namely OPI covering ERDF and CF and OPII covering ESF. The Plan needed to be revised in 2011 to take into consideration the situation up to 2011, the pace of implementation of the OPs, and the outcome of the Mid-Term Evaluation. The pace of implementation of the 2007-2013 programming period was slower than originally expected, although it does mirror the experience Malta had with the 2004-2006 programming period; a slow start which then picked up gradually towards the end of the programming period. Such issues were also reflected in the implementation and timings of evaluations towards the end of the programming period.

### **Mid-Term Evaluation**

The first evaluation carried out during the 2007-2013 programming period was the Mid-Term Evaluation (MTE). The MTE provided an independent review with respect to the progress attained towards the key objectives of OP I by reporting on the likely achievement of the objectives, relevance, efficiency and effectiveness of this programme in light of the progress or status of the implementation as at the agreed cut-off date, i.e. 30th April 2010. The findings were based on a combination of quantitative and qualitative information, techniques and analysis by using the documentation and data available, interviews, an online survey and discussions with relevant parties.

The key findings of this evaluation were as follows:

- **Relevance**

The evaluators concluded that due to factors such as the short period between the conceptualisation of the OP and the MTE, policy lag and the inertia of supply side variables, the socio-economic context of OPI was still relevant at the time of writing. Nonetheless, the implementation of OPI and the ability to meet all projected targets as at the cut-off date were affected by a number of external factors, including geographical constraints - which led to a limited pool of potential beneficiaries, limited sectoral expertise and a small number of quality potential bidders for tenders – and the economic crisis which also posed challenges to project implementation as contractors experienced cash flow, etc. Moreover, the evaluator also remarked that there is an effect or impact lag wherein although interventions in specific areas were undertaken (e.g. increase in grants to SMEs, diversify tourism products, etc.), one cannot expect to reap the benefits from such investments over the short to medium term, as it requires time for people to adjust

to markets and for markets to adjust to these disruptions until the intended general equilibrium is reached. The assessment also acknowledged the fact that there are elements of interdependencies and intricate linkages between OPI and OPII. This synergy was necessary in order to maximise the potential benefits which arise from such interventions and to contribute in a holistic and symbiotic manner to the overall objectives at the NSRF level.

- **Efficiency**

In order to assess the efficiency of the implementation of the OP, the evaluators used several analytical methods and sources of information, namely the decomposition method, consultation with project beneficiaries and relevant stakeholders, capacity, capability and labour cost data, lead time analyses of the application process, invoice payment process and project stages as well as secondary sources of information such as the online beneficiary survey and the manual of procedures. The evaluators concluded that at the time of writing there was evidence of 'ramping up' meaning that the processes leading up to approval/selection of projects did not present major indications of bottlenecks.

- **Effectiveness**

The major tool used by the evaluators for the assessment of the effectiveness of the OPs was the indicator system (i.e. the output, result and impact indicators). This data was complemented by qualitative input received during interviews with different project beneficiaries. It was concluded that for the most part, planned achievement percentages for output and result indicators showed healthy signs of the likely achievement and in some cases exceeding planned amounts, whereas there was a general underperformance in actual achievement reported. Impact indicators were the lowest achievers due to the fact that these indicators can only be measured in the longer term, after the end of the Programme. It was also noted that poor progress in the actual achievement of indicators is due to internal and external factors as well as the fact that indicator attainment, in some cases, can only be fulfilled once a project is completed and therefore the time-proportionate analysis may not fairly indicate actual progress.

In the final report, the evaluators presented a number of recommendations under the following headings: speeding up of implementation; relevance; administrative capacity; public procurement; maximising the potential of information technology; development permitting; accelerating the certification process and the enhancing capacity and role shadowing at the Certifying Authority. In relation to the assessment of horizontal actions, the evaluators reported that given the current lag in the implementation of the OPs, a revision of certain aspects of the Communication Plan were necessary. Indeed, the mid-term evaluators recommended that the MA should adopt a 'pull-marketing' type of strategy in the organisation of such

events, the expectation being that this would attract the wider public. A more pro-active, push-strategy should also be used in an effort to impart information more effectively. The information and content delivered during these events will be adapted according to the target audience selected. Other recommendations included, the reconsideration of the revised output and result indicators as well as the adoption of effective and appropriate monitoring in terms of the indicators and financial spend, and for the project level publicity measures.

Recommendations addressing directly the MA included:

1. Prioritising the issue of new calls during 2011 in order to increase the progress ratio of the Programme;
2. Tailoring calls for applications in such a way as to attract projects which would contribute towards those specific result and output indicators which are still lacking performance with respect to their likelihood of achievement;
3. Revising upwards OP level indicator targets once actual attainment performance exceeds the MA's expectations;
4. Reducing the administrative burden by investing further in human resources;
5. Providing training to project proponents at public sector level;
6. Increasing the pool of Project Selection Committee (PSC) members so as to minimise postponement and delays due to availability issues.

Since the outcomes of the MTE are of interest to the MA and to the horizontal stakeholders, the MA had started immediately an internal assessment to incorporate various recommendations. To this effect, the MA carried out an analysis of the Programme's performance and the OP changes proposed to the Monitoring Committee in November 2011 addressed some of the recommendations put forward by the MTE.

### **Thematic Evaluation Operational Programme I**

The Thematic Evaluation: An Evaluation of the Contribution of Operational Programme I Initiatives to Competitiveness and Improvement of Quality of Life was contracted in 2011 and its main objective was to have one thematic evaluation with two (separate but interlinked) aspects, namely to analyse the achievement of operations undertaken through OPI and their contribution to (a) increase competitiveness and (b) improve quality of life, through the relevant objectives and targets as stated in the OP. Given the importance of initiatives to enhance competitiveness and improve the quality of life to the benefit of the communities involved, it was essential that those strategies and projects that best contribute to the

objectives of the OP and that maximise economic welfare and the environmental and social well-being, are identified. Thus, the Thematic Evaluation was designed to assist in this task.

The first aspect of the Thematic Evaluation analysed the contribution of OPI interventions towards sustaining and perhaps even increasing Malta's competitiveness by specifically studying the effects of the Programme's interventions on public and private enterprise infrastructure, investment (including foreign) and job creation, competitiveness of enterprises (particularly SMEs), the national capacity (including infrastructural) for RTDi and science and technology, enhancement of tourism product (particularly niche areas), and the relevant improved transport connections and facilities. The second aspect of the thematic evaluation analysed the contribution of OPI interventions to the overall improvement of quality of life of the Maltese citizens by specifically assessing the effects of interventions in the following sectors: environment, climate change and energy, educational, social and health infrastructure, as well as e-accessibility. The cross-cutting themes of equal opportunities and environmental sustainability were also taken into consideration in the evaluator's analysis. Moreover, the evaluators had to identify potential actions which were not addressed through the 2007-2013 programming period but could be addressed during the 2014-2020 programming period as well as recommended how the actions which were undertaken could be strengthened in the this programming period, in line with the thrust of the 2014-2020 regulatory package. As briefly highlighted below, the evaluators came up with several conclusions and recommendations, some of which were taken on board during the 2007-2013 programming period while others will be taken on board for the 2014-2020 programming period.

In conducting the analysis, a four-phased methodological approach was designed, being: structuring, observing, analysing and judging. A specific approach was also undertaken in order to examine the impact of OPI projects on the horizontal priorities. The evaluation was therefore based on a combination of quantitative and qualitative analyses. On the quantitative side, the analysis focuses on the impact of OPI utilising evidence from indicator data, data from official sources, and evidence obtained from project managers. In terms of qualitative techniques, the evaluators made use of various tools including interviews with key stakeholders and representatives from the horizontal priorities, data requests (with some qualitative elements), workshop group meetings, survey evidence, and case study analysis, including information obtained from beneficiaries and other sources.

The main conclusions for Tasks 1 and 2 will be highlighted hereunder:

With regard to Theme 1, the evaluators concluded that projects and Aid Schemes which were selected under Theme 1 are aligned with Malta's economic objectives. The financial instruments also played a key role in achieving the objectives of Theme 1 and were performing well as at the cut-off date. In fact, leverage

figures for JEREMIE also suggest that this instrument has led to significant levels of investment by the SME sector in Malta. The evidence examined during Task 2 for this instrument indicates that the scheme has increased in terms of number of SMEs reached, loans granted and loan amounts committed, each year between 2011 and 2013. For Task 2, the evaluators carried out a survey amongst all the Aid Schemes beneficiaries. It was concluded that the most significant impact of the Aid Scheme from the perspective of SMEs is their contribution to overall viability. London Economics also concluded that the output and result indicators used to capture SME effects were in general performing well. In Task 2, it was noted that there has been significant progress on several indicators between 2012 and 2013. Moreover, although the number of direct jobs created as a result of OPI's impacts, appeared low, this was due to the early stages of implementation of the projects as additional employment impacts are expected as more projects are completed. The same finding was also noted in Task 2. The evaluators stated that given that the Maltese economy is characterised by relatively low levels of R&D investment, a number of projects submitted under Theme 2 (RTDi, S&T, ICT) are likely to have positive impacts on the level of R&D in the economy. Most of these projects are focused on either increasing the skill base of the Maltese economy or improving the research infrastructure. Nonetheless, although the OPI target for R&D investment in the economy has been met, London Economics noted that this target is still below EU average. Thus, further investments in this area are needed.

In the case of the tourism theme, many projects falling under this theme were not at a stage where conclusions can be made regarding their effectiveness. The objective of OPI tourism projects has been on improving the quality of the tourism product and culture in Malta in order to improve the sustainability of tourism and reduce the seasonality of tourism. The evaluators noted that the number of off-season tourists has increased which is encouraging for the sustainability of the tourism however seasonality has not improved. In Task 2, the evaluators carried out a survey amongst the beneficiaries of the tourism Aid Scheme wherein the majority of firms responded that for each performance metric the tourism aid scheme had either a significant or very significant impact on their business. Another relevant metric for measuring the impact of the tourism Aid Scheme is the number of jobs maintained and/or created by the scheme. The evidence illustrates judgements on the impact that the scheme had on employment amongst the responding firms. Two thirds of firms state that employment would be lower in the absence of support from the tourism aid scheme. With regard to the transport theme, the evaluators noted in Task 1 that although the indicator data suggests that progress has been made in improving the transport network, significant progress is needed if the overall targets are to be met. Nonetheless, it appears that projects have made a significant contribution to improve the TEN-T transport network. In Task 2, the evaluators also noted that the scale of challenge facing Malta in this area highlights the need for road investments to continue. Nonetheless, significant progress has been made towards meeting the output indicator targets

between 2012 and 2013. In fact, the targets have been reached and surpassed for kilometres of road upgraded and for the total square meters of new or upgraded infrastructure.

In Theme 5, the evaluators noted that energy generated from renewable energy sources (RES) in Malta has increased significantly in recent years. Indeed, interventions towards promoting RES under OPI have included aid schemes and infrastructure grants which target both public and private organisations along with SMEs and households. Moreover, indicators showed very positive results against targets set in the OP and in many cases such targets have been exceeded. However, London Economics stated that much remains to be achieved to reach the 10% target by 2020. Given that Malta continues to have a more energy intensive economy than the EU average, the importance of reducing energy intensity remains. In Theme 6, the evaluators stated that projects appeared in general to be performing well against OPI output targets. There has been however limited progress on the land rehabilitation volume saved. Nonetheless, these result indicators are likely to improve as implementation of different projects progresses more towards the end of the programming period.

The evaluators' analysis suggests that although a number of challenges remain, OPI is likely to have contributed towards the wide ranging objectives of education, health and e-accessibility included in Theme 7. Indeed, OPI interventions appear to contribute positively towards improving education infrastructure in Malta. These interventions complement OPII interventions which are more training focused and are more likely to address the key objectives of early school leavers and participation in tertiary education. Given that the number of hospital beds per capita remains lower than the EU28 average, OPI interventions will contribute towards improving the situation. Many output indicators used to measure the progress of Theme 7 are closed to or ahead of OPI overall targets but given the early stages of implementation of a number of projects, it is too early to make any definite conclusions regarding the impact of the projects.

As explained earlier on, the evaluators had put forward a number of recommendations related to indicators, horizontal priorities, and the 2014-2020 programming period. An example of the recommendations related to indicators includes the need for refining some of the output indicators to take account of the scale as well as the number of projects or interventions assisted. In the case of Horizontal Priorities, the evaluators recommended the need of behavioural change towards better integration of Horizontal Priorities objectives. This is mainly important for their incorporation in projects of an infrastructural nature and to enhance the performance of the project in terms of Horizontal Priorities. London Economics also recommended that the MA should develop a consistent framework for monitoring the success of projects in terms of the Horizontal Priorities. Further training and support for project leaders with regard to the implementation of the Horizontal Priorities is also needed. Although the evaluators have not identified any major gaps in broad categories of support which should be included in the 2014-2020

programming period, they recommended some changes in emphasis and priorities, such as focusing on enhancing resources in Malta whether in areas of natural resources or improvements in infrastructure or knowledge. In the 2014-2020 programming period, there should also be very strong emphasis on measures which will leverage private sector investment while further emphasizing certain areas such as R&D, SME aid schemes (particularly in SME financing) and transport infrastructure. Priority should also be given to improving the energy intensity of the Maltese economy.

### **Monitoring during the 2007-2013 Programming Period**

The same evaluators that carried out the Thematic Evaluation also made a number of recommendations on monitoring requirements for the 2014-2020 programming period. Amongst others, it noted that results indicators are viewed as better capable of capturing specific impacts of projects on the ground and thus the 2014-2020 programming period should focus more on indicators of outcomes rather than inputs and processes to measure the necessary impact. While indicators of inputs are relevant for performance appraisal, additional measurement of outcomes is vital for an accurate assessment of the overall effectiveness of funded projects. Moreover, it was also recommended to set-up indicators in order to better facilitate the tracking progress towards the horizontal priorities, and aid in the evaluation of the effectiveness of the projects in achieving these goals. It was also recommended that during the 2014-2020 programming period, elements of behavioural change towards integration of horizontal priority objectives should be considered for incorporation in projects of an infrastructural nature, to enhance the performance of the interventions in terms of horizontal priorities, and to potentially make a distinction contribution towards these objectives.

Given the importance of the availability of timely and accurate indicator data to the assessment of completeness and effectiveness of the projects implemented under the programming period, it is vitally important from an evaluation point of view that such data is up-to-date and complete. With this in mind, the evaluators recommended that additional resources, in terms of staff and external support, should be allocated to ensuring accurate and timely updates of all indicator data to ensure consistency of all inputs submitted by beneficiaries. While resources within the MA and within agencies and departments are very constrained, it is essential that systems are in place to ensure accurate and timely monitoring of progress during the 2014-2020 programming period. This will require recruitment or reallocation of dedicated specialist personnel supported by adequate information systems. The evaluators also recommended that if there are constraints on implementing and securing adequate internal resources, the MA is to commission external technical assistance to complete the required tasks. This recommendation will be taken on board by the Managing Authority given that after internally analysing the available data certain inaccuracies and/or shortages in the data collected are detected, it will outsource the relevant study/ies specifically to

ensure that the data requirements are adhered to. Moreover, also on recommendation of the Thematic Evaluation, the MA will be including in its Terms of Reference of impact evaluations, the need to formally model the macro-economic implications of the investment expenditures.

