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Monitoring and Evaluation of European Cohesion Policy

European Social Fund

Guidance document

- Draft -

The guidance document will remain provisional up to the approval of the legal provisions on cohesion policy.

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1. INTRODUCTION

The European Social Fund (ESF) delivers a substantial contribution to the Union strategy for smart, sustainable and inclusive growth and represents a considerable part of the budget of the European Union.

In the light of the enhanced need for efficiency due to tighter budgets and more public attention to the effectiveness of EU policy instruments in general, the demand for demonstrating the impact and added value of ESF-supported initiatives is growing. In this respect, monitoring and evaluation play a key role in providing the necessary evidence.

Against this background, and on the basis of the results of the 2000-2006 ex-post evaluation, the new Cohesion Policy Regulations entail strengthened monitoring and evaluation arrangements. This should ensure that monitoring produces robust and reliable data that can be aggregated at EU level and that evaluation activities focus on assessing the effectiveness and impact of ESF support. Nevertheless, evolution but not a complete overhaul of the system reflects the spirit of the Commission's proposals.

This guidance is part of the overall support which the Commission intends to provide to Member States and relevant actors. The document aims at providing concise and practical guidance for the implementation of the new rules by the competent Member State authorities as well as by all relevant actors. It sets out some important changes in the understanding and organisation of monitoring and evaluation. The most important one is the emphasis on a clearer articulation of policy objectives. This is crucial to implement a results oriented policy and moving away from a predominant focus on the absorption of funding. The second major preoccupation is to distinguish clearer between task related to monitoring and those related to evaluation. It sets out more clearly the different types of evaluation and calls for more methodological rigour in demonstrating the effects of our interventions.

This paper does not include detailed guidance on evaluation methods or on the assessment of projects. Guidance on methods can be found in the online portal EVALSED, maintained and updated on the website of the Directorate-General for Regional Policy. Ex ante conditionalities and performance framework are equally not subject of this paper. Guidance on these issues may be provided separately if considered necessary.

While Structural Funds are governed by the same general regulation, some differences remain due to the different nature of the support. Therefore this guidance paper covers the European Social Fund. For the Regional Development Fund and the Cohesion Fund a separate guidance paper will be issued.

2. PROGRAMMING

Operational Programmes (OPs) are the essential instrument for establishing a close link between the ESF and the strategy for smart, sustainable and inclusive growth (Europe 2020). The work done by the Member States in view of preparing and assessing the NRP, complemented by regional needs analysis whenever necessary, and the body of analytical evidence available in the context of the European semester constitute the basis for identifying the particular challenges a Member State or region faces in reaching its Europe 2020 objectives. National or regional statistics might also be useful to complement the above analysis and highlight specific regional needs. The choice of thematic objectives and their financial allocations, as well as the choice of the investment priorities and their corresponding specific objectives, must contribute to achieving the objectives of the Europe 2020 strategy, address the challenges identified in the National Reform Programme (NRP) and the relevant country specific recommendations. This process of strategic programming will support managing authorities to focus on the most pressing challenges identified in the context of the Europe 2020 strategy and the corresponding thematic objectives and investment priorities. The aim of strategic programming is thus to establish a clear *intervention logic* which addresses Europe 2020 objectives at national or regional level. A clear intervention logic constitutes the essential prerequisite for the evaluability of the programmes.

Operational programmes will continue to be built around priority axes. Each priority axis shall, as a rule, correspond to one *thematic objective* as defined in the Common Provision Regulation (CPR, Art. 87 (1)).

For the ESF, the Regulation sets out the following four thematic objectives:

- Promoting employment and supporting labour mobility
- Investing in education, skills and life-long learning
- Promoting social inclusion and combating poverty
- Enhancing institutional capacity and efficient public administration

Within each of these thematic objectives, the ESF Regulation sets out a number of investment priorities. An OP priority axis may consist of one or more *investment priorities* (ESF Reg., Art. 3).

3. MONITORING & INDICATORS

Monitoring has two sides: on the one hand, it is to be understood as a continuous and systematic process of generating quantitative data on implementation; on the other hand, monitoring involves the examination of these data sets in the MC. This guidance will mostly deal with the former, i.e. with generating the data.

Essential to programme monitoring is to observe on the basis of quantitative data whether programme implementation is proceeding in accordance with the initial plans. Monitoring takes place both at the level of projects as well as at programme level. Except for data on longer-term indicators, monitoring is carried out during a project and the programme's lifetime.

Monitoring is thus a tool. It helps to detect any deviation from initial plans and programme objectives. Therefore it is recommended that monitoring data are entered into the system throughout the year (e.g. on a quarterly basis) by the beneficiaries and not only at the end of the reporting year.

Monitoring can lead to decisions about corrective actions so to improve programme performance. In addition, monitoring delivers data contributing to establish a solid basis for evaluating longer-term results and impacts.

➔ The Commission recommends that the managing authority provides updated monitoring data sets to each meeting of the monitoring committee. This will allow the monitoring committee to examine in detail all issues that affect the performance of the programme (CPR, Art. 43.2).

Monitoring will also allow aggregating key information at European level across all OPs in order to be accountable and transparent to the Council, Parliament, the Court of Auditors and EU citizens in general on what the Structural and Cohesion Fund resources are spent on. This is mainly the task of the common indicators.

Data on all indicators are submitted as a structured data set to the European Commission by electronic means as part of the Annual Implementation Reports (AIR). An implementing act will set out the model for AIRs. The data should be annual; the SFC2014[1] will automatically calculate the cumulative values of the former years and the reporting year in a separate column.[2] The data shall be transmitted in structured form electronically broken down for each investment priority (ESF Regulation, Art. 5.2).

- *Monitoring of OPs uses indicators* –

Indicators are the main instrument of monitoring. Indicators capture outputs and results. Their limitations are acknowledged, in that they can only to a limited extent capture the complexity of the programmes and their effects.

➔ Indicators should be clearly defined, the chosen measurement unit shall be indicated and they shall be periodically measured.

[1] "SFC2014" is a working title for the electronic data exchange system established pursuant to art 63.4 CPR.
[2] The guidance on ERDF and Cohesion Fund monitoring and evaluation requires cumulative data to be reported every year. SFC will accommodate these different reporting requirements.

- *Indicators relate to partially or fully implemented operations –*

Fully implemented operations[3] are those which have been completed. It is, however, not necessary that all related payments have been made by beneficiaries or that the corresponding public contribution has been paid.

Example: A training project is considered to be fully implemented after the last training day, when certificates have been handed out to trainees or after their final exam. At this stage there may still be expenditure which has not been incurred or paid (salaries for example) and the final payment to the beneficiary may follow considerably later.[4]

Partially implemented operations refer to operations which are not yet fully implemented.

Example: A one year training project where participants have attended the first 3 months of training.

The data for each indicator collected from partially and fully implemented operations shall be reported in one single data set, i.e. data stemming from fully implemented operations do not need to be reported separately from data stemming from partially implemented operations. Member States may opt to report data for fully implemented operations only. This approach has however the disadvantage that the time lag between participants entering an operation and reporting the data can be significant, depending of the length of the operation.

In the light of the fact that Member States can retroactively correct data, if they discover errors, the Commission recommends reporting data on partially implemented operations together with data from fully implemented operations.

It is however important to note that the data shall reflect participants or entities who indeed benefitted or are benefitting from support. No data shall be reported on planned or anticipated numbers of participants or entities or on selected projects. As a general rule no data shall be reported on entities who are beneficiaries in the sense of Art. 2 CPR. A Member State may however decide to set up an indicator which only captures data on beneficiaries as defined in Art. 2.

- *Programme monitoring uses three different types of indicators:*

Financial indicators, output indicators and result indicators (CPR, Art. 24.3., 87(2))

- **Financial** indicators relate to the expenditure allocated. They are used to monitor progress in terms of the (annual) commitment and payment of the funds available for any operation, measure or programme in relation to its eligible cost.
- **Output** indicators relate to operations supported. An output is considered what is directly produced/supplied through the implementation of an ESF operation, measured in physical or monetary units. Outputs can be measured at the level of supported

[3] Art. 2 CPR sets out the following definition of operation. Operation "means a project, contract, action or group of projects selected by the managing authority concerned, or under its responsibility, contributing to the objectives of the priority or priorities to which it relates…"

[4] For completed operations that involve physical investment the Regulation uses the term physically completed.

people as well as entities. They are set at the level of investment priorities or specific objective

- **Result** indicators capture the expected effects on participants or entities brought about by the programme, for example, the employment status of participants. They go beyond output indicators in that they capture a change in the situation of entities or participants, e.g. employment situation. In order to minimise external factors influencing the value reported under the result indicator, it is advisable to define the indicator as near as possible to the activities conducted under the respective investment priority. This implies that the effects on participants or supported entities are captured and not the overall effects on a certain groups of society or categories of entities which might include people or entities who did not benefit from ESF support. Results can be immediate or longer-term. For immediate result indicators the data shall be recorded when the participants leave the supported intervention. This moment does not need to coincide with the full implementation of the operation in which the reported person participated. Longer-term result indicators are recorded some time after the support for the person/entity has ended. This moment does not need to coincide with full implementation of the operation. Result indicators are set at the level of investment priority or specific objective.

