

THEMATIC EVALUATION REPORT

**THEMATIC EVALUATION OF THE DEVELOPMENT OF EUROPEAN
UNION STRUCTURAL FUNDS PLANNING DOCUMENTS 2004 –
2006 AND ACTIVITIES INCLUDED IN THE DOCUMENTS**

SUMMARY

RIGA, 2006

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1. Introduction

Thematic evaluation of the development of the Structural Funds planning documents 2004 – 2006 and activities included in the documents was performed from February, 2006 until May, 2006. Thematic evaluation involved an assessment of the planning and approval process of the planning documents, as well as an assessment as to how activities included in the documents comply with the state priorities.

The European Union Structural Funds planning documents for the period of 2004 to 2006 in Latvia are the Single Programming Document (hereinafter – SPD) and the Programme Complement (hereinafter – PC):

- **The Single Programming Document** or Developmental plan of Latvia has been designed as a programming document for European Union Structural Funds Objective 1, which shows priorities and the strategy of the government of Latvia for the programming period 2004 – 2006. SPD is developed in order to contribute to the creation of conditions for sustainable socio-economic growth of Latvia using European Union Structural Funds aid.
- **The Programme Complement** is the document implementing the programme strategy and priorities and containing detailed elements of the programme. It is approved by Monitoring Committee in Latvia and provides more detailed information on the particular sectors covered, state aid schemes used for co-financing, measures, financial provisions and project selection criteria. The PC contains more detailed description of measures, objectives that need to be achieved, target groups and final beneficiaries, financial provisions and project selection criteria.

2. Main objective

According to the Terms of Reference of the thematic evaluation defined by Ministry of Finance the main objective was to provide a qualitative thematic evaluation of the development process of the European Union Structural Funds planning documents for the period of 2004 – 2006 and activities included in these documents.

As a result of the thematic evaluation the following information must be provided:

- Assessment of the effectiveness of the development process of European Union Structural Funds planning documents;
- Conclusions and recommendations for improving the effectiveness of development process of European Union Structural Funds planning documents for the period of 2007 – 2013.

The following were the subject of the thematic evaluation:

- The Single Programming Document;

- The Programme Complement.

The specific objective of the evaluation was to:

- Evaluate the following regarding European Union Structural Funds planning documents for the period of 2004 – 2006:
 - Effectiveness of the development process;
 - Quality of planning documents;
 - Sustainability of identified activities.
- Make conclusions and provide practical recommendations.

Effectiveness of development process of European Union Structural Funds planning documents for the period of 2004 – 2006 involves an assessment on how the objective of the document development process has been achieved and whether actual results corresponded to planned results.

Quality of European Union Structural Funds planning documents for the period of 2004 – 2006 is related to evaluating how European Union Structural Funds planning documents for the period of 2004 – 2006 comply with needs and requirements in the European Union and national level.

Sustainability of identified activities of the European Union Structural Funds planning documents for the period of 2004 – 2006 involves an assessment regarding sufficiency of resources and reasonability of procedures performed for defining the most appropriate activities.

3. Scope

Taking into consideration the wide nature and scope of the project, the qualitative analysis had to be performed using a limited number of respondent institutions; subsequently, also the number of activities to be reviewed during this evaluation was limited based on the area of competency of the particular institution.

According to the agreement with the Ministry of Finance, the scope of the thematic evaluation involved the following institutions:

- Managing Authority (the Ministry of Finance);
- Monitoring Committee;
- First level intermediate bodies, of which the following were selected for the evaluation: the Ministry of Education and Science, the Ministry of Welfare, the Ministry of Agriculture, the Ministry of Economics;
- Second level intermediate bodies/aid scheme managers, of which the following were selected for the evaluation: Agency for Vocational Education Development, State Employment Agency;
- Social partners, of which the following were selected for the evaluation: Employers' Confederation of Latvia, Free Trade Union Confederation of Latvia;
- Final beneficiaries.

Institutions were selected in order to make conclusions and practical recommendations to help enhance quality and effectiveness of the development process of European Union Structural Funds planning documents for the programming period of 2007 – 2013.