### **Evaluation Steering Group 2007-2013**

The Evaluation Steering Group (ESG) 2007-2013 has met on a year basis since 2009. The main aim was to manage and ensure an effective coordination of evaluation activities and to enable the flow of information amongst all the stakeholders of Cohesion Policy Funds in Malta. The main tasks of the ESG included: supporting the MA in executing the Evaluation Plan; assisting in the drafting of the Terms of Reference, especially the evaluation questions; providing feedback on reports; and supporting the evaluation work along the process.

Thus, the Terms of Reference of both the Mid-Term Evaluation and the Thematic Evaluation were presented in 2009 and 2011 respectively, while the main conclusions and findings were presented to the ESG, once the feedback from the Managing Authority was taken on board, by the evaluators themselves in order to trigger a fruitful debate between the stakeholders. Draft reports were also circulated between the members in order to receive concrete feedback from the stakeholders which were mainly representatives from the Line Ministries, National Council for the Promotion of Equality (NCPE), Economics Policy Division and also representatives from the Commission. Once feedback is received and incorporated in the reports by the evaluators, the reports would then be presented to the Monitoring Committee.

### **Lessons Learnt during the 2007-2013 Programming Period**

The 2007-2013 programming period was filled with new experiences and challenges. A number of challenges were recurring from the 2004-2006 programming period, and these involved:

- **Limited external technical know-how:** Due to limited capacity in the market to carry out high-level evaluations that will provide the MA with added value in its management of EU funding and strategic performance, the MA has limited external expertise available that can aid it in the complex structure of EU funding. This involved a lengthier process whereby the MA constantly reviewed and was involved in elaborated discussions with the evaluators to ensure that the evaluations are reaching their ultimate objectives.
- **Timing of evaluations:** During the 2007-2013 programming period, the Thematic Evaluations were carried out at a later stage than originally planned given the slow implementation process of the

Programmes. However still the thematic evaluation could not capture the entire impact of some projects, as such impact is considered to be available in the much longer term, rather than the short to medium term. With limited data collection to link the project contribution at a national level, it was difficult to deduce the actual impact of the interventions on the economy at large. Therefore, during the 2014-2020 programming period, the thematic evaluations will be held after 2020 so the interventions will start benefitting from the results. Moreover, a study will be carried out in Q1 2016 in order to ensure that the appropriate data is being collected from the start of the implementation.

- **Cheapest Technically Compliant vs. Most Economically Advantageous tender:** The policy of the Department of Contracts had been to use very cautiously the Most Economically Advantageous Tender (MEAT) as an award criteria in public tenders. This had an impact on the way the MA was drafting its terms of reference in order to ensure that the minimum criteria is met by the evaluators to ensure a robust analysis. Procurement Policy Note 8<sup>1</sup> which was issued in 2013 revoked this policy stating that the MEAT could be used upon prior approval of the Department of Contracts. Therefore the MA, took the opportunity to make use of this policy in order to maximise the output being provided by the evaluators.
- **Monitoring of indicators:** The ongoing monitoring process, focused primarily on regular progress implementation, financial absorption and public procurement issues, and later on achievement of output and results indicators. The monitoring role of the MA will be further strengthened during the 2014-2020 programming period, especially with regard to the monitoring of the indicators, as will be highlighted in this Strategy. During the 2014-2020 programming period, the Monitoring and Evaluation Unit will be solely responsible of the monitoring of the indicators from prior to the finalisation of the Grant Agreement. This will further enhance the concept of uniformity in the collection of data and interpretation of the indicators.

## Challenges Ahead

Following the 2007-2003 programming period, a number of challenges are foreseen during the 2014-2020 programming period, being:

1. The requirement to evaluate regularly and systematically the impact of ESIF;
2. The need to apply rigorous evaluation approaches (counterfactual impact evaluation, theory-of-change evaluation, etc.);

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<sup>1</sup> This can be accessed through the following link:

<http://contracts.gov.mt/en/ProcurementPolicyNotes/Pages/ProcurementPolicyNotes.aspx>.

3. Provisions on the involvement of stakeholders into the whole ESIF process, including monitoring and evaluation;
4. Participatory evaluation as a possibility for the involvement of stakeholders into the evaluation process; and
5. The need to collect, monitor and administrator the necessary data requirements for evaluations in a timely and coherent manner.

This Strategy will be elaborating on how the MA intends to counteract such challenges in a timely and coherent manner.

## Chapter 4 Monitoring

### Building a Results-Based Monitoring and Evaluation System

In order to adhere with the necessary regulatory requirements, the MA has embarked on setting up a results-based monitoring and evaluation system as a tool to track progress and demonstrate the impact of a programme. A results-based monitoring and evaluation system differs from a traditional implementation-based monitoring and evaluation system, in that it moves beyond an emphasis on inputs and outputs to a greater focus on outcomes and impacts. Building and sustaining a results-based system requires continuous commitment, time and resources. Thus, the MA is aware that a results-based system is a constant work in progress.

During the 2007-2013 programming period, the MA focused mainly on the traditional implementation-focused system which was designed to assess whether the EU funded interventions mobilised the needed inputs and resources, the agreed activities were completed as per the Grant Agreement, etc. On the other hand, as explained above, a results-based system assesses the actual outcomes of the interventions, e.g. improvement in climate change, benefits from the RTDi interventions, etc. Thus, under the 2014-2020 programming period the results-based system will help to answer the following questions:

- What are the objectives of the Operational Programmes?
- Are they being achieved?
- How can the achievement be proven?
- What are the outcomes of the interventions on the ground? Are there any secondary impacts?

In order to be able to come to such conclusions, there will be a continuous process of collecting and analysing data to compare how effective the programmes are being implemented against the expected results.

The below table illustrates the key differences between the traditional implementation-based system and results-based monitoring and evaluation systems.

<b>Elements of implementation monitoring (2007-2013 programming period)</b>	<b>Elements of results monitoring (2014-2020 programming period)</b>
Description of the problem or situation before the intervention	Baseline data to describe the problem or situation before the intervention
Data collection on inputs, activities and immediate outputs	Data collection on results and whether they contribute towards the achievement of the outcomes stated in the Grant Agreement
Systematic reporting on inputs and outputs	Systemic reporting with more qualitative and quantitative information on the progress toward outcomes
Provision of information on administrative, implementation and management issues	Captures information on success or failure of strategy/programmes in achieving desired outcomes

While developing the Operational Programmes, steps were taken to build upon the monitoring and evaluation system, including the:

- Formulation of objectives in line with the Europe2020 strategy, Country Specific Recommendation, as well as national priorities and strategies;
- Selection of output and result indicators to be monitored throughout the programming period up until 2023;
- Gathering baseline data/values on the 'current' conditions<sup>2</sup>, e.g. percentage of participants gaining a qualification/certification upon leaving in up-skilling and re-training programmes, percentage of older workers in employment upon leaving, etc.; and
- Setting-up of specific targets to be reached within the pre-set milestones.

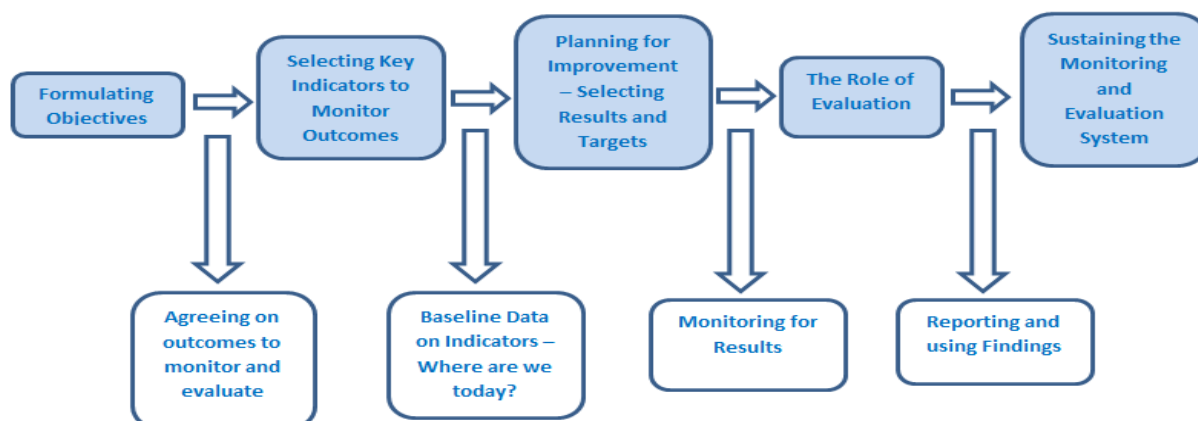
This will then be further complemented by additional steps which will be in place once the interventions are selected, mainly the:

- Collection of data on a regular basis to assess whether the targets are being met; and
- Analysis and reporting of results.

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<sup>2</sup> Baseline data is included in the Operational Programme and is mostly as at 2013.

**Participatory Process involved in Building and Sustaining the Monitoring and Evaluation System**



The above diagram highlights the participatory process involved in building and sustaining the monitoring and evaluation system, that is, the need for key internal and external stakeholders to be consulted.

The first and second steps were achieved through consultation with various stakeholders in identifying Malta’s main objectives for the 2014-2020 programming period and setting both the output and result indicators, their targets and methodologies to be used by the beneficiaries in order to ensure consistency throughout. Indeed, the indicators were selected in relation to the input, activities, outcomes and results of the various proposed interventions which will be financed under the 2014-2020 programming period. The next step involved the establishment of quantitative baselines at the beginning of the monitoring period. The performance and actual results of the interventions will then be measured and analysed against these baselines. Following the necessary discussions with stakeholders and experts, targets were set by examining the current baselines and the desired level of improvements to be achieved by the end of the programming period. The subsequent step is related to the monitoring of results in order to ensure collection of good quality data. The data will be further assessed and analysed through various evaluation processes whereby the findings will have an impetus on reaching the programmes’ objectives through the projects’ tangible results and also national policies and strategies. Although the system will be based on a linear process, one will inevitably move back and forth along the necessary steps.

For the results-based system to be effectively used, accessible, understandable, relevant and timely information and data should be in place. The MA will therefore ensure that the Structural Funds Database for the 2014-2020 programming period (SFD14-20) will be kept up-to-date by the beneficiaries.

## Setting Indicators

Point 88 of Regulation (EU) 1303/2013 states that an intervention logic should “tackle the development needs identified [in the Operational Programmes], to set out the framework for performance assessment and to underpin the effective and efficient implementation of the Funds”. Thus, the Operational Programmes were built around the intervention logic which mainly encompasses strategic priorities together with the desired outcomes. The outcomes were decided upon after a participatory and consultative process involving the necessary stakeholders. Indeed, the institutional framework, required to implement the partnership and multi-level governance principle in respect of the 2014-2020 period, was set up in April 2012. The framework, steered by the Office of the Permanent Secretary within MEAIM, consisted of an Inter-Ministerial Committee for Programming 2014-2020 (IMC) with representatives from Line Ministries (covering all the ESIF and other government stakeholders) and supported by seven Sectoral Sub-Committees (SSCs)<sup>3</sup> that looked into the different thematic objectives listed under Article 9 of Regulation (EU) 1303/2013. The role of the IMC was to provide strategic input guidance into the programming process while that of the SSCs provided strategic input and guidance to the 2014-2020 programming process. Indeed, the involvement of the relevant stakeholders in the various stages of the ESIF will be assured through their participation in the Monitoring Committee in accordance with its Terms of Reference. Engaging key stakeholders in an active participatory manner will help building consensus between the MA, Line Ministries who will also be overseeing and guiding beneficiaries, and other stakeholders involved in the implementation of the interventions and strengthen commitment to reach the desired outcomes.

Indicators selected under the 2014-2020 programming period are quantitative variables that provide a simple and reliable means to ensure achievement, to reflect the changes connected to an intervention, and help to assess the performances of the interventions/programmes. Indicators are needed to monitor progress with respect to activities, outcomes and objectives therefore monitoring is required at all levels in order to gain an insight on the areas which are faring well and on those areas where progress is withering and further improvements are required. By measuring indicators on a regular basis, the MA can ascertain whether the selected interventions and programmes are on track, off track of even doing better against the targets set for performance.

Indicators under the 2014-2020 programming period were designed to be monitored meaning they can be validated and verified. Indicators had been selected following the necessary discussions with national

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<sup>3</sup> The SSC's were chaired by the Permanent Secretary responsible for the respective policy area, and included a representative from relevant public sector organizations, the socio-economic partners, civil society groups and non-governmental organisations with an interest in the particular policy area.

experts from entities such as the National Statistics Office, the respective Ministries, etc. in order to ensure that the data set is reliable. A prudent approach was taken to ensure that what is measured at a particular point in time can also be measured at a later time, and that what is measured is actually what is intended.

### **Establishing Baseline Data on Indicators**

After going through the process of selecting indicators, the MA established the baseline data by comparing and analysing the present situation with the outcomes the Programmes are trying to achieve. The baseline is the first measurement of an indicator. It sets the current condition against which future change can be tracked. This helps to inform decision makers about current circumstances before embarking on projects targeting for a given projects. Baseline information for indicators has been built on a number of issues such as: sources of data; data collection methods; frequency of data collection. During the early stages of the programmes' implementation, the MA together with the necessary expertise will ensure that the data being collected to track indicators will be grounded in the data system and the capacity exists (whether internal/external) to expand exists.

### **Identifying Data Sources for Indicators**

Article 125(2)(d) of Regulation (EU) 1303/2013 requires that the MA records and stores in a computerised form data on each operation necessary for monitoring, evaluation, including data on individual participants in operations, where applicable. Every indicator has its own monitoring and evaluation system therefore when setting up the online database (SFD14-20) consideration was given in starting to build the information system for every indicator in terms of what sources of information potentially can supply the relevant information. The initial phase leads to a number of issues which need to be considered in identifying data sources, such as: Can the data source be accessed in an easy manner? Can the data source be accessed on a regular and timely basis? Is primary data collection from the information source feasible?

The data sources identified for the output and results indicators are either primary or secondary. Primary data are collected directly by the MA or beneficiaries while secondary data will be collected by entities/bodies outside the MA and are normally for purposes other than those of the MA's need. Examples of secondary data include surveys, demographic data, etc. collected by the National Statistics Office, Eurostat and other national/European bodies. Therefore at programming stage the sources of data are known and well documented, however, the MA needs to further strength the instruments for data collection. In this regard, the MA will seek the necessary external expertise such as statistician, economists, etc. in order to strengthen its methods on how to obtain the necessary data from different reliable source;

how to prepare the data collection instruments to record the information appropriately, what procedures to use (e.g. surveys vs. interviews), how often to access the data sources, and so forth. Such expertise will help the MA to determine a combination of data collection strategies which might work best in building the information system to support the tracking of each indicator. Such data collection strategies will be done in a more proportionate manner with respect to cost, precision, credibility and timeliness. For example, structured methods (such as questionnaire and surveys) for data collection generally tend to be costly and time consuming.

The MA understands that establishing baselines is crucial in determining the current conditions (at the time when the OPs were being drafted) and in measuring future performance against the starting point. Subsequent and continuous measurements from the baseline will provide important directional or trend data can help the MA together with the necessary stakeholders determine whether they are on track in achieving the desired outcomes over time.