  Annex IV of the CPR sets out criteria for result indicators. They should be:

  a) *robust*: reliable, that means analytically sound, correct and statistically validated;

  b) *normative:* having a clear and accepted normative interpretation (i.e. there must be agreement that a change towards a particular direction or its opposite is a favourable or an unfavourable result);

  c) *responsive to policy*: linked in as direct way as possible to the operation or priority axis for whose monitoring they are used.

  Data shall be:

  d) *collected in a timely manner:* data needs to be collected so that they are available to allow the managing authority to fulfil all reporting obligations vis-à-vis the Commission as well as the Monitoring Committee

  e) publicly available: data should be made publicly available at the lowest level of aggregation that is allowed under data protection rules.

The Regulations do not foresee impact indicators in the sense of results on broader groups of society beyond the participants or entities directly benefiting from the support. The Commission wishes to draw the attention to the difficulties in collecting sound data for impact indicators. Therefore it is recommended, not to use impact indicators for ESF programme monitoring. Impact should rather be assessed in evaluations.

➔ Programme monitoring shall always use financial, output and result indicators.

3.1 Common ESF indicators

Common ESF indicators are a limited set of output and result indicators. They are listed in the Annex of the ESF Regulation (annex 2 of this guidance). They are common because *all OPs* supported by the ESF (mono- and multi-fund, national and regional OPs alike) are required to record and store the data for these indicators.

The rationale for common indicators is to be able to make available and aggregate data from Member States in order to report achievements at EU level. The number of these common indicators is kept to a strict minimum of the most important information needed to report on the main scope of ESF support in the context of Europe 2020. Common indicators thus represent the minimum set of indicators for each OP.

Annex 3 of this guidance contains the definitions and supporting comments for each common indicator. To the extent possible, they rely on used international definitions (e.g. LMP, LFS, ISCED…). They thus set a common framework across all Member States.

For all common indicators the data must always be broken down by gender.

For the disadvantaged participant groups, national definitions shall supplement the definitions indicated in the annex. This approach was chosen because either no EU-wide definition is available or imposing a harmonised definition would cause considerable administrative burden. Member States should inform the Commission of the definitions used for these groups. It is recognized that this fact and also national differences in data collection will affect the data consistency across MS in some way. Nevertheless, it is assumed that definitions are broadly coherent across Member States.

Each individual output indicator relating to participants captures only one single dimension. The reason for this is that the common indicators shall reflect as broadly as possible – subject to the definitions - the target groups receiving support. For instance, the common indicator "unemployed participant" should record all unemployed, independently of the type of support they receive and the aim of the project they benefit from.

- Reporting -

With regard to the common indicators relating to people, all participation records resulting from an ESF supported operation in a given year should be reported. This implies that those persons who participated in more than one ESF supported project in a given year are reported as many times as the person has benefitted from the support of a separate project. If a person participates in different parts of one single project, this shall be recorded as one single participation record. The same principle applies to the common indicators on entities.

Every single participation record shall at least provide data for the common output indicators which cover personal data (i.e. employment status, age, education and gender). If not all these personal data can be recorded, no data at all on that particular participation record shall be submitted. The intention of this minimum requirement for a person to be recorded as a participant is to avoid reporting extremely short term support or interventions with very low aid intensity for which it will be very difficult to assess effectiveness and impact.

Each ESF investment priority shall provide data for all the common ESF indicators. If no data for a certain common indicator is recorded, the reported data might be zero.

Example

> Investment priority on active and healthy ageing: The output indicator "participants below 25 years" will typically be reported either as 0 or as a very low value. In contrast the output indicator "participants above 54 years" will record much higher values because this group of people is expected to constitute a target group of this investment priority.

Each participant entering a project - for whom the personal data as described above can be collected - is to be recorded, including participants supported under a TA priority or those who leave the project early for unknown reason during the reporting year. This means that for instance a person who participated in a project from January to August shall be reported just like the participant who stayed on until the end of the same year. Also participants such as civil servants or teachers who are supported in the context of a broader project aiming at institutional reform, e.g. reform of educational system or public administration reform must be reported under the relevant common indicators.

➔ Programme monitoring shall always use common indicators as set out in the Annex of the draft ESF Regulation.

3.1.1. Common output indicators

Relate to persons as well as entities; reported annually, starting in 2016.

The Annex of the draft ESF Regulation uses the term participants. Participants refer to persons benefiting *directly* from an ESF investment. As outlined above, only those persons who can be identified and asked for their personal data (i.e. gender, employment status, age, and educational attainment) and for whom specific expenditure is earmarked shall be reported as one participation record. Persons benefiting *indirectly* from an ESF operation should not be reported as participants.

Example for persons benefitting indirectly

> Investment Priority "Reducing early school-leaving and promoting equal access to good-quality early childhood, primary and secondary education".
>
> Under this investment priority a school has been supported through curriculum development. Pupils attending this school would benefit *indirectly* from the support. They should therefore not be reported under the common indicators.

The same applies to SMEs. Only those SMEs who benefit directly from support should be counted under the indicator “Number of micro, small and medium sized enterprises

supported". For instance, if an employee from an SME participates in training, this should not be counted under the SME indicator because it is only indirect support to SMEs. SMEs acting as beneficiaries should not be reported under this indicator either.

Direct support to SME, however, could be understood in various ways, including

1. Subsidies to existing SMEs (e.g. to take on someone from a disadvantaged group)
2. Promoting organisational change and innovation in SMEs.

The only entity indicator which captures beneficiaries in the sense of article 2 CPR is the output indicator "number of projects fully or partially implemented by social partners or non-governmental organisations".

Data on participants shall be collected when the person starts in ESF supported operation. Data shall be reported at the earliest possible date after a person has entered the operation. That could be when the operation is still on-going (i.e. partially implemented) and the person is still benefiting from the support. For output indicators no separate reporting is needed on leaving participants.

If a participant stays on in the same project for e.g. 2 years, this individual participation record shall only be reported once – preferably in the first year - for the output indicators. If a person leaves one project and starts in a separate ESF project, this person shall be considered as a new participation record and shall thus again be reported for the output indicators.

The total number of participation records will be calculated based on the following three common output indicators "unemployed, including long-term unemployed" of which "long-term unemployed" is a sub-category, "inactive" of which "inactive not in education or training" is a sub-category and "employed, including self-employed". There is no need to report the total number of participants separately. The three main categories are mutually exclusive. A person cannot be in two out of the three categories at the same time. In order to have an accurate total number of participants, it is necessary that every single participant is to be reported in one of these three categories related to employment status.

Data for the indicators covering entities shall also be collected at the beginning of the support. Similar to the data for participants, data on entities shall continuously be collected during the entire programming period.

3.1.2. Common immediate result indicators

Relate to persons only; are reported annually, starting in 2016.

Through the monitoring system common immediate result indicators capture effects which appear directly after the participant has left the operation. They relate to core achievements aimed at with the ESF.

Data for outputs and immediate result indicators shall be collected up to one month after the project has been fully implemented (to allow for follow up of 'no shows' during the last session).

It is conceivable that for one participation record two immediate results could be reported in the course of a single intervention. They should be both reported under the relevant result indicator.
Following Annex 3 of this guidance, the following combinations of immediate results for one individual participant are possible:

- "inactive participant newly engaged in job searching upon leaving" and "participant gaining a qualification upon leaving";
- "participant in education/training upon leaving" and "participant gaining a qualification upon leaving";
- "participant gaining a qualification upon leaving" and "participant in employment upon leaving";
- "participants in education/training upon leaving" and "participants in employment upon leaving".

No other combination of different common immediate result indicator for one single participation record is possible.

As for the result "participants in education/training upon leaving", it is not excluded that participants continue with a course which is also funded by the ESF.
TA priorities do not need to report data on common immediate and longer–term result indicators (but they shall report data on common output indicators).

3.1.3. Common longer-term result indicators

Relate to persons only; reported only in the AIR 2019 and in the final report.

The common longer-term result indicators measure effects 6 months after the participant has left the operation. The data for longer-term result indicators are usually collected differently than for immediate result indicators. Namely the data are not generated through the regular monitoring procedures, but through other tools, for instance surveys commissioned by the managing authorities based on a representative sample of participants. Depending on the monitoring system established, it might be possible to collect these data through accessing administrative databases (e.g. social security database etc.).

As set out in the Annex of the ESF Regulation, the data collected for the longer-term result indicators is based on a representative sample of participation records under each investment priority. The data sets submitted under the common longer-term result indicators do not need to reflect the entire population of supported participants.

