

FICHE NO 24 A

**IMPLEMENTING ACT ON THE ARRANGEMENTS TO ENSURE A CONSISTENT FOR
DETERMINING MILESTONES AND TARGETS IN THE PERFORMANCE FRAMEWORK
FOR EACH PRIORITY AND FOR ASSESSING THE ATTAINMENT OF THE
MILESTONES AND TARGETS**

VERSION 1 – 22.10.2013

Regulation	Article
Common Provisions Regulation	Article 20 (4) – Application of the performance framework

This document is provisional, without prejudice to the on-going negotiations in the Trilogues between the European Parliament and the Council (in line with the principle that "nothing is agreed until everything is agreed"). This document is a draft that shall be adjusted following the expert meeting.

It does not prejudice the final nature of the basic act, nor the content of any delegated or implementing act that may be prepared by the Commission.

1. EMPOWERMENT

The latest draft text of Article 20(4) of the CPR sets out the following empowerment¹:

The Commission shall adopt implementing acts laying down the arrangements to ensure a consistent approach for determining milestones and targets in the performance framework for each priority and for assessing the attainment of the milestones and targets. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

The main elements of these arrangements have been presented to the expert group previously in the form of draft guidance on the performance framework.

2. MAIN OBJECTIVES AND SCOPE

The main objective of the implementing act is to set out an approach for determining milestones and targets within performance frameworks and for the assessment of the attainment of these milestones and targets. This provides for certain minimum uniform conditions for all performance frameworks under the ESI Funds and a basis for the assessment of whether priorities have attained their milestones and targets. The latter is relevant particularly in the context of the performance reserve.

Whilst all ESIF performance frameworks will respect certain uniform conditions, there will be some fund-specific differences of approach. In particular, a greater degree of standardization is foreseen for the performance frameworks of programmes co-financed by the EAFRD in order to ensure consistency with the EAFRD's Common Monitoring and Evaluation Framework.

3. MAIN ELEMENTS

The implementing act should cover four elements:

- Arrangements for the documentation of the establishment of milestones and targets;
- Basic requirements for different types of indicators;
- Arrangements to ensure that milestones and targets are realistic and achievable;
- Arrangements for the verification of the attainment of milestones and targets.

The proposed content of these elements have been outlined in Annex I.

¹ Certain elements of the CPR relating to the performance framework and the performance reserve are still under discussion between the co-legislators. This fiche is a first draft without prejudice to any changes in the CPR.

4. MAIN CHANGES COMPARED TO THE PERIOD 2007-2013

The performance framework is a new element for the ESI Funds hence there are no comparable legal provisions in the period 2007-2013.

5. ANNEXES

Annex 1 - Arrangements to ensure a consistent approach for determining the milestones and targets in the performance framework for each priority and for assessing the attainment of the milestones and targets under Article 20 (4) of the CPR.

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Annex 1 - Arrangements to ensure a consistent approach for determining the milestones and targets in the performance framework for each priority and for assessing the attainment of the milestones and targets under Article 20 (4) of the CPR

DOCUMENTATION

1. For all programmes and priorities, with the exception of programmes and priorities concerning technical assistance, supported under the European Structural and Investment Funds, except for the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), which will have a standardized performance framework based on their respective common monitoring and evaluation systems, the managing authority shall document the methodologies and criteria applied to select indicators for the performance framework in order to ensure that corresponding milestones and targets comply with the criteria set out in paragraph 3 of Annex II of the CPR.
2. For the EMFF, the managing authorities shall document the methodologies and criteria applied for the setting of targets and milestones, while for the EAFRD it will only be necessary for the managing authority to document those applied for the setting of targets since the output indicators and milestone values (a fixed percentage of the relevant target value) will be standard ones.
3. In addition to the information presented to the Commission in the Partnership Agreement and programmes, the information documented by the managing authority should allow for verification if the criteria set in the Regulation for the milestones and targets are met and include, but not limit itself to:

Criteria as set out in Annex II of the CPR	Information
realistic and achievable	data or evidence (e.g. unit costs, benchmarks, standard or past pace of implementation, expert advice, conclusions of ex-ante evaluation) used to estimate the value of milestones and targets and the calculation method
transparent, with objectively verifiable targets and the source data identified and, where possible, publicly available	
verifiable, without imposing a disproportionate administrative burden	
capturing essential information on the progress of a priority	rationale for selection of output indicators, including an explanation of the share of financial allocation represented by operations, which will produce the outputs, as well the method applied to calculate the share, which must exceed 50% of the financial allocation
consistent across programmes, where appropriate	information on how the methodology and mechanisms to ensure consistency in the functioning of the performance framework were applied in line with the provisions of the Partnership Agreement

The criterion of relevance and consistency with the nature and character of the specific objectives can be verified in the context of the assessment of the clarity of the intervention logic of the priority.