### Selecting Result Targets

After gathering baseline data on indicators, the next step was to establish results targets, meaning what can be achieved in a specific time to reach the required outcome. The *Guidance Document on Monitoring and Evaluation: Concepts and Recommendations* (March 2014)<sup>4</sup> defines result indicators as “variables that provide information on some specific aspects of results that lend themselves to be measured”. Therefore, when compiling the OPs, the targets have been established by starting with the baseline data and including the desired level of improvement (taking into consideration a number of assumption such as availability of resources, trends, etc.). Moreover, selecting clear result indicators facilitates understanding of the problem and the policy need, and will also facilitate a later judgement about whether or not objectives have been met.

#### Identification of Desired Level Results



<sup>4</sup> This can be accessed through the following links:

[http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/wd\\_2014\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf).

The completed matrix of indicators including baselines, outputs and results (targets) defines the outcomes and basis for the design of the Monitoring and Evaluation system that in turn, will begin to provide information on whether the interim targets (2018) are being achieved in order to achieve the final targets by 2023.

### **Monitoring for Results**

As explained in the previous section, the expertise commissioned by the MA during the initial stages of Programme implementation will strengthen the use of information to monitor results in order to make informed decisions.

In this regard, the MA will engage in two key types of monitoring – implementation monitoring and results monitoring as both are important in tracking results.

In order to provide a comprehensive account of strategic information, several sources of data and information will be used, including:

1. **Structural Funds Database 2014-2020 (SFD14-20):** The SFD provides real time online information to all relevant stakeholders (MA, Certifying Authority, Intermediate Bodies, Beneficiaries, etc.). By inputting reliable, timely and complete data on a regular basis, the MA can monitor progress of implementation on a daily basis and it will also have at hand information to make evidence-based decision making possible at each level. The SFD has been up and running since 2007. Nonetheless, there are significant changes from the SFD07-13 to the SFD14-20. From a monitoring point of view, the new system is designed to capture all the data on the indicators at all levels (from application stage to project's completion and from project's level to programme level). At the MA there will be at least one officer overseeing the indicators module in order to ensure the completeness, accuracy and consistency of the data in the system. Moreover, s/he will also serve as a contact point for beneficiaries who have problems in interpreting the data's methodology. Data will be analysed however at all levels; from the MA down to the beneficiaries. The necessary effort is being made to ensure the necessary timeliness, completeness and reliability of data in order to maximise the possible use of data for planning and performance monitoring purposes.
2. **Project Progress Reports:** Inputs and outputs are important for tracking program performance, and ensuring availability of financial, human and other resources. Similarly, monitoring outputs is crucial for determining the level of output/result that is achieved during implementation efforts. The MA will still have the day-to-day responsibility for implementing program activities in view of

the importance to identify problems early enough to be able to initiate corrective measures related to implementation, in order to achieve the expected performance and achievement of targets. All projects are also responsible for reporting on progress with key indicators. The AIRs should also be published based on these individual reports.

3. **Ministerial/Intermediate Bodies Project Steering Committee:** The public nature of the interventions necessitates the set-up of a Project Steering Committee within the relative Line Ministry. The main function is to provide a more effective mechanism to track progress and to deal with arising issues that might be hindering progress. The Project Steering Committee will report to the Permanent Secretary/Programme Implementation Director of the same Ministry that are ultimately responsible to monitor and guide projects which fall under their remit in order to ensure that their targets, both financial and physical, are achieved within the budget and on time. The MA and other relevant horizontal stakeholders will participate in these committees.
4. **High Level Monitoring Meetings:** These meetings are chaired by the Permanent Secretary and the MA is responsible to set the agenda and present project issues which are then discussed at the meeting in the presence of the Project Leader, the Ministry and other relevant horizontal stakeholders who are invited to attend depending on the nature of the issues being raised. These meetings were set up during the 2007-2013 programming period and proved to be effective in ensuring that causes of delay in the projects are brought to the forefront of discussions and recommendations on the way forward.
5. **Cabinet:** As a means to further monitor the implementation of the Operational Programmes at a more strategic level, the MA reports to the Cabinet of Ministers on progress achieved on approved projects within their Ministry's remit. The combination of the High Level Monitoring meetings and the Cabinet reporting mechanism continues to ensure that decisions are taken in a timely manner.

As part of its management procedure, the MA through its Monitoring and Evaluation Unit will ensure that during the management and administrative verifications the necessary steps:

- At **application stage** the Monitoring and Evaluation Unit will be involved in the initial checking and analysis of the application form in order to assess that the project is contributing to the specific objectives and results of the relevant priorities. The details provided in the application form should set out the arrangements which ensure the contribution to the output and result indicators.

- During **implementation stage** the management verifications will ensure, on the basis of the data reported by the beneficiaries at project level is collated in a timely, complete and reliable. This data should be able to be aggregated at an Investment Priority level, Priority Axis level and also Programming level.

Moreover, the verifications will also check key requirements concerning data collection, storage and quality. A Guidance Document will be drafted by the MA highlighting the methodology to be used, how data is to be gathered and measured, the sources and channels to be used, etc. in order to establish a systematic approach across all interventions. Given that inaccurate data collection will impact the results of the interventions/programme, it will ultimately lead to invalid results and will also have a negative impact on the evaluation studies carried out by the MA.

Depending on the nature of the interventions and the specific indicators the review of indicators will be monitored in parallel with the operation's implementation

- At the **final stages of project implementation**, the MA will verify whether the relevant information provided by the beneficiary, i.e. information of the actual contribution to the output and result indicator(s), whether all agreed indicators have been attained, where applicable, and, where relevant, justification of the difference between the committed and the actual contribution. The management verification checklist will include appropriate questions for each output and result indicator.

Additionally, on-the-spot verifications will verify the correctness of the indicators' data communicated by the beneficiaries. The correct understanding of the indicator by the beneficiary and the values reported should be checked. If the beneficiary was responsible for inputting information about indicators into the IT system, the correctness of this process should be subject to verification at least on-the-spot. Therefore, if for instance data is collected through official sources, a copy of the document used should be filed at the beneficiaries' end.

The monitoring systems under the 2014-2020 programming period will be based on four elements:

- **Ownership:** Every person who has access to the management information system, be it an operational or programme level, should have full ownership, and consequently responsibility, of the data and information inputted. Training will be provided to all the stakeholders involved in the inputting of data and it will be both from a technical and theoretical perspective of indicators in order to promote and generate good performance data. Although the beneficiaries will be

assigned access to input data related to their intervention, the overall ownership of data (create, modify, and access data at a programme level) lies within the MA.

- **Management:** The necessary procedures of who, how and where the system will be managed will be in place to ensure the system's sustainability.
- **Maintenance:** Maintenance of the monitoring system is essential. The MA should be aware of how data will be collected, what kind of information is needed, when data should be collected, etc. Therefore, officers with the MA will also be provided with periodic training to enhance their skills in order to upgrade the systems and procedures.
- **Creditability:** Valid and reliable data can help ensure the credibility of the system and therefore it is important that beneficiaries use the correct methodology as provided by the MA for data gathering. Quality checks on data gathering will be in place from the start.

The MA will be carrying out a pilot exercise to ensure that the data collection system for all indicators will possess three key criteria: reliability, validity and timeliness. Reliability is the extent to which the data collection system is stable and consistent across time. In terms of validity, indicators should measure the actual and intended levels to be achieved. On the other hand, timeliness consists of three elements: frequency (how often data are collected); how recently data has been collected and whether data is available frequently to support the necessary decisions.

### **Analysing Data**

Data findings will be used to help improve projects, programmes and policies. Analysing and reporting data yields important, continuous information about the status of projects, programmes and policies. It can also provide clues to problems that arise during the course of implementation and create opportunities to consider improvement in the progress of implementation. In view of the performance framework, continuous and constant data points will be created to track trends and understand the projects and programmes. As per Article 49(4) the necessary updates on the Monitoring and Evaluation Strategy will be provided on a yearly basis to the Monitoring Committee and this consist of a clear data collection and analysis plan which will determine: unit of analysis (OPs, particular Priority Axis, Thematic Objective, etc.); any relevant sampling procedures; data collection instruments to be used; frequency of data collection; expected methods of data analysis and interpretation; those responsible for data collection and partners (such as NSO); those responsible for analysing, interpreting and reporting data; dissemination procedures and follow up findings. The MA will ensure that the monitoring system is a useful management tool and manageable, therefore a balance will be created not to overload the system with too many indicators. Otherwise too much time will be spent managing the system that produces data and not enough time will be spent using the data exhaustively.

### **Using Evaluation Information to Support the Result-Based Management System**

The previous steps placed a strong emphasis on the monitoring function. Building a monitoring system to continuously track performance is absolutely essential for the MA. Such monitoring system gives ongoing information via selected indicators and this is critical to know whether the programmes and projects are moving in the intended direction.

The monitoring data does not give the basis for attribution, it does not provide evidence of how changes are coming about – only that they are or are not occurring. Consequently, to address these and other important questions regarding the generation of appropriate results, evaluation information is necessary. As explained in previous sections of this Strategy evaluation is defined as an assessment of planned, ongoing or completed intervention to determine relevance, efficiency, effectiveness and impact. The main intention under this programming period is to incorporate lessons learnt into the decision making process.

On the basis of the previous experience acquired under the 2007-2013 programming period the MA acknowledges a number of complementarities of monitoring and evaluation. Monitoring information can generate questions to be subsequently answered by evaluation – or the reverse, with evaluation information giving rise to aspects which need to be monitored or further assessed. Additionally monitoring and evaluation use the same data, but put forward different questions and analyses. The MA will therefore be using the monitoring and evaluation in tandem to help direct the initiatives of the Operational Programmes accordingly.

Under the 2014-2020 programming period, the MA acknowledges that good evaluative information can provide answers to a range of questions relevant to the achievement of objectives. In fact, the MA will conduct ongoing evaluations whereby a number of studies/assessment addressing different thematic objectives/priority axis will be carried out.

### **Reporting and Using of Findings**

During the process of determining and analysing findings, the MA will ensure that necessary stakeholders are informed of the process. Monitoring and evaluation results will be continuously disseminated to provide feedback to stakeholders. Informal (phone, email) and formal (presentations, briefs, written reports) communications will be part of the overall communication aspect for monitoring and evaluation. Data will be presented in a manner which is relevant to the target audience.

In reporting the necessary findings, the MA will also discuss with the relevant stakeholders the implications of recommended actions through the monitoring and evaluation process. The necessary follow up and feedback will be reinforced through the ESG whereby such group will bring together stakeholders and evaluators together to discuss findings, insights, alternative actions and next steps.

The MA will strive towards ensuring that the results-based monitoring and evaluation systems will have the capacity to add to the learning and knowledge process within PPCD. Such learning will eventually be incorporated in the overall programming cycle.

### **Monitoring at Operational Programme and Project Level**

Monitoring takes place at different levels, typically at Programme and project level, therefore there are collective monitoring criteria for each level.

At the individual project level, the beneficiaries are to provide detailed information in terms of monitoring of projects in accordance with the generation of project specific outputs and the contribution to result indicators. When analysing the project agreement, the Monitoring and Evaluation Unit will ensure that the monitoring requirements provided are synchronized with the indicators provided at operational level and will ensure that initial data needed for setting up monitoring at project level will be gathered during the formulation stage of each project. The project individual indicators should be entered in the MIS.

As projects are being implemented, it is critical to set targets for outputs especially for those projects which will specifically contribute towards the Performance Framework. Each beneficiary will be responsible for its respective outputs and results. Therefore, what matters most in project-level monitoring is robust data to indicate progress towards generating the entire output through periodic targets. At programme level, the MA will ensure that the elaborated programme level will flow and aggregated through the appropriate measures from project level to project level.

### **Selecting the Monitoring Approach and Tools**

Under the 2014-2020 programming period, the MA will apply a range of approaches and tools that may be applied to monitoring projects and the OPs. The Monitoring and Evaluation Unit will determine the correct mix of monitoring tools and approaches for each project and the OPs, ensuring that the monitoring contains an appropriate balance between:

- **Data and analysis:** obtaining and analysing documentation from projects that provide information on progress;

- **Validation:** checking or verifying whether or not the progress is accurate;
- **Participation:** obtaining feedback from beneficiaries (or any other entity) on progress and proposed actions.

Data and Analysis	Validation	Participation
<ul style="list-style-type: none"> <li>▪ Monitoring and Evaluation Framework</li> <li>▪ Progress and bi annual reports on achievement of outputs and result indicators (including closure reports of projects)</li> <li>▪ Annual Implementation Reports</li> <li>▪ Progress towards achieving the objectives and outcomes of the projects and Operational Programme</li> </ul>	<ul style="list-style-type: none"> <li>▪ Field visits</li> <li>▪ Spot checks</li> <li>▪ Reviews and assessments carried out by the MA and independent expertise commissioned by the MA</li> <li>▪ Evaluations/reviews/studies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sectoral and specific groups at Ministry level dealing with strategies and policies</li> <li>▪ Evaluation Steering Group</li> <li>▪ Stakeholder meetings</li> <li>▪ Focus group meeting</li> <li>▪ Review meeting with the beneficiaries</li> </ul>

On the basis of previous experience, it is not realistic to expect that one monitoring tool or mechanism will satisfy all the needs. The most common tools used for monitoring, data gathering and report used by the MA will be the Project Progress Report, field visits, regular meetings, etc. At Programme level this would typically require a different mix of tools than those traditionally used at project level, such as analyses and surveys which will be further complemented by evaluation.

### **Use of Monitoring Data for Management Action and Decision Making**

Each project co-financed through EU funding would normally has its own arrangements to plan, implement and monitor the contributions it is making to results. In this regard, the MA will engage in the following steps in order to organise programme-level monitoring:

- Obtain monitoring information for each project through the bi-annual progress report. In the case of projects contributing to the Performance Framework up to December 2018, the frequency of reporting will be on a quarterly basis;
- Determine if outputs and results contribute to the achievements of the objectives and outcomes of the Operational Programmes;

- Participate in dialogue with relevant stakeholders at sector and national level;
- If possible, verify and validate data to obtain a more objective assessment. Identify issues and changes (e.g. underachievement in a particular indicator) as an outcome of the monitoring mechanism that are necessary to further discussion and appropriate action.

The culmination of monitoring activities that started at project level and drawn upwards towards the Operational Programmes targets will be discussed during the Monitoring Committee and also the Evaluation Steering Group meetings. Such review facilitates a dialogue between the MA and the stakeholders to assess progress towards outputs and results. It will also act as a forum which can be used to build a stronger understanding and consensus amongst the various stakeholders to achieve the planned results and for making key decisions.

### **Use of Monitoring Data in Evaluations**

Effective monitoring generates a solid data base for evaluations. Data, reports, analysis and decisions based on monitoring evidence should be retained with a view to making them easily accessible to evaluations.

## **Chapter 6 Evaluation**

This chapter provides a holistic view of the evaluation function within the MA in order to make the necessary strategic decisions about evaluation. This chapter describes why evaluation is important and how information and data should be used, types of evaluation that will be conducted, key roles and responsibilities in evaluation and evaluation requirements.