The indicators cover different groups of people. The first two longer-term result indicators which record the employment and self-employment status will monitor participants who were unemployed or inactive when entering. The third indicator, which records an improved labour market situation, will monitor those participants who were (self-) employed when entering.

Representative samples are established at the level of the socio-economic characteristics of the participants as captured by the output indicators covering personal data (gender,

employment status, age, educational attainment). In order to ensure a statistically sound sample and an unbiased survey, it is considered good practice to entrust the task of drawing the sample and drafting the survey questions to experts in the field, preferably an independent body or expert who has had no prior involvement with this exercise.

Representativeness shall also be ensured for the regional dimension of the output indicators. Regional representativeness shall be ensured to one NUTS level lower the level of the programme.[5] For instance, for an OP at NUTS 2 level the sample should be representative at the level of NUTS 3.

Internal validity of the sample should be ensured. That means that biases imputable to data collection should be limited and corrected to the extent possible. The analysis of the data should allow generalising results at the level of priority axis or investment priority.

The change in situation marking a result (i.e. employment, self-employment or improved labour market situation) can occur any time between leaving and 6 months after leaving. It only has to be sustained at least until 6 months after ending the support.

For the two reporting rounds on longer-term result indicators (i.e. AIR 2019 & final report 2023) two distinct samples with non-overlapping participation records shall be established. The data from the first sample is to be reported in the AIR 2019 and cover participants leaving operations up to mid-2018. The second sample covers participants who left operations between mid-2018 until the end of 2022. It should be ensured that the samples are not skewed towards (a) particular reporting year(s).

[5] http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction

Figure: Monitoring of common longer-term result indicators (CLRI) by means of a survey

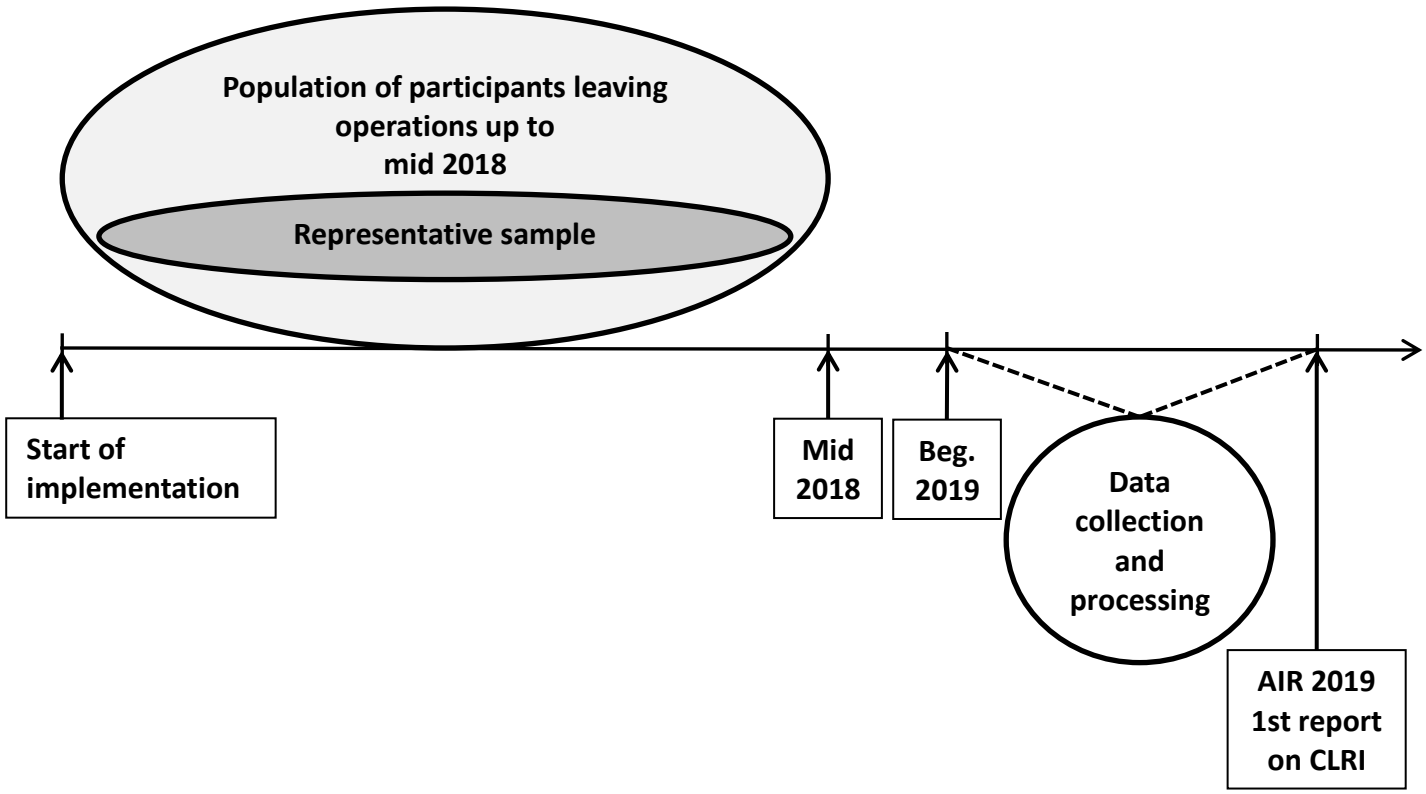
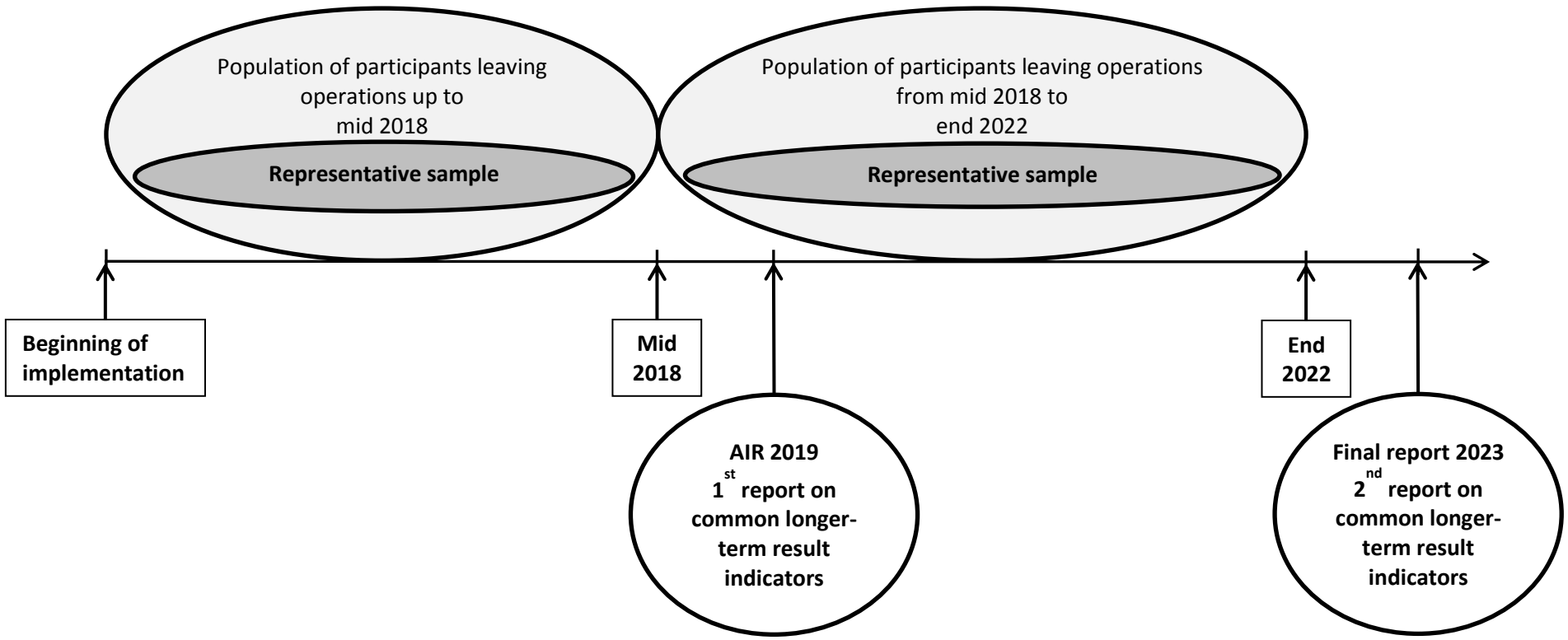


Figure: Monitoring of common longer-term result indicators by means of survey



3.2 Programme-specific ESF indicators

Reported annually, starting in 2016

Operational Programmes may use programme-specific indicators in addition to common indicators. They can be financial, output and/or result indicators. It is for the Member States/managing authority to decide on the need for and design of programme specific indicators. The data sets are transferred to the European Commission electronically in structured format for each investment priority using the SFC2014 system.