Where the programme uses result indicators and key implementation steps, the documentation shall include as well the rationale for the use of result indicators (e.g. assessment of their close link with the supported policy interventions) and key implementation steps (e.g. assessment demonstrating that no output can be expected before end of 2018).

4. A summary of the information on the methodologies and criteria applied to select indicators for the performance framework and set corresponding milestones and targets may be included in the programme and full information shall be made available at request from the Commission.
5. The requirements specified above shall apply as well to the revision of milestones and targets in accordance with Article 26 of the Regulation.

REQUIREMENTS FOR INDICATORS AND KEY IMPLEMENTATION STEPS

6. The milestones and targets are set at the level of the priority. In the case of a priority which concerns more than one category of region or more than one ESI Fund, the indicators, their milestones and targets, and their achievement values must be broken down by the ESI Fund and the category of region. If the Youth Employment Initiative (YEI), whose resources are excluded from the performance reserve, but which is nonetheless covered by the performance framework, is implemented as part of a priority axis, the YEI should be considered as a separate fund for setting milestones and targets.
7. The milestone and the target for a financial indicator shall refer to the total amount of eligible expenditure entered into the accounting system of the certifying authority, with the exception of the European Agricultural Fund for Rural Development, where they shall refer to the realized total public expenditure entered into the common monitoring and evaluation system.
8. The milestone and the target for an output indicator shall refer to the achieved value for fully implemented operations, with the exception of the European Social Fund, where they also relate to the achieved value for partially implemented operations in line with art. 5 (2) of the ESF regulation.
9. The key implementation step refers to an important stage in the delivery of a priority, whose completion is verifiable and could be expressed either in the form "yes" or "no" or by a number or percentage. A key implementation step shall be used as a milestone in a situation where no measurable output is expected by the end of 2018 and shall not be used as target. It may be used if the outputs expected by the end of 2018 were insignificant. A key implementation step could refer then to the number of selected operations, which are to deliver such outputs, by the end of programming period.

10. The result indicator shall be used only where appropriate and closely linked to the supported policy interventions.

REALISTIC AND ACHIEVABLE MILESTONES AND TARGETS

11. The milestone set for the financial indicator cannot be lower than the amount which has to be covered by pre-financing and requests for payment in order to avoid decommitment by the end of 2018 and the corresponding contribution of the Member State. It can also not be higher than the cumulative allocation for years 2014-2018 and the corresponding contribution of the Member State, for any given priority. The method for calculation of particular milestone values shall in particular take into account the profile of expenditure, the form of support, and past disbursement experience. The data used for the basis of this calculation and the calculation process shall be documented by the Managing Authority.

The target set for the financial indicator cannot be lower than the cumulative allocation for years 2014-2020, for any given priority.

12. The method for calculation of milestones and targets for any indicator other than financial indicator, shall, in particular, take into account the relevant financial allocation, the timeframe of intervention, the form of support, the type of action, the size and character of target group, as well as the historical data, where available, such as data on unit costs or benchmarks. Expert advice, including the result of the ex-ante evaluation, may be used to complement other sources of information. The data used for the basis of this calculation and the process itself shall be documented by the Managing Authority.

Any calculation method to set the milestones shall not take into account the financial allocation set aside as the performance reserve, whereas the setting of targets shall take into account the amount of performance reserve.

ATTAINMENT OF MILESTONES AND TARGETS

13. A priority will be deemed to have achieved the milestone or the target if all indicators included in the related performance framework have attained – respectively – by the end of 2018 at least 85% of the milestone value or by the end of 2023 at least 85% of the target value.

In case of complex priorities, where the indicators, their milestones and targets, and their achievement values are broken down by the ESI Fund and the category of region, the assessment of the achievement of milestones and targets is undertaken by Fund and by category of region. The YEI is to be considered as a fund for the assessment of the attainment of milestones and targets.

14. A priority, where applicable broken down by Fund and category of region, whose performance framework includes no more than two indicators, either financial or output indicators or key implementation steps, will be deemed to have seriously failed to achieve the milestone or the target if any of these indicators has failed to attain – respectively – by the end of 2018 at least 65% of the milestone value or by the end of 2023 at least 65% of the target value.

A priority, where applicable broken down by Fund and category of region, whose performance framework includes more than two indicators, either financial or output indicators or key implementation steps, will be deemed to have seriously failed to achieve the milestone or the target if at least two of these indicators have failed to attain – respectively – by the end of 2018 at least 65% of the milestone value or by the end of 2023 at least 65% of the target value.

15. For the purpose of verifying the attainment of milestones, the achievement value for the key implementation steps should be expressed as 100% or 0% for the key implementation step, whose completion can only be expressed as "yes" or "no", or as any value between 0 and 100% for the key implementation step, whose completion rate can be quantified, including the key implementation steps referring to a number of operations.