### **Uses of Evaluation**

Through the generation of evidence and objective information, evaluations will enable the MA to make informed decisions and plan strategically. When evaluations are used effectively, they support programme improvements in terms of answering crucial questions such as: Did it work or not and why? How could it be done differently for better results? The interest in this regard would therefore be on what works, why and in what context. The intention of the MA is to use evaluations to make the necessary improvements and adjustments to the implementation cycle or strategies.

During the 2014-2020 programming period, evaluation will be seen as an extensive exercise whereby different stakeholders are able to participate proactively in this process. The MA, together with other stakeholders, will decide on who is most suitable to participate in the evaluation processes (e.g. analysing findings and lessons learnt, developing and compiling responses to evaluation questions/assessments, dissemination of findings, etc.) and to what extent will they be involved (e.g. informed, actively involved, acting as partners of key decision makers, etc.). Such decisions will have a direct bearing on the ownership of evaluation findings.

The intended use of the evaluation determines the timing, its methodological framework and level and nature of stakeholder participation. The use has to be determined as the planning stage. The below set of questions will guide the MA in assessing the potential use of evaluations:

## Assessing the use of an Evaluation

### What Information is needed?

- Information on the relevance of intended outputs and results map
- Information about the status of achievement at OP level, project implementation and factors affecting it
- Information about the effectiveness of the operational programmes
- Information on the cost of an initiative relative to the observed benefits
- Information about lessons learnt

### Who will be the Informative?

The intended users of evaluation are those stakeholders forming part of the EU funds cycle and are in a position to make decisions and take actions based on the evaluation results. Users of evolution are varied but generally fall in the:

- Managing Authority
- Line Ministries together with policy makers?
- Public and Beneficiaries
- Horizontal structures such as NCPE, NCPD...
- Treasury
- IAIP
- European Commission
- Monitoring Committee Members
- Evaluation Steering Group Members

### How will the Information be used?

- Design or validate strategies
- Make mid-course actions
- Improve project or programme Design and Implementation
- Make funding decisions
- Increase knowledge and understanding the benefits and challenge of the operational programme

In this regard, it is to be highlighted that these uses are not mutually exclusive, but have multiple uses. Throughout the evaluation process, the identified use can be revisited and redefined as necessary in consultation with the stakeholders. This inclusive process ensures the credibility and ownership of the evaluation process and outputs, hence enhancing its use.

## **Principles, Norms and Standards for Evaluation**

The following section presents the basic norms for evaluation in terms of how evaluations will be conducted in order to meet the required quality standards and their intended role. Evaluations should be:

1. **Independent:** Evaluations similar to the previous programming period will be conducted by independent and external evaluators who must be free of conflict of interest;
2. **Intentional:** The rationale for an evaluation and the decisions to be based on it should be clear from the initial stages;
3. **Transparent:** Meaningful consultation with stakeholders is essential for the credibility and utility of evaluations;

4. **Impartial:** Removing bias and maximizing objectivity are critical for the credibility of the evaluation and the necessary contribution to knowledge;
5. **High quality:** All evaluations should meet minimum quality standards;
6. **Methodology:** The methods used to gather, analyse, interpret and present the data and main findings should be onerous and uncompromising in order to reach high quality standards;
7. **Timely:** Evaluations must be designed and completed in a timely manner so as to ensure the usefulness of the findings and recommendations. Recommendations should filter in the programme or decision-making as necessary;
8. **Evidence-based:** Evaluation should seek to provide information to be used for evidence-based decision making. To enhance the usefulness of findings and recommendations, key stakeholders should be engaged in various ways in the evaluation process.

### **Types of Evaluation**

As was done during the previous programming periods, the MA will commission through open public procurement procedures, independent evaluators. Thus, such studies/assessments/evaluations will be carried out by experts who are independent from the MA and programmes and do not form part of subsequent decision-making process. Thus, in the timeline of evaluations, the MA will also factor in the time taken to outsource such studies.

Although evaluations will be outsourced, the MA will indicate the preferred methodologies as a minimum required. Therefore, the evaluators will be bound to use all the methodologies indicated by the MA in the ToRs and will be obliged to add its own methodologies (together with an explanation on its limitations, weaknesses and strengths) to further strengthen the assessment. Through the MEAT procedure, additional weighting will be given to the methodology the evaluators have selected.

### **Project versus Operational level Evaluations**

Under the 2014-2020 programming period, the MA will seek to increase its emphasis on evaluations at an operational level, focusing primarily on the necessary achievements; however this does not mean that the evaluations/studies/assessments at projects' level carried out by the beneficiaries (if any) will be given less importance. On the basis of the experience achieved during the 2007-2013 programming period, evaluations encompassing of a number of projects yield useful information on project implementation, structures and achievement of outputs and results.

	<b>Project Level Evaluation</b>	<b>Operational Level Evaluation</b>
Focus	Inputs, activities and outputs (if and how project outputs were delivered within a sector and if results can be attributed to the project)	Objectives (whether, why and how the objective have been achieved and the contribution of EU funding to change in a given situation)
Scope	Specific to project objectives (in line with the Operational Programmes aims and objectives), outputs and activities	Encompassing objectives and the extent to which programmes, projects and synergies among the various interventions and stakeholders contributed to this achievement
Purpose	Project based to improve implementation and re-direct future projects in the same area or to allow for up-scaling	To enhance effectiveness and assist decision making, to assist policy making

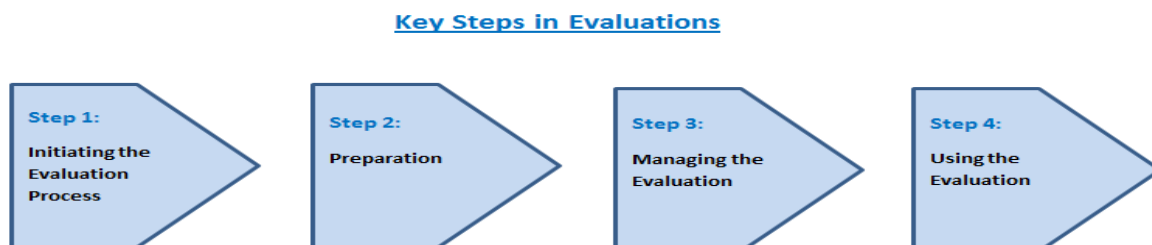
### **Thematic Evaluations**

The MA will commission thematic evaluations to assess performance in areas (e.g. thematic objectives) that are critical in ensuring the achievement of the objectives and results stated in the Operational Programme. These thematic areas will be assessed through the impact evaluations which will consist of an assessment of the intended or unintended affects caused by the interventions. Such evaluations will try to assess both the long-term impacts (if possible and depending on the status of the interventions) as well as the medium-term effects at the outcome level. In this regard, the impact evaluations will not only measure whether the objectives have been achieved and the direct effects, but will also take into consideration additional impacts at different levels such as: households, businesses, environment, etc. Furthermore, there can be multiple intermediate (short and medium term) outcomes which over time can eventually lead to impact – some of which may be included in an evaluation of impact at a specific moment in time.

Additional issues which the MA needs to take into consideration consists of the need for understanding the consequences of initiatives in the longer terms and determine to what extent an initiative, rather than external factors have contributed to the observed impacts. The MA is of the understanding that these issues are to be taken into account in the design of the ToRs.

## Key Steps in Evaluations

The process for evaluations, which will be commissioned by the Monitoring and Evaluation unit, will be as follows:



### Step 1: Initiating the evaluation process

Before initiating the evaluation process, the MA together with its stakeholders will assess whether the area of the evaluation can be evaluated (e.g. the implementation of projects is at an advanced stage, policies are in place, results are being reaped, etc.). At this stage there should be a common understanding as to what initiative will be subject to evaluation.

### Step 2: Preparation

The MA will appoint a Projects Manager within the Monitoring and Evaluation unit who will assume the day-to-day responsibilities for managing the evaluation and serve as a contact person. His/her main responsibilities will be:

- Lead the development of the ToRs, include market research, budgeting, evaluation questions, etc.;
- Manage the procurement process for the selection of external evaluators;
- Manage the contractual arrangements, the budget and the personnel involved in the evaluation;
- Provide the evaluators with administrative support and required data;
- Act as the contact point between the evaluation team, senior management, and also key evaluation stakeholders in order to ensure an inclusive approach to evaluation;
- Review inception reports and draft evaluation reports and ensure that the final reports are up to the necessary standards.

For each evaluation there will be a mechanism to ensure the smooth running of the process and quality of the requested outputs such as ToRs and evaluation reports. The senior management within the MA will oversee and assess the quality of the evaluation process and products. The relevant expertise may be called in as required.

### Drafting the Terms of Reference (ToRs)

The ToRs define the scope, requirements and expectations of the evaluation and serve as a guide and point of reference throughout the evaluation. The evaluation ToRs will be presented to the ESG in order to consult with key stakeholders and evaluation partners to ensure that their key concerns are addressed and that such partners will view the evaluation result as valid and useful. The ToRs play a critical role in establishing the evaluation criteria and eventual use of the evaluation report, therefore adequate time should be allocated to this exercise. The output, thematic areas or any other initiatives selected for evaluation along with timing, purpose, duration and scope of the evaluation will encompass much of the substance of the ToRs.

### Selecting the Evaluators

The choice of evaluators is important to the quality of evaluations. The MA will select evaluators through an open competitive and transparent process in line with the Public Procurement Regulations. For most studies, the award of contract will be determined upon the most economically advantageous criteria wherein the technical details and quality of the tender submitted will be given a higher priority than price.

### **Step 3: Managing the conduct of the evaluation**

On the basis of the experience obtained throughout the 2007-2013 programming period, the success of evaluations depends on the level of cooperation and support rendered by the MA to the evaluation team.

Key roles of the evaluation unit include the following:

- Brief the evaluators on the purpose and scope of the evaluation and explain expectations in terms of the required standards for the quality of the process and the evaluation outputs;
- Ensure that the necessary information is available to the evaluators in a timely manner. If they encounter difficulties in obtaining information that it is critical to conduct the evaluation, it is important to provide the necessary support;
- Organise the necessary forum to introduce the evaluation team to the stakeholders. This will make the stakeholders aware of the studies being conducted and will facilitate matters in providing the necessary inputs / feedback, etc.;
- Help in the coordination of interviews, meetings, etc. Stakeholders tend to be more responsive towards the MA rather than the evaluators;
- Provide timely feedback on all the reports and ensure that the work plan is viable.

### Reviewing of Reports submitted by the Evaluation Team

On the basis of the ToRs, the kick-off meeting and initial desk review, the evaluators shall develop an Inception Report. The Monitoring and Evaluation unit will review the content of the Inception Report which shall provide an opportunity to clarify matters related to resource requirements, delivery schedules and any foreseen risks which will have an impact on the evaluation process, at an early stage of the exercise. Moreover, it ensures that the MA and the evaluators have a common understanding on how the assessment will be conducted, especially in terms of the methodologies to be used.

Once the first draft of the evaluation report is submitted, the Monitoring and Evaluation unit will provide the necessary feedback after internal discussions. The Monitoring and Evaluation unit will ensure that the report is logically structured: it contains evidence-based findings, conclusions, lessons learnt and recommendations, and presented in a way that makes information accessible and comprehensible. It will also liaise with its stakeholders in order to verify and ensure the correctness of information provided in the report.

Depending on the complexity of the evaluation findings, the MA will consider organising stakeholder meetings wherein the evaluators will present the main findings. This will help to ensure a common understanding of the findings, facilitate feedback on the initial findings, and strengthen the 'ownership concept' and the future use of evaluations. The MA will also start discussing and preparing with its stakeholders a management response, for example who will be involved in the preparation, when, how and to what degree and what issues are to be highlighted.

#### **Step 4: Using the evaluation – Knowledge sharing**

The Monitoring and Evaluation Unit will be responsible for preparing management responses to key issues and recommendations raised in evaluations, identifying key follow-up actions with the responsible units for implementation, and estimate completion data for these actions. Furthermore, lessons learnt and knowledge generated from evaluations will be reviewed together with national stakeholders to ensure they are incorporated in the design of new programmes and projects. Such process will engage all key evaluation stakeholders to reflect on the key issues, findings and recommendations. In this process, follow-up actions and timeframes are collectively identified and agreed upon with the Ministry/entity targeted in each recommendation within the framework of the ESG. This will ensure timely implementation of the recommendations through an action plan designed for the recommendations of each study. Both the ESG and the Monitoring Committee will be kept informed of the follow up in relation to such recommendations.

## **Assuring the Quality of Evaluation Design and Methodology**

This section provides an overview of the key components of quality evaluation design and elements of quality reports to carry out effective assurance of the evaluation process and products. While external evaluators are responsible for refining, strengthening the methodology and carrying out the evaluation, overall design and methodology is largely determined by the information provided in the ToRs.

Developing an evaluation design involves a deep understanding of what needs to be evaluated (the initiative and its context), and making decisions about the following key elements and how each element will contribute to valid and useful evaluation results:

- The purpose of the evaluation;
- Key questions that the evaluation seeks to answer;
- The sources and methods for obtaining credible information;
- The procedures that will be used to analyse and interpret data and results;
- The evidence that will be used to indicate how the initiative has performed and demonstrated the necessary results.

In defining the context of evaluations, these must be conceived and designed with a thorough understanding of the operations and the context in which they operate. The Monitoring and Evaluation unit together with the relevant stakeholders engaged in the drafting of the ToRs are responsible for articulating necessary information in order for evaluators to have a good understanding of the initiative, the evaluation context, focus and purpose of the evaluation and key questions to be addressed in the evaluation.

The ESG will also play an important role in this. As indicated in 'Step 4: Using the evaluation – Knowledge sharing' above, any issues, findings, and recommendations will be followed up with the ESG members and any other Ministries/entities in question. Therefore, besides any findings and concerns raised during the ESG meetings, one-to-one meetings will be organised with the entity in question in order to verify the data/information provided in the reports, add any additional aspects which may be important for the consolidation of the report, further explain any particular points, etc. This will also ensure that the recommendations provided in the reports can be implemented and the findings will be used for future Programmes.

### Evaluation Objective and Criteria

Evaluation objectives are statements about what the evaluation will do to fulfil the purpose of the evaluation. Evaluation objectives are based on careful consideration of: the types of decisions evaluation users will make; the issues they will need to consider in making those decisions and what the evaluation will need to achieve in order to contribute to these decisions. On the other hand evaluation criteria focused evaluation objectives by defining the standards against which the initiative will be assessed. Following the experience achieved during the previous programming period, evaluations will generally apply the following evaluation criteria to help focus evaluation objectives: relevance, effectiveness, efficiency and impact.

**Relevance** measures the extent to which an initiative and its intended objectives and outcomes are consistent with EU and national policies, strategies, priorities and needs of the intended beneficiaries. Such criteria incorporate the concept of responsiveness – that is the extent to which the Operational Programmes/interventions are able to respond to changing and emerging priorities and needs in a responsive manner.

**Effectiveness** is a measure of the extent to which the initiative's intended results have been achieved or the extent to which progress towards outputs or outcomes has been achieved. Assessing effectiveness involves three basic steps: (i) Measuring change in the observed output or income; (ii) Attributing observed changes or progress towards changes to the Operational Programme/project initiative or determining the OP's contributions towards observed changes; (iii) Judging the value of the change (positive or negative).