The decision about the choice of programme-specific indicators logically comes after the programme priorities and strategy have been decided.

Unlike ESF common output indicators which each capture only one single socio-economic feature of a participant and do not cover the type of support granted, programme-specific indicators can – but do not have to - be very specific in order to highlight certain aspects of the ESF support which are of particular importance for the Member States/regions. A programme-specific indicator consisting of more than one dimension also allows the managing authority and the monitoring committee to monitor more specifically than the common indicators selected specific aspects of programme implementation.

Example

Investment priority "active and healthy ageing" A programme specific output indicator could be "unemployed between 45 and 54 participating in ICT training". This indicator measures four different dimensions: 1) the employment status of the participant (i.e. unemployed), 2) the age range (i.e. between 45 and 54 years old), 3) the type of activity (i.e. training), 4) the theme of the training (ICT). A related programme specific immediate result indicator could be "unemployed between 45 and 54 gaining a qualification in ICT ". A related programme specific longer-term result indicator could be "unemployed between 45 and 54 in employment xy months after leaving"

It is obvious that the more dimensions are included in one single indicator, the more focused the indicator becomes. Although a limited number of specific indicators for monitoring may be important, a multi-dimension indicator also carries the risk of excluding (or not recording) a potentially large number of participation records. In the above example workers above 54 years who receive training to improve their ICT skills are not recorded under this programme-specific indicator.

- ➔ The Commission strongly recommends establishing clear, unequivocal and easy to understand definitions of the indicators. The definitions need to be made available from the very start of programme implementation. Beneficiaries should be made aware of them. In this way, any ambiguity in collecting data can be avoided.

- ➔ It is recommended to use the common indicators and their definitions for the design of programme-specific indicators. This would significantly minimise administrative burden, as the data for the respective programme-specific indicator have already been processed for the common indicator. Member States could e.g. split or refine the common indicators' employment status or age brackets or cluster them by means of crossing micro data (e.g. employment status + age bracket + disadvantage status).

In addition to setting out indicators in the operational programmes, managing authorities may consider it useful setting indicators and/or targets for internal purposes only. These indicators and/or targets do not require the Commission's approval.

- *Monitoring longer-term results beyond 6 months* -

Member States might find it useful to record data for certain result indicators over a time span longer than the one captured with common longer-term result indicators. While it might be more difficult to collect data on/from certain groups, such as disadvantaged participants, it might proof to be much less difficult for other groups.

Member States might consider exploiting synergy effects for collecting longer-term data. For instance, if data on common longer-term results are collected from administrative data, these data could be further exploited without incurring major additional costs. If data for common longer-term result are collected through a survey, Member States could decide to conduct follow-up surveys on the same sample e.g. 12, 18 or 24 months after leaving. This approach would provide very meaningful data not lastly on the sustainability of the effects of support provided.

3.3 Baselines and Targets

Baselines establish a reference value against which progress is subsequently measured. That means baselines capture a situation at the start of the programming period for the dimension covered by the respective result indicators. Baselines thus serve as a reference for setting targets and achieving progress.

Baseline values shall be established for all those result indicators for which a target has been set. No baseline is required for any output indicator. Baselines shall be expressed in the same statistical unit as the target. The baseline is established ex ante, during the programming phase.

Baselines can be established on the basis of an existing similar programme or intervention, be it an ESF or national/regional programme.

An example for a baseline could be: share of participants in a comparable previous programme gaining a qualification upon leaving (x %). The data for demonstrating the achievement of the targets is different from the data which lead to establishing the baseline. Hence targets will not include baselines.

Each OP shall set cumulative quantified target values for output and for common result indicators for 2022 (ESF Reg. art. 5.1). Targets are set at the same programming level as the

indicator. This could be at the level of investment priority or specific objective. Member States/regions may set additional annual targets or targets for certain years during the programming period[6].

Targets for common result indicators shall be set in function of the data reported for common output indicators. When calculating the baseline for the result indicator, the dimensions expressed by the corresponding output indicator should be reflected.

Example:

An investment priority contains targets for the common output indicator "unemployed", "inactive not in education or training" and "below 25 years". Targets for the common result indicator "participants gaining a qualification upon leaving" could be the following

1. Share of participants gaining a qualification upon leaving – unemployed participants – 50%
2. Share of participants gaining a qualification upon leaving – below 25 years and inactive participants not in education or training – 30%

Baselines:

1. Share of unemployed participants in a similar programme funded by national sources who gained a qualification.

2. Share of young and inactive participants who gained a qualification in the previous ESF programme

Quantified targets could be either expressed in absolute numbers or in percentages. They shall be set for a limited number of common and programme-specific indicators at the level of investment priority or specific objective. Limited means in this context that not all indicators need to be linked with a quantified target value.

To set targets for output indicators essentially means to apply unit costs. For many investment priorities it will be possible to base the computation of unit costs on past experience, be it a programme co-financed by the ESF or national schemes or based on the use of sectorial norms. If an intervention is completely novel, setting targets can be challenging. At the programming stage, the planning body should give a best estimate and should update the target as soon as better information is gained through implementation.

It is recommended to logically link targets for result indicators with targets for output indicators.

[6] In the context of the performance framework, Member States are required to set milestones for 2017 and 2019 (Art. 19 and Annex I CPR). This guidance will not cover the performance framework.

3.4 Data collection and storage

- Data collection -

The CPR entails specific provisions geared to establish sound data collection systems. All official exchanges of information between the MS and the Commission shall be carried out using an electronic data exchange system established by the Commission. (CPR Art. 63.4). This system will be based on the current SFC2007. This guidance tentatively calls the new system SFC2014. The Commission will adopt delegated acts laying down the modalities of the exchange of information (Art. 114.8).

Article 62(d) sets out that Member States shall provide for a computerised system for i.a. the recording, storage and transmission of data on indicators, for monitoring and for reporting. This system shall record and store in computerised form data for each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations (Art. 114.2(d)).

The Commission strongly recommends verifying as early as possible whether the data collection and storage systems currently used for ESF monitoring are appropriate in the light of the requirements set out in the CPR. If the systems need to be further developed, this work should start as early as possible in order to avoid implementation problems.

- Data processing -

National data protection rules implementing Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data shall apply to the processing of data.

The data collected shall be processed in order to be used for management, evaluation and audit purposes. In particular, micro data are a sine qua non for undertaking impact evaluations. The Commission does not require nor receive the micro data but solely aggregated data sets of ESF and match funded operations.

It is for the Member State/managing authority to decide at which level of the management and control system it establishes this data processing system of individual participants' records. The Member State/managing authority shall ensure the physical and logical protection of confidential data by regulatory, administrative, technical and organisational measures (statistical disclosure control). These measures should however not be so excessive as to limit the utility of the data for the purposes set out in the Regulations and this guidance. Member States should take appropriate measures to prevent and sanction any violation of statistical confidentiality.

To be in line with data protection rules, the Member State/managing authority has to determine at which level of the chain of decision within the management and control system Member States will establish the data controller in the meaning of Art.2 of Directive 95/46. This article states that the data controller is the authority who "determines the purposes and means of the processing of personal data". The purpose for processing the data is determined by the CPR. Determining the means would imply controlling essential elements of the means, which may be technical or organizational (e.g., the retention period, access rights etc). From a

data protection point of view, it is important that the Commission and the data subjects know who the controller is. Therefore, the Member State/managing authority should clearly state which authority is the data controller, inform the Commission and publicise it to data subjects (e.g., in the form they have to fill to attend a course). If a Member State decides to establish both the MA and the IBs as data controllers (joint control), that Member State needs to specify which of the controllers should be the addressee of requests of data subjects for access to, rectification, blocking and erasing of data. It also needs to determine which controller would be accountable in case of specific breaches of the data protection legislation (for example, for security breaches). Data subjects should be informed accordingly.

As far as personal data are concerned, Art 7 of the Directive makes clear that personal data processing is legitimate when necessary for compliance with a legal obligation to which the controller is subject. The CPR and ESF Regulation establish the legal basis for the legitimate processing of personal data by the MA. How the processing is organized will be regulated by the applicable national law. The CPR and the ESF Regulations thus establish a legal obligation on the managing authority to process personal data in the form of individual participants' data. This obligation lies with the Member State.

As regards sensitive data, Art. 8 of the Directive provides that, subject to the provision of suitable safeguards, Member States may, for reasons of substantial public interest, lay down exemptions to the prohibition of processing special categories of personal data either by national law or by decision of the supervisory authority.

To ensure usability of these data for researchers and evaluators, the Commission recommends that Member States/regions establish from the start of the programme a data access system – possibly remote data access - for accredited researchers or designated institutions to access restricted micro data for evaluation purposes, possibly through approved safe data centres (e.g. research data centres). Information technology developments permit secure and cross-border access to confidential data for evaluation purposes, using well-established secure solutions for remote access which do not entail the risk of a leak of confidential information. In this respect, in line with the national rules implementing article 17 of Directive 95/46, the controller must implement appropriate technical and organizational measures to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing.

