



right targets right measures transparency effective management

Slovakia: Indicators

Position paper of Friends of the Earth-CEPA: Evaluating the Cohesion Policy in the 2014-2020 period

Introduction

The EU's Cohesion Policy will be one of the most important tools for achieving the goals of the Europe 2020 strategy, as well as other strategic goals set by Slovakia for the next decade. To ensure efficient use of this tool it is necessary to create a system for its evaluation and monitoring how well it is fulfilling set objectives. The main tool for a quality evaluation is a set of indicators which enables the evaluation of contributions of individual investments from EU Funds from the project level up to the strategic one.

The evaluation system cannot remain a mere formal and technical issue but must become an effective tool. The general attitude towards policy evaluation must change from formal, which fulfils the purpose of accounting to the EU as a donor, to full understanding and acceptance of its importance.

In this position paper, Friends of the Earth-CEPA presents recommendations for an efficient quality evaluation system for the Cohesion Policy necessary for reaching EU-wide goals with a focus on environmental sustainability and the fight against climate change.

Recommendations

Investments within the Cohesion Policy must be based on clear strategic goals and evaluated with a quality system of indicators. When setting up the evaluation system it is necessary to follow several basic principles:

Strategic approach: The goals of the Partnership Agreement (PA) must correspond to the strategic goals of the EU laid down in the Europe 2020 strategy. Furthermore, the goals and targets set for individual levels of the Policy must be based on thorough analysis of the situation in regions which goes beyond a basic macroeconomic data analysis.

Consistency: Goals and their indicators on individual levels from the strategic goals of the PA to the objectives of individual projects must be directly interconnected.

For efficient functioning of the system connections between individual levels of goals is the key. The current system does not allow for sufficient evaluation of CP's contribution to the goals set (see below for explanation).

The proposed system of common indicators on the level of the Europe 2020 strategy and on the level of individual funds is a step in the right direction. If these indicators are not translated to the level of operational programmes and, more importantly, to the level of individual projects the evaluation of individual investments and programme strategies will not be possible.

Quality: Indicator selection must follow clear principles, which ensure their quality and representativeness.

Explaining power: All macro indicators used on the level of the PA must be evaluated in respect to the Cohesion Policy investments. The influence of investments carried out within the CP on basic macroeconomic indicators chosen for the main strategic goal of the PA is extremely important. If it is not possible to prove clear contribution of the Policy to the change of these indicators, they are not usable for the Policy evaluation.



Currently, there are five indicators for the strategic goal of the National Strategic Reference Framework.¹¹⁹ However, of these, 'employment level' is the only one for which it is possible to calculate the overall Policy contribution through the number of created jobs. None of the other indicators are connected to the CP's evaluation system and as these are macroeconomic indicators which are influenced by many external factors their explaining power for Policy evaluation is minimal.

Horizontal control: Horizontal principles ensuring that conditions for environmental and social sustainability are taken into account need to be introduced. These must be evaluated by proper indicators. Horizontal control: Horizontal principles ensuring that conditions for environmental and social sustainability are taken into account need to be introduced. These must be evaluated by proper indicators.

Indicators for individual levels of Cohesion Policy

Principles for choosing indicators

The main principles which ensure the quality of the chosen indicators can be summarized as follows:

Criteria	Explanation
Technically sound, feasible and measurable	<ul style="list-style-type: none"> • Be transparent and based on a theoretical framework (both in technical and scientific terms) • Be based on international standards and a reasonable level of international consensus about its validity • Be readily available or made available at a reasonable cost/benefit ratio • Be adequately documented and of known quality • Be available or made available in homogeneous and coherent databases allowing to assess interdependencies between the indicators • Be updated at regular intervals in accordance with a reliable procedure
Policy relevant	<ul style="list-style-type: none"> • Be useful for national decision-makers • Process the data into concise, policy-relevant information • Allow for communicating the result and the direction a policy should head in • Be either national in scope or applicable to regional environmental issues of national significance.

Partnership Agreement level: Strategic goal indicators

The common indicators proposed by the European Commission, which measure the fulfilling of EU-wide goals are based on a clear and well established methodology and enable the aggregation of values from individual programmes and member states on the European level. This enables the evaluation of the CP's contribution to Europe 2020 targets. We therefore encourage Member States to accept these indicators and the proposed common methodology and to actively participate in its preparation.

We strongly discourage the use of GDP and its derivatives as an indicator for evaluating of CP as it lacks the capacity to comprehensively measure prosperity and well-being improvement achieved through cohesion investments¹²⁰. Its nature and attributes, encompassing the whole economy, do not enable any direct proof the contribution of investments within the PA to changing GDP.

120 <http://www.beyond-gdp.eu/background.html>2. http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm



In order to evaluate progress in the transformation of the Slovak economy towards a climate-neutral and environmentally and socially sustainable economy we propose the following additional indicators to accompany the Europe 2020 indicators:

Priority	Indicator	Unit
Employment	Number of jobs created by supported SMEs in the sector of environmental goods and services (EGS) ¹²¹	full-time equivalent
	Justification: The EGS sector has great potential for job creation in an area which helps stabilize and sustainably manage natural resources and the environment. Support for EGS is in line with the Europe 2020 strategy. All necessary data can be obtained from project applications and from monitoring of projects. Support must be limited to SMEs. Aggregated data on employment in the sector are available at Eurostat. ¹²²	
	Proportion of people employed in the environmental goods and services (EGS) sector (including public transport).	%
	Justification: Environmental goods and services is a sector which should expand, receive support and bring increased employment. Therefore it is important to monitor the real contribution of the sector to employment. Employment in EGS is monitored by Eurostat, public transport is monitored in national statistics.	
	Dispersion of regional employment rates by gender	%
	Justification: Regional disparities in employment are one of the key social indicators explaining real convergence of regions. It is monitored by Eurostat.	
R&D/Innovation	Number of innovations in RES, EE and public transport with a positive environmental impact	Number
	Justification: Innovation should not be taken as a universal positive goal. It is important to look in more detail at innovations which are helping to achieve the strategic goals of the Europe 2020 strategy. Innovation can contribute to GHG emissions reduction, particularly in areas like new RES, energy efficiency and public transport. A well-defined methodology for the evaluation of the environmental impacts of innovations is needed for this indicator.	
Climate change/energy	Absolute reduction of energy consumption	1000 toe
	Justification: In addition to energy efficiency which measures the relative change of energy consumption related to production, and energy mix changes in favour of new RES, it is necessary to monitor the absolute energy consumption decrease which shows the sustainability of management in production as well as consumption. Data is available on a detailed level from Eurostat. ¹²³	
	GHG emissions per sector	1000t CO ₂ e
	Justification: Progress in structural transformation of the economy can be effectively monitored only on the level of economic sectors. Emissions of GHGs are monitored at a detailed level and data are provided by Eurostat and EEA.	
	Primary energy consumption in buildings	kWh/m ² /year
	Justification: The energy efficiency criteria shall apply to all construction works financed within projects. A decrease of primary energy consumption shall be made a condition for financing of all projects involving construction or reconstruction of buildings, both public and private.	
Education	Rate of employed university graduates compared to overall number of graduates	%
	Justification: Quantitative indicators cannot evaluate the quality of the educational system or the situation of graduates on the labour market.	
Poverty and social exclusion	Proportion of population in energy poverty	%
	Justification: Energy poverty is defined as lack of access to electricity, heating or other forms of energy/power. It closely relates to quality of life and is an indicator for inequality in energy distribution. It is not part of statistical data, but should become part of European Union Statistics on Income and Living Conditions (EU SILC).	

121 Environmental goods and services are those that serve in management of resources and the environment including decrease, removing and prevention of pollution of the environment and sustainable management of stock of natural resources. Complete overview of EGS is available at Eurostat: http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/EN/env_ac_egss2_esms.htm
 122 http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_ac_egss1&lang=en
 123 <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/data/database>



Operational Programme level indicators

On the level of OPs we recommend amending the common indicators proposed by the European Commission for individual funds with several indicators, which can help Member States evaluate the fulfilment of its goals more effectively.

Output indicators are commonly used for evaluating the quality of OPs or fulfilling of specific priorities.¹²⁴ However this should be avoided. Outputs measured by number of supported subjects, implemented projects or the amount of funds allocated are not suitable for evaluating the quality of spending. Mixing output and result indicators was identified by the EC as one of the most common mistakes made when using indicators during the 2007-2013 period.

For the thematic goals¹²⁵ "Supporting shift towards a Low-carbon economy in all sectors", "Protecting the environment and promoting resource efficiency" and "Promoting sustainable transport and removing bottlenecks in key network infrastructures" we propose the following indicators:

Sector	Indicator	Unit
Energy/climate change	Reduction of primary energy consumption	GJ/year
	GHG emissions reduction	% compared to base year
	Reduction of GHG emissions achieved within OPs containing investments into the production of energy	tCO ₂ e
	Decrease in energy consumption related to heating	GJ
	Number of residential buildings with energy efficiency measures brought to standard low-energy, passive or higher	Number
Transport	Reduction of GHG emissions of CO ₂ from transport	tCO ₂ /year, %
	GHG emissions per transport mode	tCO ₂
	Modal split of freight transport	%
	Increase of passenger journeys by public transport	Number of passenger journeys
	Share of people commuting using public and non-motorized transport vs. cars	%
	Increase of passenger journeys by bike transport	Number of passenger journeys
Waste management	Decrease of waste production	1000 tonnes/year
	Efficiency of introduced systems of waste separation	% of separated waste components from overall municipal waste
	Decrease of amount of biologically degradable waste in overall municipal waste	%
	Increase of rate of recycling of municipal waste	%
	Decrease of share of hazardous waste in overall waste	%

Project level indicators

Project indicators must directly correspond to the indicators on the level of OPs and the PA and must enable the results of project activities to be related to the overall goals of OPs and to the overall strategic goals of the PA. Project level indicators must be set up in such a way that enables evaluation of the whole production cycle which is influenced by project activities.

In this way a situation is prevented in which the beneficiary does not have to take into account impacts of the production cycle which is not affected by the project directly. An example from new RES utilization is a project for boiler exchange which enables biomass combustion. Traditional evaluation would count only changes resulting from the exchange and thus would enable support for solutions which rely on unsustainable forestry practices, or which introduce redundant capacity which cannot be supported by local or regional fuel base and requires imports of fuel. The same applies to unsuitable technology choices.

124 For example in Slovakia, NSRF indicators for the Specific Priority level include "Number of technically improved facilities of education infrastructure", "...social infrastructure", "Number of projects ensuring sustainability of settlements and increasing their attractiveness", "Number of supported healthcare facilities". The situation is similar on the level of OPs.

125 Cohesion Policy Regulations proposal COM(2012) 496 final: http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/general/general_proposal_en.pdf