**Efficiency** measures how economically resources or inputs are converted to results. As the nature and primary purpose of projects and programme evaluations differ, the application of criterion may be different. For example in assessing efficiency, an evaluation carried in relation to projects might explore the extent to which resources are being used to produce the intended outputs and how resources could be used more efficiently to achieve the intended results. On the other hand, an evaluation related to the Operational Programme may involve estimates of the investment (a number of projects) towards a given objective. The application of this criterion poses a challenge for the MA as the nature of the interventions (especially unique interventions) does not always lead to efficiency indicators.

**Impact** measures the changes brought about by the interventions identified in the Operational Programme, directly or indirectly, intended or unintended. The MA acknowledges that at times, evaluating impact faces challenges: confirming whether benefits can be directly attributed to the Operational Programme support can be difficult, especially considering that ESIF is one of the many contributors in the Maltese economy.

In general applying a combination of the above-stated criteria will help to ensure that the evaluation covers the most critical areas. However it might be the case that not all the criteria might be applicable to every evaluation. In determining which criteria to apply, the MA will consider the type of evaluation, contribution of the information to the purpose relative to the cost.

### **Evaluation Methodology**

The methodology design will detail out a step-by-step work plan that specifies the methods the evaluation will use to collect the information needed to address the evaluation criteria and answer the evaluation questions, analyse the data, interpret the finding and report the results, after validating and verifying the findings. All this will then be reflected in the evaluation reports. In addition, the Inception Report will explain the logic/assumptions about how each data element will contribute to understanding the results – contribution, process, implementation and so forth - and the rationale for data collection, analysis and reporting methodologies used.

### **Data Collection Methods**

The data to be collected and the methods for collecting the data will be determined by the evidence needed to address the evaluation questions and the analyses that will be used to translate the data into meaningful findings in response to the evaluation questions. The evaluations will be based on data generated through monitoring during the programme or project implementation cycle, as well as through other official sources. Under the 2014-2020 programming period, evaluations will generally make use of a mix of data sources collected through multiple methods, to give meaning to data collected from monitoring.

**Primary data** consists of information evaluators observe or collect directly from stakeholders. These generally consist of opinions and knowledge of stakeholders, generally obtained through questionnaires, surveys, interviews, focus groups etc. These methods allow for more in-depth information and can facilitate deeper understanding.

**Secondary data** is primary data that was collected, compiled and published by other entities. This can take the form of documentary evidence that has direct relevance for the purposes of evaluation. Sources of such data include: demographic data, nationally published reports, research reports etc.

A table on common data collection methods can be found hereunder:

Method	Description	Advantages	Challenges
<p><b>Monitoring and Evaluation Systems</b></p>	<p>Uses indicators to measure progress particularly actual results against expected results</p>	<p>Can be reliable, objective to assess progress of outputs and results</p>	<p>Dependent upon viable monitoring and evaluation systems that have:</p> <ol style="list-style-type: none"> <li>1. Established baseline indicators and targets;</li> <li>2. Collected reliable data in relation to targets over time</li> </ol>
<p><b>Extract from Reports and Documents</b></p>	<p>Existing documentation including quantitative and descriptive information about the initiative, its outputs and outcomes</p>	<p>Cost efficient</p>	<p>Evidence can be difficult to code and interpret in response to questions</p>
<p><b>Questionnaire</b></p>	<p>Providing a standardized approach to obtaining information on a wide range of topics from a large number in relation to the</p>	<p>Easy to analyse Give anonymity to responders</p>	<p>Data mat provide overall picture but lack data Subject to sampling bias</p>

	diversity of stakeholders		
<b>Interviews</b>	Collecting responses on a personal basis to predetermined questions designed to obtain in-depth information	Facilitates further depth of information or topic	Can be time consuming  Difficult to analyse  Costly
<b>Group Interviews</b>	A small group (6 to 8 people) are interviewed together to explore in-depth stakeholder opinions, judgment about all intervention, collect information around tangible and non-tangible changes resulting from an initiative.	Quick reliable way to obtain common impressions from diverse stakeholders  Efficient way to obtain a degree of range and depth of information in a short time	Maybe difficult to schedule  Can be hard to analyse responses
<b>Case Studies</b>	Involves comprehensive examination through cross comparison of cases to obtain in-depth information with the goal to fully understand the operational aspect, outputs, results and interaction of the	Used to fully explore factors that contribute to outputs and results	Requires considerable time and resources  Can be difficult to analyse

	projects or the operational programme		
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### **Issues of Data Quality**

Reliability and validity are important aspects of quality in an evaluation. Reliability refers to consistency of measurement – for example, ensuring that a particular data collection instrument, such as questionnaire, will elicit the same or similar response if administered under similar conditions. Validity refers to accuracy in measurement – for example, ensuring that a particular data collection instrument actually measures what it is intended to measure. Additionally, credibility measures the extent to which evaluation evidence and the results are perceived to be valid, reliable and impartial by the stakeholders, particularly the users of evaluation.

Good evaluation evidence should be consistent and accurate. The MA will ensure that the necessary actions are inbuilt in the evaluator to verify data in order to enhance the reliability and ensure valid results. In this regard it is important to collect data that rely on one source or piece of evidence for example triangulating the evidence from one source (such as group interview) with other evidence such with key informant interviews with people who are credible and well-informed about the situation.

### **Analysis and Synthesis of Data**

Through data analysis, the evaluators or the MA (depending on the task carried being carried out), will be organising and classifying information, tabulating it, summarising it and comparing the results with other appropriate information to extract useful information that responds to evaluation questions and fulfils the purposes of evaluation. Data analysis and synthesis must proceed on the basis of the work detailed in the inception report.

The following step would consist of giving meaning to the evaluation findings derived from the analysis (interpreting the findings). The evaluators will be required to summarise and synthesis the information derived from facts, statements, and documents and translates findings from the data into judgements about results (conclusions). On the basis of these conclusions, recommendations for future actions will be made.

## **Drawing Conclusions and Recommendations**

When drawing up conclusions and recommendations, as best practice, the MA will conduct roundtable discussions with the evaluators given that conclusions will be considered valid and credible when they are linked to the evidence and can be justified on the basis of appropriate methods of analysis and synthesis to summarise findings. Furthermore, recommendations are to be formulated in a way that reflect the potential constraints that need the necessary follow up. Each recommendation should clearly identify its target group.

## **Chapter 7 Planned Evaluations for the 2014-2020 Programming Period**

This section provides a general overview of the evaluations which will be carried out by the Managing Authority during the 2014-2020 programming period in accordance with Regulation (EU) 1303/2013. To evaluate ESIF interventions, it is appropriate to note the following aspects:

- In accordance with Article 56(3), the interventions co-funded under the CF/ERDF programmes and the specific objectives for each Priority Axis are to be evaluated;
- Specific types of evaluations arising from projects' application needs to be taken into consideration. During the 2014-2020 programming period, interventions under €1,000,000 require a financial assessment, interventions amounting to between €1,000,001 and €5,000,000 require a financial feasibility study and interventions amounting to more than €5,000,001 require a cost-benefit analysis. Major projects also require an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs and also disaster resilience. These assessments/studies are all valid input to the evaluations carried out by the Managing Authority;
- Evaluations will also be linked to various strategies which require the use of ESIF for some of their measures, such as the smart specialisation strategy, national climate change and adaptation strategy, etc.

Cooperation between the MA and its stakeholders is a prerequisite for the successful implementation of this strategy, especially given that each evaluation requires the necessary follow-up in accordance with the fund-specific rules. Based on the development needs and progress of implementation, the proposed evaluation activities will be presented annually to the Monitoring Committee whereby details on the scope, specific activities, methodology, etc. will be provided in the form of an Evaluation Plan. With reference to the methodology, the MA will be providing a snap-shot of the methodology it intends using, however, this does not mean that the methodology cannot be further refined by the evaluators themselves. Progress on the evaluations and summaries thereof will also be presented in the annual implementation reports.

### **PART A: Evaluations to be carried out during 2016-2019**

As will be explained hereunder, during the first years of the programme's implementation, the evaluation activities will focus mainly on assessments which will support the implementation process and also the interventions' relevance vis-à-vis the programme's objectives. With regard to the assessments of the programme/interventions' actual results on the ground, it is being envisaged that these will be carried out after 2020 as the interventions need to be completed or nearing completion in order to start reaping their results.

The first study, to be launched in Q4 2015, will consist of an independent pilot study analysing the ERDF and CF indicators for the 2014-2020 programming period. This will help the Monitoring and Evaluation Unit to strengthen and refine its methods on how to obtain the necessary data for each output and result indicator; how to prepare the data collection instruments to record the information correctly; what procedures to use to collect and store the needed data; how often to access the data sources; and analyse the feasibility of the methodology used at projects' level. Thus, such assessment is to delve deeper into the methodologies to be used for the result indicators identified at programme level to ensure that the correct data instruments are in place at project level. The assessment will be beneficial to map out the necessary methodologies in order to determine the actual contribution of the EU funded interventions, as opposed to other nationally funded interventions, at the end of the programming period.

In 2016 the MA will be carrying out a counterfactual feasibility and pilot study in relation to specific interventions under ERDF, CF and ESF Operational Programmes. The evaluators will be analysing what data is required and in which areas it is mostly feasible to hold a counterfactual evaluation. Should the assessment be favourable to a counterfactual evaluation in ERDF, the MA plans to carry out a pilot study in one of the areas indicated in this assessment later on during the programming period. However, this depends on the availability of data on at Operational Programme and national level. Moreover, in 2017 the MA will carry out an assessment on the key processes within ESIF, which will include a detailed analysis of the processes involved (including application stage, selection and approval of projects, implementation, payment process, etc.) to implement the Operational Programme. This study will cover the three funds this MA is responsible for.

During 2018 the MA will carry out an evaluation in terms of assessing the contribution of the objectives for each priority in line with Article 56(3). It is not being excluded that such study will be further updated later on during the programming period, depending on the implementation cycle of the interventions. It is envisaged that such evaluation will also feed into the second Progress Report to be submitted to the Commission in 2019 in accordance with Article 52 of Regulation (EU) 1303/2013, especially in terms of progress made towards achievement of the Union Strategy for smart, sustainable and inclusive growth as well as fund-specific mission. Furthermore, this study will also encapsulate an assessment on relevance.

These will be followed by a study which will be carried out in 2019 in relation to effectiveness and efficiency which will analyse the achievement of outputs, results and impacts and the assessment of their compliance with the defined objectives. This will involve three steps: (i) measuring change in the observed output or outcome; (ii) attributing observed changes or progress towards changes to the OP's initiatives; and (iii) judging the value of the change (positive or negative).

Furthermore, during 2019 the MA will be assessing the communication activities held in line with the ESIF Communication Strategy 2014-2020. The main aim would be to determine the effectiveness of the activities implemented whereby post-tests of the implemented communication activities, desk research, in-depth interviews, media monitoring, etc. will be carried out. This is beneficial to assess how the information and communication measures were effective

An indicative list of planned evaluations to be carried out between 2015 and 2019 as explained above is listed in the hereunder tables. Nonetheless, more detailed annual evaluation plans will be drafted and presented to the Monitoring Committee for their review. This will include the specific objectives of the evaluations to be carried out, evaluation questions, timeline, budget, etc. In the case of ongoing evaluations, it will also include the progress done so far and main findings.

1.	<b>Pilot assessment of the ERDF/CF indicators for the 2014-2020 programming period</b>
Objective	<p>Through an independent assessment, the Managing Authority will seek to strengthen and refine its methods on how to obtain the necessary data from each output and result indicator; how to prepare the data collection instruments to record the information appropriately; what procedures to use to collect data (e.g. surveys vs. interviews); how often to access the data sources; the methodology used for each indicator, mainly at project level, etc.</p> <p><b>Once such exercise is concluded this will provide the foundation/basis for evaluation in order to decide which questions can be answered and the methods which can be applied. Furthermore since the programming period is still at early stage, it is quite difficult to set the evaluation questions at this stage since the evaluation to be carried will be mirrored to the progress of implementation on the ground. Once study assessment is finalised this will provide the necessary ground work for evaluation in terms of what the study will focus on; the intended methods to examine these question and the data which is already available or which is to be further collected in order to feed in evaluation. In view of this, following such assessment the Evaluation Plan will be updated accordingly in order to take into consideration these aspects.</b></p>
Subject and course of assessment	<p>Such assessment will help the Managing Authority to determine a combination of data gathering strategies which work best in building the information system for each indicator both at project and programme level. Such data gathering strategies will be in a proportionate manner with respect</p>

	to cost, precision, credibility and timeliness. The main aim will be to provide the necessary assistance in strengthening the indicators system and thus the information requirements behind them. It will eventually also help the Managing Authority in verifying and validating data provided by the beneficiaries.
Type of evaluation/assessment and methods	<ul style="list-style-type: none"> <li>▪ Desk based research</li> <li>▪ Interviews with component authorities involved in data statistics such as NSO, etc.</li> </ul>
Data requirements	<ul style="list-style-type: none"> <li>▪ Intervention logic of the Operational Programmes</li> <li>▪ Data compiled when the Operational Programmes were drafted</li> <li>▪ Analysis of the interventions in terms of indicators and other relevant data</li> </ul>
Timetable	The study is to indicatively commence Q1 2016.
Cooperation	All stakeholders involved in the monitoring and evaluation process, including the stakeholders responsible of drafting the Operational Programmes.

2.	<b>Counterfactual feasibility and pilot study in relation to specific interventions under ERDF, CF and ESF Operational Programmes under 2014-2020 programming period</b>
Objective	The objective is to analyse what data is required and in which areas it is mainly feasible to hold a counterfactual evaluation, keeping in mind the small scale and limited data available of the intervention/s and its counterpart/s.
Subject and course of assessment	<p>This will include an in-depth analysis of:</p> <ul style="list-style-type: none"> <li>▪ The feasibility in carrying out a counterfactual evaluation</li> <li>▪ Malta's limitation in data availability and recommendations on how data can be gathered (especially with regard to the intervention which is nationally funded) and stored</li> <li>▪ Cost-effectiveness of the study</li> <li>▪ Pilot study in an area where data is readily available, e.g. R&amp;D, support towards SMEs.</li> <li>▪ Propose measures on how data gathered can be statistically representative.</li> </ul>
Type of evaluation/assessment and methods	<ul style="list-style-type: none"> <li>▪ Desk-based</li> <li>▪ Interviews</li> <li>▪ Surveys and questionnaires</li> </ul>

Data requirements	Intervention logic of the Operational Programmes; data compiled when OPs were drafted; analysis of the interventions
Timetable	The study is to indicatively commence in Q2 2016
Cooperation	All stakeholders involved in the chosen sector.