In case of expected issues regarding national data protection rules, the Commission recommends that managing authorities pro-actively seek advice from national data protection experts about how to implement the data processing obligations set out in the Regulations. The Commission is prepared to provide assistance in this process.

In addition to exchange of information between Member State/managing authority and Commission, the Regulation sets out that no later than 31 December 2014, all exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies shall be carried out solely by means of electronic data exchange systems (CPR, Art.112). The Commission will adopt an implementing act setting out detailed rules concerning the exchange of information (CPR, Art. 112.3).

- *Microdata* -

The CPR refers to microdata as "data on individual participants in operations" (Art. 114(2)(d)). Microdata are observation data collected on an individual object - in statistical terms the statistical unit, bearer of statistical characteristics[7]. For the ESF, this individual object/statistical unit is a single participatory record[8]. The observation data on participatory records, i.e. characteristics and results are collected by indicators.

Microdata are components to create output and/or result statistics. They also allow for matching of different observation data; e.g. to determine the unemployed participants who have primary or lower secondary education or the number of unemployed who gained a qualification upon leaving.

Microdata may also be complemented by unique personal identifiers if the national rules allow for it. This facilitates matching information collected by programme indicators with information available on the same participants in other administrative registers.

7 Source: United Nations (2000): Terminology on Statistical Metadata, United Nations Statistical Commission and Economic Commission for Europe, Conference of European Statisticians, Statistical Standards and Studies – no. 53, link:
http://ec.europa.eu/eurostat/ramon/coded_files/UNECE_TERMINOLOGY_STAT_METADATA_2000_EN.pdf
8 Entities are also statistical units. They are, however, for the subsequent explanations not relevant.

Example: Microdata on participants collected by common output and result indicators on participants

	Participatory record 1	Participatory record 2	Participatory record 3	Participatory record 4	…
Unemployed, incl. long-term unemployed	1	0	0	0	
Long-term unemployed	1	0	0	0	
Inactive	0	1	0	1	
Inactive, not in education or training	0	0	0	1	
Employed, including self-employed	0	0	1	0	
Below 25 years	0	1	0	0	
Above 54 yeas	1	0	0	0	
With primary (ISCED 1) or lower secondary education (ISCED 2)	1	0	0	1	
With upper secondary (ISCED 3) or post-secondary education (ISCED 4)	0	1	0	0	
With tertiary education (ISCED 5 to 8)	0	0	1	0	
Migrants, people with foreign background, minorities (incl. marginalised communities such as the Roma)	0	0	0	1	
Disabled	1	0	0	0	
Other disadvantaged	0	0	0	1	
Inactive participants newly engaged in job searching upon leaving	0	1	0	0	
Participants in education/training upon leaving	1	0	0	1	
Participants gaining a qualification upon leaving	1	1	1	0	
Participants in employment upon leaving	0	0	0	0	
Participants in employment 6 months after leaving	0	1	0	0	
Participants in self-employment 6 months after leaving	0	0	0	1	
Participants with an improved labour market situation 6 months after leaving	0	0	1	0	

3.5 Implementation reports

The first Annual Implementation Report (AIR) is due in 2016 (CPR, Art. 44 and 101). This AIR shall cover the financial years 2014 and 2015. The deadline for submitting this and the following AIRs is 30 April. The deadline for submitting the final report is 30 September 2023. The CPR aims to simplify the annual reporting. Therefore most annual reports follow a simplified procedure (for the years 2016, 2018, 2020, 2021, 2022). The annual report submitted in 2017 and 2019 as well as the final report of 2023 are of a more strategic nature. The Commission will consider the implementation reports admissible only if they contain all the required information as set out below.

The simplified AIR is mostly geared to provide quantitative data sets on OP implementation. Besides financial data, this will require providing quantified values for common and programme-specific indicators and milestones at the level of investment priorities. The data sets reported shall reflect the participation records encoded for the reporting year. Cumulative values will be calculated automatically by the system when the annual data is uploaded into SFC2007. Values will relate to partially or fully implemented operations as defined above (ESF Regulation, Art. 5).

Structure of Annual Implementation Reports and Final Report

AIRs 2016, 2018, 2020, 2021, 2022 shall set out

- 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 result indicators, and the milestones defined in the performance framework. They shall set out actions taken to fulfil the ex ante conditionalities and any issues which affect the performance of the programme, and the corrective measures taken. steps taken to fulfil the ex ante conditionalities;
- any issues affecting the performance of the programme, including the achievement of targets and corrective measures taken;
- progress in preparation and implementation of joint action plans.

AIRs 2017 & 2019 shall in addition set out and assess

- the information above
- the implementation of the principles of compliance with Union and national law, of promotion of equality between men and women and non-discrimination and sustainable development;
- and report on support used for climate change targets;
- progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development;
- progress in implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds;
- progress in implementation of any interregional and transnational actions;
- progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;
- the specific actions to promote equality between men and women and to prevent discrimination, including accessibility for disabled persons, and the arrangements implemented to ensure the integration of the gender perspective in the OP and operations;
- the results of the information and publicity measure of the Funds;
- progress in the implementation of actions in the field of social innovation;
- progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities including the financial resources used;
- the involvement of the partners in the implementation, monitoring and evaluation of the OP.

The AIR 2019 and the final report 2023 shall in addition provide information on and assess

- the programme's contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

4. EVALUATION

Evaluations shall assess the effectiveness, efficiency and impact of programmes (CPR, Art. 47). They are also meant to improve their design and implementation. In this way, they support implementing bodies and decision makers in shaping their strategies, inform them about what works and what doesn't and *in fine* allow them to learn what has been achieved with the ESF support.

Member States are required to provide the necessary resources and to ensure that procedures are in place in order to produce and collect the data necessary to carry out good quality evaluations. Evaluation is a specific form of analysis and research. In order to fulfil the obligations set out in the CPR and the ESF Regulation, data access for evaluators should be governed by the same legal framework as access to confidential data for academic research and scientific analysis. In the interest of strengthening evidence based policy-making, evaluators should be granted access to confidential data used for programme monitoring. This could be done by using well established statistical types of data such as secure-use files or scientific-use files. This should of course not compromise the high level of protection that confidential data require. Appropriate safeguards should be put in place.

The overall approach to evaluation should be linked to the intervention logic and in particular to the specific objectives and longer-term results a programme aims to achieve. Longer-term results, by their very nature as they respond to the particular challenges of a Member State or region, are not only influenced by the programme's interventions, but also by external factors. It is one of the primary tasks of evaluations to identify the effects which can be *directly* attributed to the ESF.

4.1 Ex ante evaluation

The Member States/regions are responsible for the ex ante evaluation (CPR, art. 48). The CPR sets out a number of requirements for the ex ante evaluation. Apart from its principal role in supporting and improving the quality of programming, the ex ante evaluation can also play a useful role in verifying baselines for result indicators and understanding data needs for future evaluations.

The final report on ex ante evaluation shall contain an executive summary and shall be submitted to the Commission together with the operational programme.

Member States should keep in mind that the operational programmes shall be submitted to the Commission at the same time as the Partnership Contract (CPR, Art. 23) and that the latter must set out a summary analysis of the ex ante evaluations of the programmes.

The Commission published guidance on the ex ante evaluation in July 2012.[9]

[9] Available at: http://ec.europa.eu/social/main.jsp?catId=701&langId=en

4.2. Evaluation plan

The purpose of an evaluation plan is to improve the quality of evaluations carried out during the programming period and the management of the programme. A crucial element for quality improvement is to strategically plan and schedule evaluations.

Each operational programme shall be covered by one evaluation plan (CPR, art. 49 and 104). The managing authority shall submit the draft evaluation plan to the first meeting of the monitoring committee. The Commission recommends that the monitoring committee approves the plan in its first or second meeting.

Where a single monitoring committee covers more than one operational programme, an evaluation plan may cover all the operational programmes concerned (CPR, art. 104,).

In addition, if a Member State sees the need, it may establish a national or multi-regional or thematic evaluation plan, covering several OPs.

Elements of the evaluation plan

It shall contain:

- a list of evaluations to be undertaken, their subject and rationale; with particular attention to impact evaluation at the level of each priority axis
- methods to be used for the individual evaluations and their data requirements;
- provisions that data required for certain evaluations will be available or will be collected;
- arrangements for the collection of data for common longer-term result indicators if collected by means of a survey or other methods;
- an overall timetable;
- internal/ external/ mixed expertise used;
- human resources involved;
- possibly a training map;
- a strategy to ensure use and communication of evaluations;
- the budget for implementation of the plan.