The planning documents for the period of 2007 – 2013 are being developed according to the draft National Development Plan (hereinafter – NDP). NDP strategic objective refers to education and knowledge for development of national economy and technological excellence, according to which the following First level intermediate bodies were:

- Ministry of Education and Science;
- Ministry of Economics.

Both first level intermediates cover the most substantial areas of support, which are widely being discussed over the process of developing the planning documents for the next programming period.

Similarly, Ministry of Welfare was selected for the thematic evaluation. The evaluation of its experience within the programming period of 2004 – 2006 allowed making conclusions regarding the very essential element within the programming period of 2007 – 2013 – the achievement of Lisbon strategy objectives.

Ministry of Agriculture was also selected taking into consideration its good performance within the programming period, which allowed making conclusions about the effectiveness of its programming approach.

The selection of second level intermediate bodies and aid scheme managers conformed to the selection of the first level intermediate bodies.

Due to the fact that representatives of all First and Second level intermediate bodies participate in the Monitoring Committee, to obtain an independent opinion from the parties that have been involved in the activities subject to our assessment, but that at the same time do not perform administrative function, we conducted interviews with the representatives of the Latvian Association of Local and Regional governments, five regions as well as non-governmental institutions.

The final beneficiaries were specified with the representatives of the First level intermediate bodies.

The First and Second level institutions subject to the said scrutiny are indicated above.

4. Main findings and recommendations

As a result of the thematic evaluation several areas were identified that require moderate or significant improvement. These relate to both – the process of planning and approval of the documents and content of the documents.

4.1 Development process of the planning documents

- (1) In the next programming period, national sector policy documents should be developed before the development process of SPD is commenced. These documents should provide basis for the development of SPD.

- (2) It is advisable for the Managing Authority to consider defining general methodological guidelines on development of SPD and PC, which should be observed by all institutions involved in the development process of the planning documents.
- (3) It is advisable to prepare detailed description of planning process that would identify the responsibilities in the development process and control of the planning documents. Also, it would be necessary to identify existing interrelationships and interdependencies among key activities of the planning document development process.
- (4) When defining most appropriate solutions (solutions that are integrated into activities defined in the planning documents, e.g., training, financial support, etc.), work groups in line ministries should in the first place identify and evaluate various alternative solutions by considering several relevant aspects, such as:
 - Ability to address the existing needs – how well does a particular alternative solution allow achievement of defined objectives; hence, how well does it help to resolve existing problems and meet needs;
 - Cost-benefit assessment – how cost-beneficial is the particular alternative solution;
 - Ability to address the appropriate target group and a wide range of individuals of the target group.

4.2 Content of planning documents

- (1) At the stage of defining solutions for resolving the existing problems, it would be advisable for institutions to consider yet not widely used solutions that in certain cases might bring a very significant contribution, e.g., public – private – partnerships.
- (2) Public sector representatives and private sector representatives are two distinctive groups of beneficiaries that should be strictly separated in the next programming period. Project applications submitted by these two distinct types of applicants should be evaluated differently applying the evaluation approach suitable to the particular sector. Not all requirements that are applicable to representatives of the private sector are equally applicable to public sector representatives.
- (3) In order to ensure more efficient monitoring of achievement of objectives defined in the European Union Structural Funds planning documents, it would be advisable to consider defining indicators or goals/results at various levels:
 - Programme level;
 - Priority level;
 - Measure level;
 - Activity level.
- (4) It is recommendable to consider reviewing state budget planning principles in order to enforce long-term planning activities;

- (5) In the next programming period, it would be advisable to clearly define the number of projects that should be implemented as large-scale projects and the number of projects that should rather be implemented as small-size projects. It should be taken into account that large-scale projects can bring more considerable benefits and ensure greater sustainability of gained results, at the same time, small-size projects attract those groups of beneficiaries that due to their lack of capacity are unable to implement large-scale projects and which also need to be supported by the state considering its priorities;
- (6) In the next programming period, it would be recommendable to define the impact of each measure on horizontal priorities and provide measures that should be applied in order to determine the progress of achievement of horizontal priorities.
- (7) It would be necessary to clearly define the role, obligations, rights and responsibilities of social partners in the planning and management of structural funds. Also, it would be advisable to define criteria according to which social partners are selected.