<b>3.</b>	<b>Assessment of the key process within the ESI Funds in Malta</b>
Objective	The objective is to conduct a detailed analysis of the processes involved (including application stage, selection and approval of projects, implementation, payment process, etc.) to implement the Operational Programme. This will aid the Managing Authority in detecting obstacles and areas of improvements, best practices, etc.
Subject and course of assessment	This assessment will mainly involve an assessment of key processes at all levels (Beneficiaries, Treasury, Certifying Authority, Managing Authority, etc.). Based on its findings, the evaluator will be providing concrete recommendations on how to improve the delivery system in order to avoid further bottlenecks.
Type of evaluation/assessment and methods	<ul style="list-style-type: none"> <li>▪ Process assessment</li> <li>▪ Analysis of data from monitoring systems and qualitative comparison and assessment of processes (analysis of management documentation in the programming period 2014-2020)</li> </ul>
Data requirements	<ul style="list-style-type: none"> <li>▪ Data available in the SFD14-20</li> <li>▪ Qualitative, i.e. interviews, questionnaires, focus groups, etc.</li> <li>▪ Other data available at programme level (in response to questions arising from the data analysis at the monitoring system level, the management documentation of the programmes, etc.)</li> </ul>
Timetable	Assessment to indicatively start Q1 2017
Cooperation	All stakeholders involved in the process of EU funds.

<b>4.</b>	<b>Assessment of how support from the ESIF has contributed to the objectives for each priority</b>
Objective	The objective is to analyse how the interventions have contributed to the specific objectives of the four Priority Axis, and their relevance to the Operational Programme, the Europe 2020 strategies, National Reform Programme, Country Specific Recommendations, and other relevant national/European strategies.

Subject and course of assessment	<p>This will include an in-depth analysis of:</p> <ul style="list-style-type: none"> <li>▪ The contribution of the interventions in reaching the overarching objectives of the Priority Axis</li> <li>▪ The contribution to the interventions to the relevant strategies, in particular those that are part of the specific <i>ex ante</i> conditionalities</li> <li>▪ To what extent the initiative and their intended outputs and results are consistent with the priorities and the needs of the intended beneficiaries (i.e. relevance). This specific criteria will mainly assess the congruency between what was needed as envisioned by the OP and the reality of what is needed by beneficiaries</li> </ul>
Type of evaluation/assessment and methods	<ul style="list-style-type: none"> <li>▪ Desk-based</li> <li>▪ Interviews, focus group meetings, etc.</li> <li>▪ Surveys and questionnaires</li> </ul>
Data requirements	<ul style="list-style-type: none"> <li>▪ Quantitative, i.e. data available on the SFD 14-20</li> <li>▪ Qualitative, i.e. desk research, interviews, questionnaires, focus groups, etc.</li> <li>▪ Other data available at programme level (in response to questions arising from the data analysis at the monitoring system level, the management documentation of the programmes, etc.)</li> </ul>
Timetable	The study is to indicatively commence in 2018.
Cooperation	All stakeholders involved in the chosen sector.

5.	<b>Assessment of how the effectiveness and efficiency of the Operational Programme</b>
Objective	The aim of the study is to analyse the achievement of outputs, results and impacts and the assessment of their compliance with the defined objectives.
Subject and course of assessment	<p>The level and depth of effectiveness will depend on the progress of implementation on the ground which will include:</p> <ul style="list-style-type: none"> <li>▪ Measuring to what extend one can attribute the observed changes or progress towards changes to the OP's initiatives;</li> <li>▪ A clear analysis of the direct programme results in the light of the programme indicators at OP level (including the priority level);</li> <li>▪ Judging the value of the change (positive or negative); and</li> <li>▪ Coordination, complementarity, synergies between the support from ERDF and other funds.</li> </ul>

	To evaluate the (cost) efficiency of ERDF interventions it is necessary to link output, result data with financial data about resources used (if possible). The MA acknowledges that sometimes it is difficult to link monitoring with financial data for actions in the field of the theme of Human Capital.
Type of evaluation/assessment and methods	<ul style="list-style-type: none"> <li>▪ Desk-based</li> <li>▪ Interviews, focus group meetings, etc.</li> <li>▪ Surveys and questionnaires</li> </ul>
Data requirements	<ul style="list-style-type: none"> <li>▪ Quantitative, i.e. data available on the SFD 14-20</li> <li>▪ Qualitative, i.e. desk research, interviews, questionnaires, focus groups, etc.</li> <li>▪ Other data available at programme level (in response to questions arising from the data analysis at the monitoring system level, the management documentation of the programmes, etc.)</li> </ul>
Timetable	The study is to indicatively commence in 2019.
Cooperation	All stakeholders involved.

#### **PART B: Evaluations to be carried out between 2020 and 2023**

During 2020, the MA will start its impact evaluation studies which will be based mostly on theory based evaluations whereby the evaluators will assess the theory behind interventions (intervention logic) in order to judge the contribution of the interventions to observe the programme impacts on the ground. Since there is no specific agreed classification of theory-based approaches the evaluators in their bids for such studies will be invited to propose the most suitable methodology in terms of showing how the specific intervention is intended to work and the assumptions behind the theory accordingly to the specific study requested by the MA. As a minimum, the evaluators will be required to address the traditional evaluation questions of whether and to what extent the intervention has worked (i.e. has made a difference to the desired outcome). In this regard, the evaluators are to identify the likely direct and indirect economic, social and environmental impact of the different themes. All impacts in the context of the EU's overarching policy goals as set in the Partnership Agreement will be assessed. Economic impacts may include: impacts on competitiveness, businesses, innovation and research and the macro economic environment. Environmental impacts may include: impacts on the climate, transport use, energy use, air quality etc. The positive and negative impacts for the different themes will be analysed on the basis of a set of criteria linked to the objectives. These studies may use a broad range of methods, i.e. statistical and econometric analysis, multi-criteria analysis etc. Some themes require a more qualitative approach, other a good mix of quantitative and qualitative methods. Depending on the data available the MA may also consider that the

evaluators validate the findings with empirical evidence and account for major external influencing factors, in order to reasonably conclude that the intervention has made a difference.

The thematic objectives and their corresponding investment priorities were selected on the basis of the need to address the challenges identified in the Partnership Agreement and subsequently in the Operational Programme as well as the relevant country-specific recommendations.

In the case of Malta, there are ten (10) thematic objectives supporting growth and sustainable development (funded through ERDF, CF, and ESF) for the 2014-2020 programming period, being:

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of information and communication technologies
3. Enhancing the competitiveness of SMEs
4. Supporting the shift towards a low carbon economy
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and improving network infrastructures
8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Investing in education, training and lifelong learning
11. Improving the efficiency of public administration

Investment from ERDF will support thematic objectives 1, 2, 3, 4, 6, 7, 9, 10 and CF will support thematic objectives 6 and 7.

OPI aims to strengthen the productivity of enterprises, boost research and innovation, enable the shift towards a more low-carbon and environmentally-friendly society, foster health and social development and increase education attainment in line with Malta's ambition to contribute towards the Europe 2020 targets for smart, sustainable and inclusive growth. The objectives of the Programme will be achieved through twelve Priority Axes which are divided in line with the interventions and are based on the scope of the ERDF and CF regulations.

In view of the different objectives of the Priority Axes and their specific nature, it is envisaged that the thematic evaluations will be carried out according to the different thematic objectives. Although the Managing Authority will not be carrying out an evaluation on each Thematic Objective or Priority Axis, all the Programme's objectives will be covered. It is being foreseen that the thematic evaluations will cover the following areas:

- Competitiveness of SMEs, covering thematic objective 1 (investment priority 1b – promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies); thematic objectives 2 (investment priority 2b – Development ICT products and services, e-commerce and enhancing demand for ICT); and thematic objective 3 in its entirety since all investment priorities are related to SMEs.
- Research, technological development and innovation, covering thematic objective 1 (investment priority 1a – Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest; and investment priority 2c – strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health).
- Environment, covering thematic objective 6 (investment priority 6i – investment in the waste sector to meet the requirements of the Union’s environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements; and investment priority 6ii – investment in the water sector to meet the requirements of the Union’s environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements).
- Energy Efficiency, covering thematic objective 4 (all investment priorities related this areas will be assessed).
- Transport, covering thematic objective 7 (all investment priorities related to this area will be assessed).
- Culture for Economic Growth, covering thematic objective 6 (investment priority 6c – conserving, promoting and developing natural and cultural heritage).
- Sustainable Urban Development, covering thematic objective 9 (investment priority 9b – providing support for physical, economic and social regeneration of deprived communities in urban and rural areas).
- Health and Social Infrastructure, covering thematic objective 9 (investment priority 9a – investment in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services).

- Education, covering thematic objective 10 (investment priority 10a – investment in education, training, and vocational training for skills and lifelong learning by developing education and training infrastructure).

With regard to the last two thematic objectives, the MA will be assessing these together with the objectives, interventions and priorities being supported under OPII. This is being done in order to have more comprehensive analysis of the interventions which complement each other in the end results they are trying to achieve.

The main evaluation questions have been developed on the basis of a detailed assessment of the programme theory (intervention logic) whereby the latter has been developed during the planning stages of the Programme. It is important to highlight that such intervention logic can be further developed during the implementation phases or even after certain interventions were implemented. Therefore, prior to any evaluation being planned, the MA will assess if it needs to update the programme theory and revise or elaborate as necessary the related evaluation questions. Prior to every evaluation the MA will reassess if the data available is sufficient to address the key evaluation question. Indeed this will be a continuous process and thus the MA will be liaising with its stakeholders on a regular in order to verify what data available there is at their end and how this can be used for such studies. Should there a limitation of data available, the MA will engage an external expert in order to start collating the necessary data. Moreover, to ensure that any shortcomings are addressed early into the implementation of the Operational Programme, the MA will in 2016 undergo an external independent assessment of the data collection mechanism in place and their contribution/relevance to impact evaluation studies to be carried out in the towards the end of the programme.

It is to be noted that the above studies will be conducted in parallel, however, their timing and sequence will depend on a number of factors such as progress of the intervention's implementation on the round, results achieved, data available, strategies/policies available together with the necessary updates, etc.

On the basis of the previous programming experience, impacts can be assessed towards the very end of the programming period when the interventions have been finalised and can start reaping the results. Therefore, it is being envisaged that impact studies start rolling in 2020.

- **Thematic Evaluation 1: Enhancing SMEs Competitiveness**

Micro enterprises and SMEs constitute the backbone of the Maltese economy. Notwithstanding this, fostering an entrepreneurial culture and the creation of start-ups remain key challenges in Malta. Thus,

Government, with the support of the programme, will aim to create an environment which is conducive to private sector investment, attracts new industries, promotes and supports start-ups and enables SMEs to develop and grow. This will be done through support to private undertakings to undertake RDI, to take advantage of growth potentials in line with the smart and flexible specialisation principles that have been identified in Malta's National R&I Strategy. Government will also facilitate actions which will enable the private sector (particularly SMEs and Micro-Enterprises) to exploit digital technologies with a view to increase their competitiveness through initiatives such as online trading, adopt new technological measures and increase their presence in domestic and international markets as well as creating the necessary support infrastructure to support start-ups and growth. Finally with the implementation of the SMEi Operational Programme and the implementation of dedicated financial instruments under the main Operational Programme, government intends to provide the support network that would facilitate SMEs access to financing with a number of financial product on the market. It is evident that increasing access to finance for SMEs is a key determinant of SME growth. This entails job creation in the country or region under consideration, which, in turn, produces an improvement in household revenue and consumption, thus entailing a positive effect on the overall economic situation.

In this regard, the evaluation is to assess the improved competitiveness of enterprises which can be defined as the advantage that firm gain by lowering costs, increasing productivity, improving the quality of products, offering innovative products and services, and by improved marketing and branding.

The evaluation will be assessing the key measures and their link to the investment priorities together with their impact on the ground/economy. Measures to support entrepreneurship will be designed with the objective of facilitating the economic exploitation of new ideas and foster the creation of new firms. The evaluation will therefore analyse and assess the impact of the financial aid provided to enterprises under the form of grants, and also financial instruments vis-a-vis new enterprises, early stage-capital and expansion capital. Furthermore the assessment will cover any analysis of whether and how the programme (SME Operational Programme) facilitated easier access to finance, together with the impact on the economy as a result of such investment.

- **Thematic Evaluation 2: Research, technological development and innovation**

In 2012, total R&D expenditure as a percentage of GDP stood at 0.91%, thus exceeding Malta's EU 2020 target of 0.67% but this is well below the EU average which currently stands at 2.01%. ERDF investment within this area will address key challenges including: limiting public capacity in terms of infrastructure to undertake research activities and hence a limited research and innovation culture; limited collaboration between private and public sectors; limited expenditure in R&D; limitation of research infrastructural

facilities. Moreover, innovation is necessary to remain competitive by increasing companies' productivity, accessing new, higher added-value markets and ultimately leading to sustainable employment creation. Thus, it is being envisaged that evaluation will be assessing the extent to which the needs and challenges faced by Malta within this sector were achieved through EU funded interventions including: R&I facilities. In line with the Operational Programme the evaluation will assess to what extent the cooperation and networking activities among various innovation actors including academia has been successful.

An analysis of the smart specialisation strategy could be useful for the identification the likely impact of such interlinkages and possibilities. In view of aid schemes specifically related to R&D, the MA can consider assessing the increase of profitability of firms supported; size of grant and the correlation with the size impact; hints of positive impact on investment. In this regard, the MA will set its necessary assessment depending on a number assumptions such as: level of development of research capacity, capacity of firms to absorb innovation, effectiveness of innovation system, etc.

Moreover, ICT is an important driver of innovation and growth – digital technologies play a horizontal cross-cutting role as they also enable the spread of innovation in economic activities. In this regard, the evaluation will focus on the extent of support provided in the development and deployment of IT solutions in SME in order to facilitate the smart use of ICT and the integration of smaller business in the digital value chain of the economy.

- **Thematic Evaluation 3: Environment**

Water is vital for growth and competitiveness. In fact, the security of water supply is a persistent challenge for the Maltese Islands and plays a key role in addressing climate change. In this regard, the Managing Authority will assess the sustainability of the water resources in the long term following the necessary intervention with the main aim of addressing the challenges in the water sector emanating from high water scarcity and improved water quality and supply. This will be complemented by assessing the enhanced level of efficiency in the distribution network. Furthermore the MA will delve in how the improvements in the state of the environment or the increased level of compliance with relevant provisions of the EU acquis has contributed to social or economic development.

Waste management is another important component of regional development. The Managing Authority will be assessing the effects of the intervention whether they have achieved a more sustainable waste management system not only in view of health and environmental considerations but also as regards socio-economic development. Furthermore it might be also ideal to assess the benefits of the interventions related to waste reduction and their societal and economic impact.

- **Thematic Evaluation 4: Energy Efficiency**

Malta's energy needs are mainly dependent on fossil fuel oil and the production of electricity is one of the highest contributors of GHG emissions on the Islands. In order to shift towards a low carbon economy by reducing the share of non-renewable energy sources and fossil fuels in favour of RES, a radical change in the national energy supply strategy is needed. Thus, ESIF are a crucial tool for helping Malta to achieve its EU 2020 objectives, including the headline target on energy efficiency (EE). It is to be noted that national priorities in terms of reaching the indicative national EE target are indicated in Malta's National Energy Efficiency Action Plan (NEEAP) and the context of the Energy Efficiency Directive which also reflects the plans to implement the necessary obligation and strategies for building renovation, with a targeted focus on public buildings. It is clear that the investment under both RE and EE will be essential to meet EU2020 targets, and also such evaluation will assess the impact of the interventions that will enable the achievement of Malta's longer-term targets.