The planning for evaluations to be carried out early in the programming period is likely to be more precise than for evaluations planned for a later point in time. However, when establishing the evaluation strategy, it is important to consider that for certain evaluation techniques, baseline data need to be collected at the beginning of the programming period and omissions in this respect cannot be properly redressed later in the programming period.

If need be and in addition to evaluation arrangements set up at the level of the OPs, Member States may set up a national evaluation coordination mechanism (e.g. a central/ coordination unit that may cover several funds or several programmes).

Review of the evaluation plan

Among the functions of the monitoring committee are the examination and approval of the evaluation plan and its review (CPR, art. 100.2). The Commission recommends that the monitoring committee reviews the implementation of the evaluation plan at least once a year and approves changes if deemed necessary. Member States may also conduct *ad hoc* evaluations not foreseen by the evaluation plan.

4.3. Evaluation during the programming period

During the programming period, managing authorities shall carry out evaluations including evaluations to assess effectiveness, efficiency and impact, for each programme on the basis of the evaluation plan. At least once during the programming period, an evaluation shall assess how support from the CSF Funds has contributed to the objectives for each priority axes (CPR, art. 49.2).

Evaluations can be horizontal, covering one or several programmes, priority axes, category of regions, themes across programmes, etc. Member States may find it useful to carry out a mid-term evaluation.

Evaluations shall be carried out by experts that are functionally independent of the authorities responsible for programme implementation. This provision does not exclude the possibility that internal experts within the administration undertake evaluations. Verification of functional independence should be carried out on a case by case basis. As a general rule, functional independence within the same institution may be assumed when the entity carrying out evaluations does not have a hierarchical link with the entity responsible for programme implementation.[10]

This guidance paper focuses on two types of evaluations without wishing to diminish the importance other types of evaluations may have for the Member States or the Commission.

4.3.1 Implementation evaluations

Implementation evaluations are likely to be carried out in the early stages of implementation. They typically look at how a programme is being implemented and managed: typical questions are whether or not potential beneficiaries are aware of the programme and have access to it, if the application procedure is as simple as possible, if there are clear and relevant project selection criteria, if there is a documented data management system, if the results of the programme are communicated, etc.

➔ To date, ESF evaluations have tended to focus more on implementation issues than capturing the effects of interventions. For the 2014-2020 period, the Commission wishes to redress this balance and encourage more evaluations which assess the impact of ESF interventions. This is an essential element of the strengthened results-focus of the policy.

[10] This recommendation is inspired by art. 146 of the implementing rules to the financial regulation applicable to the budget of the European Communities.

4.3.2. Impact evaluations

A variety of methods are available to capture the impacts of ESF supported interventions: it is for the managing authorities to decide which one, or which combination of methods, is most suitable to satisfy the regulatory requirements.

Two broad categories of impact evaluations are widely recognised:

- Theory-based impact evaluation, which follows each step of the intervention logic identifying mechanisms of change, answering the questions *why* and *how* an intervention works. This approach mainly produces a qualitative estimate of the impacts.
- Counterfactual impact evaluation, which uses control or comparison groups. This method is useful in answering *how much of the change* is due to the intervention and *for whom*, and in comparing the effects of different instruments (or the same instrument applied to different target groups). Rigorous quantification of the impacts of programmes/interventions involves *counterfactuals* which allow to identify/estimate what would have happened in the absence of a specific intervention. Defining such counterfactuals requires to identify a *control group* (comprising people who might have been targeted, but were not subject to the intervention/programme) and to compare it with a group of programme participants (the *treatment group*). Essentially, two approaches to establishing a control group can be distinguished, i.e. *experimental* or *quasi-experimental* designs.

Counterfactual impact evaluations and theory based impact evaluations should complement each other. Experience shows that many of the types of support of the previous programming period continue with a new programme. Therefore, the Commission encourages managing authorities to consider as far as possible including in impact evaluations data of previous programming periods.

Already during the programming period 2007-2013, some Member States carried out impact evaluations. DG EMPL organised events where Member States shared their motivation for conducting such evaluations and the methodologies used. This showed that a considerable body of experience exists in the managing authorities in using such methodologies to different types of ESF interventions and target groups.

At the same time, experience has shown that conducting impact evaluations can pose significant challenges, relating notably to availability and accessibility of data, capacity within the public administration and the evaluation community, and cooperation among authorities holding relevant data. Therefore, in order to support Member States in their efforts, DG EMPL has produced a practical guidance document for managing authorities to carry out counterfactual impact evaluations. This guidance provides practical recommendations on when and how to carry out such evaluations and suggesting practical ways to overcome possible difficulties, such as data availability.

DG EMPL strongly encourages MS to build upon existing experience with such evaluations and further develop capacity in this respect.

When evaluating the impact of a programme, it is recommended that sustainability of the observed effects should be among the assessment criteria.

4.4. Summary report

By December 2020 managing authorities shall submit a summary report for each OP (CPR, art. 104.2). This report shall summarise the findings of evaluations carried out during the programming period and shall provide qualitative assessment of the main outputs and results of the programme.

The main purpose of this report is twofold:

- to assist Member States in preparing for the next programming period;
- to support the ex post evaluation that is under the main responsibility of the European Commission in close cooperation with the Member States.

4.5. Ex post evaluation

The purpose of the ex post evaluation shall be to obtain a view of the programming period as a whole. It will examine the effectiveness and efficiency of the Funds and their contribution to the Union priorities of smart, sustainable and inclusive growth.

The ex post evaluations shall be carried out by the Commission, in close cooperation with the Member States and managing authorities. They shall be completed by 31 December 2023. The ex post evaluations will be facilitated by evaluations of Member States and Commission during the programming period, especially by the Member States' summary report of evaluations and main outputs and results.

Member States may find it useful to carry out their own ex post evaluation covering one or several programmes or specific issues within a programme they consider particularly relevant.

4.6. Transparency

Evaluations and their follow-up shall be examined by the monitoring committee. The monitoring committee may issue recommendations to the managing authority regarding the evaluation of the programme. It shall monitor actions taken as a result of its recommendations (CPR, art. 43.4). All evaluations are to be sent to the Commission in electronic format (CPR, art. 49.3).

All final evaluation reports shall be made public in their entirety, preferably via internet. English executive summaries are recommended in order to allow for a wider European exchange of evaluation findings.

4.7. Role of the European Commission

The European Commission may carry out evaluations (CPR, art 49.4). Moreover, the Commission will cooperate with MS and will further support them, when necessary.

DG Employment, Social Affairs and Inclusion will:

- make the knowledge and experiences of MS and regions in the field of evaluation available to their peers, for example via the publication of all evaluation reports on its CIRCA website;
- facilitate the exchange of experience across MS, for example via the ESF Evaluation Partnership convened three times a year;
- provide further guidance on evaluation approaches and methods;
- organise seminars and conferences on evaluation topics.

ANNEXES (PARTLY TO BE DEVELOPED)

1 Legal references (tbd following adoption of Regulations)
2 List of common indicators
3 Definitions for the common indicators

Annex 3 – Definitions for the common indicators

		Indicator	Definitions	Source of the definition and additional comments - All indicators are to be broken down by gender -
	0	Total number of participants (calculated, sum of indicator 1 + 3 + 5)		
Common output indicators on participants	1	Unemployed, including long-term unemployed	The employment status is determined on the date of entering the project. Total number of unemployed. *Persons usually without work, available for work and actively seeking work. Persons considered as registered unemployed according to national definitions are always included here even if they do not fulfil all three of these criteria.*	Source: Eurostat, Labour market policy database (LMP) http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-06-003/EN/KS-BF-06-003-EN.PDF Comment: The wording in italics is identical to the LMP definition. This entails both the Labour Force Survey definition of unemployed plus registered unemployed.
	2	Long-term unemployed	The employment status is determined on the date of entering the project. Total number of long-term unemployed (LTU). The definition of LTU varies with age: - Youth (<25 years) – more than 6 months continuous spell of unemployment (>6 months). - Adult (25 years or more) – more than 12 months continuous spell of unemployment (>12 months).	Comment: "Unemployed" is defined as in the indicator "Unemployed, including LTU" above, of which "LTU" is a sub-group.
	3	Inactive	The employment status is determined on the date of entering the project. Inactive are *persons currently not part of the labour force (in the sense that they are not employed or unemployed according to the definitions above)*.	Source: LMP http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-06-003/EN/KS-BF-06-003-EN.PDF Comment: The wording in italics is identical to the LMP definition. People in full-time parental leave are considered as "inactive". Self-employed (including helping family members) are not considered as "inactive".
	4	Inactive, not in education or training	The employment status is determined on the date of entering the project. Inactive persons neither classified as employed nor as unemployed and who are not in training or education.	Comment: Inactive is defined as in the indicator "Inactive" above, of which "Inactive, not in education or training" is a sub-group.