Moreover, during the 2014-2020 programming period, the Government will continue to invest in network projects aimed at increasing the amount of energy generated through renewable sources. In this regard, EU funds will be leveraged through financial incentives targeting the domestic sector. Moreover, in linking energy efficiency as a key component to enterprise competitiveness, the evaluation will assess resource efficiency include energy efficiency (EE) in relation to the cost structure and competitiveness of SMEs. Indeed, the Government will stimulate the commercial and industrial sectors, which account for over 50% of the energy consumed locally to contribute towards the low-carbon economy in order to increase the generation of energy from RES and improve energy efficiency in the commercial and industrial sector. Moreover the evaluation will assess the benefits of measures with the main aim to enhance energy savings and promote energy efficiency systems and buildings which will ultimately contribute towards EU 2020 and national targets

- **Thematic Evaluation 5: Transport and Network Infrastructure**

The sector represents a key area of growth and competitiveness, in particular through servicing the other sectors of the economy. The evaluation will also focus on the impact of sustainable forms of transport and the modal shift in terms of reducing the environmental impact of transport both in terms of Greenhouse Gas Emissions and local pollution, expected economic development impact. Indeed, in the 2014-2020 programming period, Malta plans to take further steps towards implementing a sustainable modal shift (through the promotion of alternative modes of transport, both land and sea) and to increase the share of cleaner transportation (including public transport), whilst ensuring a reduction in GHG emissions

emanating from the transport sector. Prior to conducting such study, the Managing Authority will assess the situation at that particular timing as the problems in the transport sector are quite specific in Malta.

- **Thematic Evaluation 6: Culture for Economic Growth**

Considering the size of the Islands, Malta is adorned with a considerable amount of natural, cultural and historical assets. The rich cultural and historical heritage, including three World Heritage sites, fortifications, archaeological sites and other historical buildings, which provides the Maltese Islands a key asset that directly contributes towards the Maltese economy, particularly the tourism sector. Tourism market surveys carried out in 2012, show that 42% of tourists respondents chose history and culture as the main motivator to visit Malta. Thus, the assessment will seek to assess the growth in the economy due to the investments in the cultural and natural heritage and their impact on the local scenario. Evaluation will assess the long term and sustainable impact of the investment and how it is grounded in the economic development. In the case of the culture related to the sustainable urban development interventions, the evaluation will also take into account (subject to data availability) the economic impacts in terms of employment and economic growth.

- **Thematic Evaluation 7: Sustainable Urban Development**

The development of the urban fabric is meant to provide a safe living environment supported by the provision of adequate social and community facilities complemented with a thriving business community. Within this context and in line with the guiding principles of the Strategic Plan for Environment and Development, Government is committed to develop an integrated approach towards the continuing enhancement of urban areas to improve the quality of life and sustainable living standards of deprived communities. The study will assess the impact of the ERDF interventions had on the Southern harbour area, especially in terms of accessibility and urban infrastructure. The evaluation will assess the impact of the integrated approach in a given area. Furthermore, the evaluation will demonstrate the progress achieved through EU Funding in line with Sustainable Urban Development Strategy and how it is being incorporated in the national policy, planning and investment

A summary of the evaluation questions in relation to each thematic evaluation which will be assessed towards the end of the programming period are presented here under:

<b>Thematic Objective</b>	<b>Evaluation Questions</b>
Enhancing Competitiveness of SMEs	Assess the effects the interventions aimed to enhance success, including Aid Schemes and Financial Instruments, had on SMEs in Malta and Gozo, and their leverage affects.
	Assess the private investments carried out as a direct cause of public investments.
Research and Development	Industry – Assess the value added of the collaboration with industry and academia; the participation in incubators or clusters; profile of industry companies/clients for future strategies; the type of research output in the industry/business; the focus and diversity of research collaborations and partnerships.  In view of aid schemes specifically related to R&D, the MA may consider assessing the increase of profitability of firms supported; size of grant and the correlation with the business performance.
	Public sector – Assess the volume of research with/for the public sector; trends in patents; assessing the ratio of public to private investment in research, technological development and determining how much private investment is caused by public investment.
Culture and Tourism	Analyse the growth in the economy due to the investments in the cultural, historical and natural heritage and the impact on the local scenario.
Sustainable Urban Development	Analyse the socio-economic activities in the Southern Harbour, mainly related to employment, social inclusion and urban infrastructure which occurred due to the interventions.
Transport and Network Infrastructure	Assess to what extent did the improvements in the transport sector brought about by the EU-funded intervention impacted the economy, modal shift as well as air quality.
Energy Efficiency	Assess the impact of the increased share of renewable energy sources and energy efficiency through interventions and initiatives for households, enterprises and society at large.
Environment	Assess the contribution of the water and waste interventions towards quality of life and socio-economic development of the country

In December 2022, the Managing Authority will submit to the Commission a report summarising the findings of evaluations carried out during the 2014-2020 programming period and the main outputs and results of the operational programme in accordance with Article 114(2). Thus, the majority of evaluations

with the exception of some Thematic Evaluations related to impact will need to be closed off prior to that date.

## Chapter 8 Management of the Monitoring and Evaluation Strategy

This section describes how the Monitoring and Evaluation Strategy will be managed, who will have the overall responsibility for its implementation, etc. Evaluations will be outsourced to independent, external experts in accordance with the Maltese Public Procurement Regulations.

The main bodies in charge of monitoring and evaluation will be as follows:

- Managing Authority;
- Evaluation Steering Group;
- Monitoring Committee; and
- European Commission.

The MA is responsible for the entire evaluation process and its organisation, mainly:

- Drawing up the Monitoring and Evaluation Strategy and overseeing its implementation;
- Ensuring continuous assessment and enhanced progress towards results and objectives to be achieved;
- Promote the necessary cooperation and coordination to ensure inclusive discussions between different stakeholders;
- Monitor and evaluate the achievement of projects and their contribution to the Operational Programmes' results;
- Ensure that the necessary mechanisms are in place in order to determine who is responsible for monitoring and data collection, how often it will be collected, who will receive it and in what form;
- Coordinating the monitoring the evaluation process, including contracting the independent experts/evaluators through public procurement procedures;
- Supporting local and external independent experts contracted to evaluate programmes projects and their components;
- Ensuring that the evaluation process achieves the desired standards;
- Managing relations including consultations and feedback with evaluation and national stakeholders and following-up evaluation results;
- Ensure effective use and dissemination of monitoring and evaluation information in future planning and decision making for improvements.

On the basis of the previous programming period, the ESG will ensure an effective coordination of evaluation activities and enable the flow of information amongst stakeholders. Such group has therefore been established to oversee monitoring and evaluation activities which will help to ensure that information is available in a timely fashion to not only meet the reporting requirements of the Commission, but also to

inform future decisions on the programme. The ESG meetings will also strengthen capacity building amongst the members. Further to the functions of carried out during the 2007-2013 programming period, the remit of the ESG is as follows:

- Advise on the specific monitoring and evaluation activities to be undertaken during the course of the programme, including quality assuring external evaluations undertaken;
- Provide input to on-going monitoring and evaluation activities where appropriate, drawing on the expert knowledge on the members of the Group;
- Assist in identifying and agreeing how some of the gaps in the reporting data can be best addressed;
- Exchange information, including methodologies, and lessons learnt on evaluations, studies or assessments carried out by other stakeholders; and
- Advise and assist in the dissemination of the key results from the monitoring and evaluation activities in order to inform stakeholders of the performance of the programme.

The Steering Group will be made up of representatives from the Line Ministries (both from a project implementation and policy aspect), National Commission for the Promotion of Equality (NCPE), National Commission for Persons with a Disability (NCPD), Economics Policy Division within the Ministry for Finance, and other entities/experts as deemed necessary.

In line with Article 110(1) of Regulation (EU) 1303/2013, the Monitoring Committee will examine:

- Any issues that affect the performance of the Operational Programmes;
- Progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations;
- Implementation of the communication strategy;
- Implementation of major projects;
- Implementation of joint action plans;
- Actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for persons with disabilities;
- Actions to promote sustainable development;
- Where applicable ex ante conditionalities are not fulfilled at the date of the submission of the Partnership Agreement and operational programme, progress on actions to fulfil the applicable ex ante conditionalities; and
- Financial instruments.

Thus it is important that the monitoring procedures are robust in order to provide the Monitoring Committee with sufficient, adequate and correct data for its analysis and discretion.

Moreover, in line with Article 110(2), it shall also examine and approve, amongst others, the:

- annual and final implementation reports; and
- evaluation plan for the operational programme and any amendment of the evaluation plan, including where either is part of a common evaluation plan pursuant to Article 114(1).

Apart from the annual and final implementation reports, the MA will be circulating the final draft evaluation report for their feedback and analysis in advance of the meetings and will be then be presented during the Committee by the evaluators themselves. Any comments provided by the Monitoring Committee will be taken on board in order to further strengthen the analysis. Moreover, the MA will be following-up all necessary actions with the relevant stakeholders. The stakeholders will be asked to present any follow-up actions taken by their entities during the Monitoring Committee in order to ensure commitment and visibility from the stakeholders' end.

Similar to the practice carried out during the previous programming period, the European Commission will be invited to participate in the Monitoring Committees and the Evaluation Steering Group. The MA shall cooperate with the Commission's representatives to develop and further enhance the evaluation system by providing feedback on evaluation plans, guidelines and ToRs. The cooperation between the MA and the Commission will continue during specific evaluations and *ex post* evaluations carried out by the Commission or other European institutions. The European Commission will be in possession of the final evaluation reports in their entirety following the approval of the Monitoring Committee through the SFC 2014-2020 system.

### **Roles and Responsibilities**

- **Monitoring**

While some monitoring functions can be assigned to officers at project levels, monitoring responsibilities at Operational Programme requires collective effort by the Monitoring and Evaluation Unit in order to compile, validate and verify the data. The respective roles and responsibilities are indicated in the below table.

<b>Who: Actors and Accountability</b>	<b>What: Roles and Responsibilities</b>	<b>How: Timing and Methodology</b>
<p><u>MA</u></p> <p>Lead and oversee the Programmes to determine progress towards intended results</p> <p>Identify and manage the necessary consultations to further enhance the necessary partnership between the different partners</p>	<p><u>Monitoring for programme level results</u></p> <p>Nationally own the result-based monitoring and evaluation system for this programming period</p> <p>Provide clear basis for decision making and guide development initiatives related to monitoring and evaluation</p> <p>Link results with resources and ensure accountability in the use of resources</p> <p>Monitor the effectiveness of implementation especially in tackling the constraints for the achievement of results including the milestone targets and take related actions</p> <p>Ensure quality and appropriate use of monitoring evidence and lessons learnt</p> <p>Develop and implement the M&amp;E framework for the Operational Programmes</p>	<p>1. At initial stages:</p> <p>Through active participation in the development and implementation of the monitoring and evaluation system</p> <p>2. Reviews of progress towards output and result indicators by:</p> <p>Review progress, issues and trends in the achievement of results through the MIS, etc.</p> <p>Approve through the Monitoring Committee the annual work related to the monitoring and evaluation tasks</p> <p>Determine strategic contribution being made by the programme towards results through review of the day to day monitoring and Project Progress Reports</p> <p>Decide on strategic changes needed in programme results and resources</p> <p>Finalise evidence-based contribution of programme as a whole</p>

	<p>Use project level monitoring data and feed into programme discussions</p> <p>Promote capacity development in monitoring and evaluation</p>	
<p><u>Project Level</u></p> <p>Manage EU financed projects to help reach the necessary project level targets;</p> <p>Contribute to project management and project performance</p>	<p><u>At project level, monitoring outputs and results:</u></p> <p>Ground the project in larger context in line with its related strategy/policy</p> <p>Take steps towards achieving the necessary targets</p> <p>Ensure efficient use of resources</p> <p>Feed information of project data to higher level monitoring (project and programme level monitoring)</p>	<p>1. At initial planning stages:</p> <p>Development and implementation of the monitoring and evaluation system through an inclusive process</p> <p>2. Throughout the programme cycle by carrying out monitoring activities connected with the project</p> <p>3. Involvement in the day-to-day monitoring of the project through:</p> <p>Report and assess the progress towards the achievement of output and contribution to results indicators</p> <p>Determine issues that require decisions in collaboration with the MA in relation to monitoring aspects</p>





	<ul style="list-style-type: none"> <li>▪ Identify evaluation questions, draft evaluation ToRs, select evaluators through the public procurements procedures, map stakeholders according to the areas being assessed, review draft evaluation reports and provide feedback</li> <li>▪ Facilitate and ensure the preparation and implementation of relevant management responses together with the necessary follow ups and of findings</li> <li>▪ Ensure effective use and dissemination of monitoring and evaluation information in future planning and decision making for improvements</li> </ul>	<p>Post-evaluation and follow up</p>
<p>Stakeholders</p>	<ul style="list-style-type: none"> <li>▪ Actively participate in the development and implementation of the Monitoring and Evaluation Strategy and annual evaluation plans, and partake in the necessary follow-ups</li> </ul>	<p>Planning, monitoring, implementation and follow-up</p>

## **Capacity Development**

The Monitoring and Evaluation activities at programme level will be carried out by employees within such specific unit. The unit currently has 2.5 full time equivalent (FTE) working on evaluation. The personnel capacity in evaluation will be increased to 3 FTE in Q2 2016. It is to be noted that since the MA is responsible for the implementation of both ERDF and ESF, the tasks of such officers will be distributed accordingly.

Monitoring activities under the 2007-2013 programming were implemented and overseen by the respective Programme units however given the shift in function of the Monitoring and Evaluation Unit such activities will be manned by 3.5 FTE. It is important to note that capacity will change according to the cycle, stages of the implementation progress and the needs of the MA. Additionally, the Monitoring and Evaluation Unit will carry out evaluation activities in cooperation with the administration involved of the Operational Programme Management and programme coordination. Adequate administrative capacity building is needed to meet the challenges of the ESIF evaluation and monitoring requirements.

The development of specific capacity is a multi-stage process that requires time. The evaluation capacity development is built on three dimensions, mainly:

- Demand side dimension which refers to the commissioning side of the evaluation process;
- Supply side dimension which refers to the availability and quality of both external evaluation expertise and socio-economic data resources;
- Dissemination and utilisation of evaluation outputs.

Following the 2007-2013 programming period experience, officials need to have an in-depth knowledge of the most common evaluation methodologies and techniques, good analytical thinking, and capacity to report in a comprehensive and effective manner. Furthermore, officials also need to have mediation skills, the ability to build and maintain positive relationships between stakeholders and evaluators, and the ability to assess the quality of the methodology and outputs of the evaluation process.

Targeted efforts at strengthening human resource will be necessary during the 2014-2020 programming period. Training together with other capacity building measures remain crucial for the increased efficiency and effectiveness of monitoring and evaluation management within the MA.