Annex 3 – Definitions for the common indicators

5	Employed, including self-employed	The employment status is determined on the date of entering the project. *Employed persons are persons aged 15 and over who performed work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, for instance, illness, holidays, industrial dispute, and education or training.* *Self-employed persons with a business, farm or professional practice are also considered to be working if one of the following applies:* *1) A person works in his/her own business, professional practice or farm for the purpose of earning a profit, even if the enterprise is failing to make a profit.* *2) A person spends time on the operation of a business, professional practice or farm even if no sales were made, no professional services were rendered, or nothing was actually produced (for example, a farmer who engages in farm maintenance activities; an architect who spends time waiting for clients in his/her office; a fisherman who repairs his boat or nets for future operations; a person who attends a convention or seminar).* 3) *A person is in the process of setting up a business, farm or professional practice; this includes the buying or installing of equipment, and ordering of supplies in preparation for opening a new business. An unpaid family worker is said to be working if the work contributes directly to a business, farm or professional practice owned or operated by a related member of the same household.*	Source: Eurostat, Labour Force Survey (LFS) http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/lfsa_esms.htm http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-03-002/EN/KS-BF-03-002-EN.PDF Comment: The wording in italics is identical to the LFS definition. Helping family members are considered as "self-employed". Conscripts who performed some work for pay or profit during the reference week are not considered as "employed". People in full-time parental leave are not considered as "employed". "Subsidised employment" is considered as "employed". It should be understood as employment incentives according to the LMP definitions (§72-§75): *Employment incentives (category 4) covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss. Employment incentives refer to subsidies for open market jobs which might exist or be created without the public subsidy and which will hopefully be sustainable after the end of the subsidy period. The jobs that may be subsidised are usually in the private sector, but public or non-profit sector jobs are eligible too and no distinction is requested. With employment incentives the public money represents a contribution to the labour costs of the person employed and, typically, the majority of the labour costs are still covered by the employer. However, this does not preclude cases where all costs are covered by the public money for a limited period.* http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-06-003/EN/KS-BF-06-003-EN.PDF
6	Below 25 years	The age of the participant is calculated from the year of birth and determined on the date of entering the project.	
7	Above 54 years	The age of the participant is calculated from the year of birth and determined on the date of entering the project.	

Annex 3 – Definitions for the common indicators

	8	With primary **(ISCED 1)** or lower secondary education **(ISCED 2)**	The educational attainment is determined on the date of entering the project. ***ISCED LEVEL 1 - PRIMARY* education** *Programmes at ISCED level 1, or "primary" education, are typically designed to provide students with fundamental skills in reading, writing and mathematics (i.e. literacy and numeracy), and to establish a sound foundation for learning and understanding of core areas of knowledge, personal and social development, preparing for lower secondary education. It focuses on learning at a basic level of complexity with little if any specialisation. Age is typically the only entry requirement at this level. The customary or legal age of entry is usually neither younger than 5 years nor older than 7 years.* For pupils *primary education typically lasts until age 10 to 12.* ***ISCED LEVEL 2* – *LOWER SECONDARY* education** *Programmes at ISCED level 2, or "lower secondary" education, are typically designed to build upon the learning outcomes from ISCED level 1. Usually, the educational aim is to lay the foundation for lifelong learning and human development on which education systems may systematically expand further educational opportunities. Some education systems may already offer vocational education programmes at ISCED level 2 to provide individuals with skills relevant to employment.* *Programmes at this level are usually organized around a more subject-oriented curriculum, introducing theoretical concepts across a broad range of subjects.* For pupils *ISCED level 2 begins after 4 to 7 years of ISCED level 1 education, with 6 years of ISCED level 1 being the most common duration. Students enter ISCED level 2 typically between age 10 and 13 (age 12 being the most common).* *If a programme spans ISCED levels 1 and 2, the terms elementary education or basic school (stage two/upper grades) are often used.*	Source: ISCED 2011 http://www.uis.unesco.org/Education/Documents/UNESCO_GC_36C-19_ISCED_EN.pdf Comment: The wording in italics is identical to the definition of UNESCO . Participants entering a project should only be counted once, at the highest ISCED level successfully completed.

	9	With upper secondary **(ISCED 3)** or post-secondary education **(ISCED 4)**	The educational attainment is determined on the date of entering the project. ***ISCED LEVEL 3 – UPPER SECONDARY* education** *Programmes at ISCED level 3, or "upper secondary" education, are typically designed to complete secondary education in preparation for tertiary education, or to provide skills relevant to employment, or both. Programmes at this level offer students more varied, specialised and in-depth instruction than programmes at ISCED level 2. They are more differentiated, with an increased range of options and streams available.* For pupils *ISCED level 3 begins after 8 to 11 years of education since the beginning of ISCED level 1. Pupils enter this level typically between age 14 and 16. ISCED level 3 programmes usually end 12 or 13 years after the beginning of ISCED level 1 (or around age 18), with 12 years being the most widespread cumulative duration.* ***ISCED LEVEL 4 - POST-SECONDARY NON-TERTIARY* education** *Post-secondary non-tertiary education provides learning experiences building on secondary education and preparing for labour market entry as well as tertiary education. It aims at the individual acquisition of knowledge, skills and competencies below the high level of complexity characteristic of tertiary education. Programmes at ISCED level 4, or "post-secondary non-tertiary" education, are typically designed to provide individuals who completed ISCED level 3 with non-tertiary qualifications that they require for progression to tertiary education or for employment when their ISCED level 3 qualification does not grant such access. For example, graduates from general ISCED level 3 programmes may choose to complete a non-tertiary vocational qualification; or graduates from vocational ISCED level 3 programmes may choose to increase their level of qualification or specialise further. Given the complexity of their content, ISCED level 4 programmes cannot be regarded as tertiary education programmes, although they are clearly post-secondary education. The completion of an ISCED level 3 programme is required to enter ISCED level 4 programmes. Usually, programmes at this level are designed for direct labour market entry. In some education systems, there are*	Source: ISCED 2011 http://www.uis.unesco.org/Education/Documents/UNESCO_GC_36C-19_ISCED_EN.pdf Comment: The wording in italics is identical to the definition of UNESCO. "With upper secondary **(ISCED 3)** or post-secondary education **(ISCED 4)**" is explained as in the indicator "With primary **(ISCED 1)** or lower secondary education **(ISCED 2)**". Participants entering a project should only be counted once, at the highest ISCED level successfully completed.

			general programmes at this level.	
	10	With tertiary education **(ISCED 5 to 8)**	The educational attainment is determined on the date of entering the project. ***ISCED levels 5-8 – SHORT-CYCLE TERTIARY, BACHELOR, MASTER, DOCTORAL OR EQUIVALENT* education** *Programmes at ISCED level 5, or "short-cycle tertiary" education, are often designed to provide participants with professional knowledge, skills and competencies. Typically,* *they are practically based, occupationally specific and prepare students to enter the labour market. However, programmes may also provide a pathway to other tertiary education programmes. Academic tertiary education programmes below the level of a bachelor programme or equivalent are also classified as ISCED level 5. Entry to ISCED level 5 programmes requires the successful completion of ISCED level 3 or 4 with access to tertiary education. Programmes at ISCED level 5 have more complex content than programmes in ISCED levels 3 and 4, but they are shorter and usually less theoretically oriented than ISCED level 6 programmes.* *Programmes at ISCED level 6, or "bachelor or equivalent", are often designed to provide participants with intermediate academic and/or professional knowledge, skills and competencies, leading to a first degree or equivalent qualification. Programmes at this level are typically theoretically based but may include practical components and are informed by state of the art research and/or best professional practice. They are traditionally offered by universities and equivalent tertiary educational institutions. Entry to these programmes normally requires the successful completion of an ISCED level 3 or 4 programme with access to tertiary education. Entry to educational programmes at this level may depend on subject choice and/or grades achieved at ISCED levels 3 and/or 4.* *Programmes at ISCED level 7, or "master or equivalent", are often designed to provide participants with advanced academic and/or professional knowledge, skills and competencies, leading to a second degree or equivalent qualification. Programmes at this level may have a substantial research component, but do not yet lead to the award of a doctoral qualification.* *Programmes at ISCED level 8, or "doctoral or equivalent", are*	Source: ISCED 2011 http://www.uis.unesco.org/Education/Documents/UNESCO_GC_36C-19_ISCED_EN.pdf Comment: The wording in italics is identical to the definition of UNESCO. "With tertiary education **(ISCED 5 to 8)**" is explained as in the indicator "With primary **(ISCED 1)** or lower secondary education **(ISCED 2)**". Participants entering a project should only be counted once, at the highest ISCED level successfully completed.