The MA should ensure that the Monitoring and Evaluation officers are properly trained in their respective area in order to provide timely and quality outputs and reach the objectives and results of the MA and the Programmes. Officers will be mobilised and work will be coordinated between the officers accordingly. This will help to develop a good working ethics between the officers and also between the stakeholders,

especially the beneficiaries. The MA will be investing in its officers by providing them with continuous training in areas such as evaluation, indicators, data collection, etc. This will further ensure uniformity in the work carried out. The MA will be implementing the train-the-trainer principle, thus knowledge will be transferred from one officer to another. Furthermore, training will be carried out in line with the Training Strategy drawn up by the MA. Thus, internal officers will be attending training courses held locally (e.g. by organising a training seminar wherein officials from the Commission and other experts will be invited), as well as training courses offered through the Commission itself, the European Institute for Public Administration (EIPA), the European Academy for Taxes, Economics and Law, Lexxion Training, etc. Moreover, officers will also be attending the DG REGIO Evaluation Network Meetings on a regular basis given that these serve as a source of information gathering and knowledge sharing, as well as build a network of expertise in the area of evaluation and monitoring.

Besides training, the MA will be organising a conference ideally towards the mid-implementation of the OPs which will be open to its main stakeholders, beneficiaries as well as companies carrying out evaluations, national experts, etc. The main aim would be to invite officers from the European Commission, other Managing Authorities, and other national and/or European experts in order to strengthen the national capacity on methodology to be used, best practices around Europe, exchange of information, etc. It will also serve as a forum for discussion between the MA, the European Commission and other stakeholders on issues concerning evaluation, including methodology, indicators, as well as evaluation results and their use, amongst others.

The three dimensions mentioned above will be further explained in the below sections.

### **Demand Side**

Carrying on from the 2007-2013 programming period, Malta will continue to strengthen its structure for the monitoring and evaluation of the Programmes. This will be complemented by the improved timeliness and quality of monitoring data as explained in previous sections. The MA is aware that well-functioning systems and availability of coherent and timely data is a pre-requisite for a good evaluation system.

Designing and building a reporting system that can produce trustworthy, timely, and relevant information on the performance of projects, programs, and policies requires experience, skill, and improved institutional capacity. Capacity for a results-based reporting system has to include at least the ability to successfully collect, aggregate, analyse and report on data in relation to the indicators and their baselines. Officers within the Monitoring and Evaluation unit will be equipped with the skills and understanding to know what to do with the requested information. This will be mostly achieved through continuous training.

Officers will also have the relevant background/qualifications in areas such as Economics, Management and other relevant fields.

Statistical capacity is an essential component of building results-based monitoring and evaluation systems. Information and data should be valid, verifiable, transparent, and widely available to the government and interested stakeholders, including the general public. The statistical capacity with the Monitoring and Evaluation Unit will be further enhanced through the recruitment of specialised personnel such as economists who will be responsible for collecting and compiling the necessary data. This will be also complemented through the necessary relevant training related to statistical techniques and analysis, and the use of software related to statistics such as Statistical Package for the Social Sciences (SPSS).

Technical skills in data collection and analysis are necessary for the monitoring and evaluation being proposed for the 2014-2020 programming period. The MA will commit continuous financial resources to the upkeep and management of results-based monitoring and evaluation system which can eventually result in the long term sustainability of such system. Such capacity will be also strengthened with the contribution provided by the National Statistics Offices and other government entities/Ministries involved in providing the necessary data and information. The National Statistics Office will be a key component to evaluations as it is expected to provide high national surveys and analyses of findings.

It is being envisaged that the recipients of evaluation exercises, the beneficiaries, are trained on general evaluation principles, what to expect from evaluations, how to prepare for an evaluation and how to best contribute to an evaluation exercise. Furthermore, as a minimum any officers within the monitoring and evaluation working on evaluation will be equipped on how to prepare for evaluation, evaluation methodologies, designing and managing evaluation exercises and use of evaluation results. Specific training will be focus on the use of specific methods of evaluation such as theory based approaches and counter factual impact evaluation. Emphasis will be also placed on what each method is suitable for, its limitations and requirements. Following such training, the MA can set its evaluation methodologies and methods of assessment.

At application stage, the MA will also encourage the beneficiaries to carry out evaluations, assessments, etc. at project-level stage. Such evaluations, assessments, studies, etc. should be then provided to the MA wherein they will be stored internally and can eventually feed in evaluations at Programme level.

Apart from training, events on exchange of experience between different Member States institutions would also contribute to further monitoring and evaluation capacity development within the MA and higher awareness of various aspects of the entire system for monitoring. Such aspects could focus on issues

such as: experience gained in monitoring procedures (data collection, validation/verification procedures) or commissioning evaluations (procedures, steering experience, quality of reports, impacts, lessons learnt etc.).

Representatives from the Monitoring and Evaluation Unit will continue to participate in the evaluation meetings organised by DG REGIO whereby in such meetings, Member States discuss very practical evaluation issues through a combination of presentations from experts in the field and exchange of Member States' experience. This is valuable for the MA as sometimes specific-issue events are lacking at EU level such as specific themed workshops as other training of more generic nature cannot fill such gaps in these instances. The MA will continue networking with other Member States to facilitate exchanges of good practice sharing of best practices and enhancing capacity building.

### **Supply Side**

Both under the 2007-2013 and 2014-2020 programming period, the supply of evaluation remains external to the MA in line with Article 54(3) which states that "evaluations shall be carried out by internal or external experts that are functionally independent of the authorities responsible for programme implementation." Under the previous programming period, local companies tend to dominate the provision of services with limited involvement of foreign expertise. On a general opinion, the quality of external evaluation services is quite positive, however there is certainly room for improvement, such as quantitative and qualitative techniques, horizontal issues etc.

The MA recognises that it is difficult to strengthen the supply since it is outside the remit of the public administration. Hence, the following means to reinforce evaluation capacity development on the supply can be considered. The commissioning of evaluations would provide more possibilities for participants (evaluators) to take part in evaluation activities and therefore contribute to strengthening capacity. Furthermore, small scale evaluations (thematic) will have the potential to raise interest in providing evaluation services and to attract new players into the market. The MA will continue to develop the external evaluation expertise by using the Public Procurement (tendering policy) as an instrument (e.g. attempting to widen the evaluation capacity, attract academics etc.). The MA will also discuss its plan with the ESG which would also form part of the evaluation community.

### **Dissemination and Utilisation**

It is evident that unless evaluations reach out to the policymakers and decision makers, it cannot be expected that recommendations are taken on board in order to maximise progress and results achieved.

One of the main functions of evaluation is the provision of information on the ESIF in Malta to the relevant stakeholders in line with Article 56(3).

The evaluators/expertise will be bound to present the findings and main conclusions to the various evaluation related committees. In order to make provisions for the dissemination of the evaluations' outcomes, various initiatives could be undertaken at different levels:

- At the initial stages of the evaluation process, once the methodologies put forward by the evaluators are approved by the MA, these will be explained to the members of the ESG and Monitoring Committee so that the necessary stakeholders will be aware of the forthcoming evaluation requirements.
- The evaluators will be requested to hold an information session with the beneficiaries and other stakeholders as deemed necessary in order to inform them about their role in the evaluation, any data requirements which would need to be collected, etc. This will further strengthen cooperation between the MA, beneficiaries and the evaluators.
- After the MA reviews the evaluation reports and internal discussions are held between the MA and the evaluators, all those beneficiaries/stakeholders involved in the exercise will be invited to a validation meeting whereby the main findings are presented together with the recommendations being put forward by the evaluators. The evaluators are to ensure an active debate amongst the participants.
- Following the finalisation of the evaluation reports, the MA will conduct meetings/workshops with the stakeholders in order to discuss the issues arising from the evaluation exercise, recommendations and also their potential uptake and implementation. An ESG meeting will also be held in order to discuss the recommendations and follow-ups in an active manner.
- The final evaluation reports will be presented to the Monitoring Committee by the evaluators themselves. The evaluators will present the findings, as well their recommendations. On the other hand, the MA, together with the respective stakeholders, will hold a brief presentations on the required follow-ups (e.g. present a timeline of events, changes to be done, etc.).
- The recommendations and follow-ups will then be presented in the annual implementation report.

Dissemination is an important element in the process of evaluation. An efficient system of dissemination will ensure that the target recipients receive feedback that is relevant to their specific needs. Some of the most commonly applied dissemination methods for monitoring and evaluation will include: power-point presentations to the ESG and Monitoring Committee members and then uploaded on the MA's website together with a citizens' summary in pdf format. Additionally, the MA will eventually consider the option of uploading evaluation briefs, besides the citizens' summary in Maltese and English, which would contain non-technical summation of the report to increase general interest without overwhelming the reader with

the technical jargon. In order to safeguard the integrity and accuracy of evaluation, the MA may consider including the requirement to draft these citizens' summaries and any other briefs as required in the ToRs.



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potential impacts and the assessment of their compliance with the defined objectives.									
Assessment of communication activities held in line with ESIF Communication strategy									3%
Impact Evaluation (covering 8 thematic areas)									34%
Summary report: Wrap up of main evaluations carried out during the previous year									3%
Dissemination Allocation									2%
Capacity Building for Monitoring and Evaluation									8%
Ongoing monitoring and if necessary any other ad hoc evaluations (including data gathering studies relating to indicators)									25%
Total Allocation (EU share)									100%

## Annex I

Thematic Area	Impact Assessment	Data Sources and Type of Data
Enhancing Competitiveness of SMEs	<p>Assess the effects the interventions aimed to enhance success, including Aid Schemes and Financial Instruments, had on SMEs in Malta and Gozo, and their leverage affects.</p> <p>Assess the private investments carried out as a direct cause of public investments.</p>	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Access to finance</li> <li>▪ Short-term industrial and services indicators</li> <li>▪ Business registers related to business demographics and innovation</li> </ul> <p><b>Malta Financial Services Authority's</b> publications on and databases on the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Economic and Market Overview</li> <li>▪ Malta Financial Services Authority – Annual Report which provides an overview on the market</li> <li>▪ Registry, including companies' financial statements and annual returns</li> </ul> <p><b>Employment Training Corporation's</b> registry, including information on the number of persons employed in a particular year and their employment history.</p> <p><b>Additional data</b> to be collected at project level before and after the intervention in order to carry out a detailed micro analysis.</p>
Research, Technological Development and Innovation	<p>Industry – Assess the value added of the collaboration with industry and academia; the participation in incubators or clusters; profile of industry companies/clients for future strategies; the type of research output in the industry/business; the focus and diversity of research collaborations and partnerships.</p> <p>In view of aid schemes specifically related to R&amp;D, the MA may consider assessing the increase of profitability of firms supported; size of grant and the correlation with the business performance.</p>	<p><b>Malta Council for Science and Technology's</b> press releases and publications, as well as any other data that is collected vis-à-vis RTDi.</p> <p><b>Additional data</b> to be collected at project level.</p>

	Public sector – Assess the volume of research with/for the public sector; trends in patents; assessing the ratio of public to private investment in research, technological development and determining how much private investment is caused by public investment.	
Culture and Tourism	Analyse the growth in the economy due to the investments in the cultural, historical and natural heritage and the impact on the local scenario.	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Inbound tourism</li> <li>▪ Museums</li> </ul> <p>A number of <b>Malta Tourism Authority's</b> Press Releases, Statistics as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Tourism in Malta which provides the key tourism figures for Malta and gives an overview of Malta's tourism performance</li> <li>▪ Tourism expenditure survey</li> <li>▪ Profile of incoming tourists, including their purpose visit to Malta (culture / history / natural heritage)</li> <li>▪ Overall tourism experience in Malta</li> <li>▪ International tourism studies and reports</li> </ul> <p><b>Heritage Malta</b> has information on the number of persons entering its museums and sites.</p> <p>The <b>Superintendence of Cultural Heritage</b> also draws up an annual report incorporating various statistics from Local Councils and other sources on cultural heritage, management plans and governance.</p> <p><b>Additional data</b> to be collected at project level. The necessary mechanism will be created at project level in order to cater for natural heritage statistics.</p>
Sustainable Urban Development	Analyse the socio-economic activities in the Southern Harbour, mainly related to employment, social inclusion and urban infrastructure which occurred due to the interventions.	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Statistics on Income and Living Conditions, focusing on children and the elderly, main dwellings and material deprivation, and other</li> </ul>

	<i>(This will eventually reflect the Strategy for Sustainable Urban Development.)</i>	<p>salient indicators related to household situations, disposable income, crime, etc.</p> <ul style="list-style-type: none"> <li>▪ Labour Market Survey, including specific information on registered unemployed and gainfully occupied population</li> <li>▪ Demographic review</li> <li>▪ Census of Population and Housing</li> </ul> <p>The <b>Employment Training Corporation</b> can provide further on the labour force.</p> <p><b>Malta Environment and Planning Authority</b> can provide further information on sustainable development.</p> <p><b>Additional data</b> to be collected at project level.</p>
Transport and Network Infrastructure	Assess to what extent did the improvements in the transport sector brought about by the EU-funded intervention impacted the economy, modal shift as well as air quality.	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Transport Statistics Report, which is a comprehensive report on air, sea and road transport</li> <li>▪ Traffic accidents</li> <li>▪ Motor vehicles (e.g. licenses)</li> </ul> <p>A number of <b>Transport Malta's</b> Press Releases, Statistics as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ National Transport Strategy</li> <li>▪ Public transport</li> <li>▪ TEN-T</li> <li>▪ Marine infrastructure</li> <li>▪ Air pollution emissions</li> </ul> <p><b>Malta Environment and Planning Authority</b> can provide further information on environmental health (related to air pollution).</p> <p><b>Additional data</b> to be collected at project level.</p>
Energy Efficiency	Assess the impact of the increased share of renewable energy sources and energy efficiency through interventions and initiatives for households, enterprises and society at large	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Sustainable development</li> <li>▪ The Climate of Malta: statistics, trends and analysis</li> <li>▪ Electricity generation</li> </ul> <p>The <b>Ministry for Sustainable Development, the Environment and Climate Change</b> can provide further information on:</p>

		<ul style="list-style-type: none"> <li>▪ National Climate Change Mitigation Strategy</li> <li>▪ Waste-to-Energy</li> <li>▪ Annual Report on sustainable development</li> </ul> <p>A number of <b>Malta Resource Authority's</b> Press Releases, Statistics as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Annual Report, including information on resource management</li> <li>▪ Air quality</li> <li>▪ Climate change</li> <li>▪ Mitigation of greenhouse gases</li> <li>▪ Solar RES growth in residential sector</li> </ul> <p><b>Enemalta's</b> Press Releases, Statistics as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Electricity generation</li> <li>▪ Air quality monitoring</li> <li>▪ Air emissions monitoring</li> </ul> <p><b>Additional data</b> to be collected at project level to complement data at national level.</p>
Environment	Assess the contribution of the water and waste interventions towards quality of life and socio-economic development of the country	<p>A number of <b>National Statistics Office's</b> Press Releases as well as Publications related to the following areas will be used:</p> <ul style="list-style-type: none"> <li>▪ Sustainable development</li> <li>▪ Solid waste management</li> </ul> <p>The <b>Ministry for Sustainable Development, the Environment and Climate Change</b> can provide further information on:</p> <ul style="list-style-type: none"> <li>▪ Waste-to-Energy</li> <li>▪ Waste Statistics</li> <li>▪ Rehabilitation Strategies for Magtab, Qortin and Wied Fulija landfills</li> <li>▪ Annual Report on sustainable development</li> </ul> <p><b>Malta Environment and Planning Authority</b> can provide further information on waste (waste statistics, eco-contribution, etc.) and water.</p> <p><b>Additional data</b> to be collected at project level.</p>