			designed primarily to lead to an advanced research qualification. Programmes at this ISCED level are devoted to advanced study and original research and typically offered only by research-oriented tertiary educational institutions such as universities.	
	11	Migrants, people with a foreign background, minorities (including marginalised communities such as the Roma)	*Non-national permanent residents in a country*, people with a foreign background *or nationals from* a minority *(according to national definitions), who need special help in the labour market because of language or other cultural difficulties.*	Source: LMP http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-06-003/EN/KS-BF-06-003-EN.PDF The wording in italics is identical to the LMP definition. Comment: There exists heterogeneity across Member States in the definitions of nationals with foreign background and nationals from a minority. In the absence of a national definition for "nationals from a minority" MS are invited to adopt the working definitions of the *Evaluation of ESF Support for Enhancing Access to the Labour Market and the Social Inclusion of Migrants and Ethnic Minorities (Final Report, table 1.5)* *http://ec.europa.eu/social/main.jsp?catId=701&langId=en&internal_pagesId=619&moreDocuments=yes&tableName=INTERNAL_PAGES* In the absence of a national definition for "people with a foreign background" the term should be understood according to the following international recommendation (UNECE, 2006; §398): persons with a foreign background are "…those persons whose parents were born outside the country. The persons in this group may or may not have directly experienced an international migration" as cited in: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-11-019/EN/KS-RA-11-019-EN.PDF Persons may cumulate several vulnerabilities.
	12	Disabled	*Persons who are registered disabled according to national definitions.*	Source: LMP http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BF-06-003/EN/KS-BF-06-003-EN.PDF Comment:

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				The wording in italics is identical to the LMP definition. Please also consult the comment provided under the indicator "migrants…. ".
	13	Other disadvantaged	*This* indicator *refers to any disadvantaged groups not covered above* by the two preceding indicators. Disadvantaged people in the national labour market who are neither migrants, people with a foreign background, minorities (including marginalised communities such as the Roma) nor disabled.	Comment: The wording in italics is identical to the LMP definition. http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/documents/Addendum_2006_LMP_EN.pdf Please also consult the comment provided under the indicator "migrants…. ". This indicator refers to all kind of disadvantaged participants, such as people facing social exclusion. Examples for the type of participants that can be registered under this indicator is a participant with an ISCED level 0 (which should be understood as not having successfully completed ISCED level 1) and is beyond the national customary exit age of ISCED level 1, that means participants typically over age 10 to 12, lone parents, participants in rough housing/homeless, ex-offenders, drug addicts, etc.
Common output indicators for entities	14	Number of projects fully or partially implemented by social partners or non-governmental organisations	*'Social partners' is a term generally used in Europe to refer to representatives of management and labour (employers' organisations and trade unions).* *A non-governmental organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information.* A project is partially implemented by social partners or non-governmental organisations when the beneficiary includes - amongst others – social partners or non-governmental organisations.	Source: Eurofound http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/EUROPEANSOCIALPARTNERS.htm NGO Global Network http://www.ngo.org/ngoinfo/define.html Comment: The wording in italics is identical to the Eurofound and NGO Global Network definitions. This indicator covers beneficiaries as defined in Art. 2 CPR
	15	Number of projects targeting public administrations or public services	ESF support enhancing institutional capacity and efficient public administration through the investment priorities: *"- Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance.*	Source: Proposal for a Regulation on the European Social Fund and repealing Regulation (EC) No 1081/2006, COM(2011) 607 final, p. 12 http://ec.europa.eu/regional_policy/sources/docoffic/official/r

			- Capacity building for stakeholders delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level." The number of projects aiming to provide support in these areas should be recorded.	egulation/pdf/2014/proposals/regulation/esf/esf_proposal_en.pdf Comment The wording in italics is identical to the draft ESF Regulation.
	16	Number of micro, small and medium-sized enterprises supported	Number of micro, small and medium sized enterprises supported, including social enterprises. *An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form.* *Staff headcount and financial ceilings determining enterprise categories:* *1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.* *2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.* *3. Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.*	Source: Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC) http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003H0361:EN:HTML Comment: The wording in italics is identical to the Commission recommendation. Only those SMEs who benefit directly from support should be counted under the indicator, which typically excludes SMEs being beneficiaries in the sense of Art. 2 CPR.
Common immediate result indicators on participants	17	Inactive participants newly engaged in job searching upon leaving	Inactive persons who have received ESF support and who are newly engaged in job searching activities upon leaving the ESF project. This group comprises - registered jobseekers: this *refers to all persons who are currently registered as jobseekers with the PES* and - other registered jobseekers: this *refers to all persons registered with the PES who are not considered as registered unemployed and who have (1) contacted the PES for assistance in job search, (2) whose personal details and circumstances have been recorded by the PES and (3) who have had personal contact with the PES within the current year, or as otherwise defined for PES operational purposes. All 3 conditions should be fulfilled at the same time.*	Source: LMP http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-BF-06-003-EN.pdf Comment: The wording in italics is identical to the LMP definitions (paragraphs 361 and 363 respectively). This indicator is to be understood as change in the employment status upon leaving compared to the situation when entering the ESF project (with the participant being inactive, not engaged in job searching for work, when entering the ESF project).

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	18	Participants in education/training upon leaving	Persons who have received ESF support and who are newly engaged in education (lifelong learning, formal education) or training activities (off-the-job/in-the-job training, vocational training, etc.) immediately upon leaving the ESF project.	Comment: This indicator is to be understood as change in the situation upon leaving compared to the situation when entering the ESF project (with the participant not being in education/training when entering the ESF project). The source of funding of the ensuing training is not of relevance.
	19	Participants gaining a qualification upon leaving	Persons who have received ESF support and who gained a qualification upon leaving the ESF project. *Qualification means a formal outcome of an assessment and validation process which is obtained when a competent body determines that an individual has achieved learning outcomes to given standards*.	Source: European Commission, European Qualifications Framework http://ec.europa.eu/eqf/terms_en.htm Comment: The wording in italics is identical to the EQF definition. This indicator can be further split by ISCED and EQF levels, registering the highest level achieved. Only qualifications which have been achieved as a result of an ESF intervention should be reported. They should be reported only once per participant/ project.
	20	Participants in employment, upon leaving	Unemployed or inactive persons who have received ESF support, and who are in employment, including self-employed, immediately upon leaving the ESF project.	Comment: "Unemployed" is defined as in the indicator "Unemployed, including LTU". "Inactive" is defined as in the indicator "Inactive". "Employment" is defined as in the indicator "Employed, including self-employed". This indicator is to be understood as change in the employment status upon leaving compared to the situation when entering the ESF project (with the participant being unemployed or inactive when entering the ESF project).
Common longer-term result indicators on participants	21	Participants in employment 6 months after leaving	Unemployed or inactive persons who have received ESF support and who are in employment, excluding self-employed, 6 months after leaving the ESF project.	Comment: "Employment" is defined as in the indicator "Employed, including self-employed", but excluding self-employed. This indicator is to be understood as change in the employment status 6 months after leaving compared to the situation when entering the ESF project (with the participant being unemployed or inactive when entering the ESF project).
	22	Participants in self-employment 6 months after leaving	Unemployed or inactive persons who have received ESF support, and who are 6 months after leaving the ESF project registered as self-employed and actively working.	"Self-employment" is defined as in the indicator "Employed, including self-employed". This indicator is to be understood as change in the employment status 6 months after leaving compared to the

				situation when entering the ESF project (with the participant being unemployed or inactive when entering the ESF project).
	23	Participants with an improved labour market situation 6 months after leaving	Employed persons who have received ESF support and who transited from precarious to stable employment, and/or from underemployment to full employment, and/or have moved to a job requiring higher competences/skills/qualifications, entailing more responsibilities, and/or received a promotion 6 months after leaving the ESF project. Precarious employment should be understood as the "temporary employment" and "work contract of limited duration". *Given institutional discrepancies, the concepts of 'temporary employment' and 'work contract of limited duration' describe situations which, in different institutional contexts, may be considered similar. Employees with a limited duration job/contract are employees whose main job will terminate either after a period fixed in advance, or after a period not known in advance, but nevertheless defined by objective criteria, such as the completion of an assignment or the period of absence of an employee temporarily replaced. U*nderemployment should be understood as *involuntary part-time employment. This is when respondents declare that they work part-time because they are unable to find full-time work.*	Source: Eurostat, LFS http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/methodology/definitions Comment: The wording in italics is identical to the LFS definition. Competences should be understood as *the proven ability to use knowledge, skills and personal, social and/or methodological abilities, in work or study situations and in professional and personal development. In the context of the European Qualifications Framework, competence is described in terms of responsibility and autonomy.* http://ec.europa.eu/eqf/terms_en.htm EQF framework: http://ec.europa.eu/eqf/documentation_en.htm "Qualification" is defined as in the indicator "Participants gaining a qualification upon leaving". Corresponding to Council Decision of 21 Oct. 2010 on guidelines for the employment policies of the Member States (2010/707/EU) Guideline no. 7: *Member States should tackle labour market segmentation with measures addressing precarious employment, underemployment and undeclared work.* http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:308:0046:0051:EN:PDF