

# **Thematic Evaluation of Selection Criteria for Projects Co- financed by the European Union Structural Funds**

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## **SUMMARY**

### **1. Introduction**

Thematic evaluation of selection criteria for projects co-financed by the European Union Structural Funds was performed from February, 2006 until May, 2006. Thematic evaluation involved an assessment of the development process and approval process of the project selection criteria, as well as an assessment of project selection criteria usability and results derived from application of project selection criteria.

The following are the three types of criteria used in the programming period of 2004 - 2006:

- Administrative assessment criteria are criteria used at the first stage of project application evaluation, which allow gaining the assurance that the applicant and project application comply with defined requirements;
- Quality assessment criteria are intended for evaluation of how objectives and activities defined in project application correspond to the objectives and policies set out in Single Programming Document (SPD) and Programme Complement (PC), as well as to measures and activities under, which project application is submitted.
- Specific assessment criteria provide framework for an in-depth evaluation of the project application and help to select the best project applications. According to PC specific assessment criteria have a considerable significance in the evaluation of project applications.

After administrative assessment criteria and quality assessment criteria are approved by the Monitoring Committee they are included in the PC, project guidelines and/or Cabinet of Ministers regulations, however, specific assessment criteria are included only in project guidelines and/or Cabinet of Ministers regulations after the Monitoring Committee's approval.

According to PC all types of criteria must be applied in the evaluation regardless of the type of implementation scheme:

- Open call project;
- Grant aid scheme project;
- Structural Funds National programme.

### **2. Main objective**

In compliance with the work task of the thematic evaluation defined by Ministry of Finance, the aim of this evaluation was to provide a qualitative thematic evaluation of the selection criteria of the projects co-financed by the European Union Structural Funds in the following way:

- Determine the effectiveness of selection criteria;
- Perform analysis and provide relevant recommendations on improving the effectiveness of project selection criteria.

The subject of this thematic evaluation was the before mentioned types of project selection criteria for the projects co-financed by the European Union Structural Funds:

- Administrative assessment criteria;
- Quality assessment criteria;
- Specific assessment criteria.

The specific objective of the evaluation was:

- To assess the following aspects of the administrative, general and specific quality criteria (hereafter - Criteria)
  - o Effectiveness;
  - o Compliance of the criteria with the objectives of Single Programming Document;
  - o The sustainability and use of output;
- To work out conclusions and practical recommendations.

### 3. Scope

Taking into consideration the wide nature and scope of the project, the qualitative analysis was 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;
- Monitoring Committee;
- First level intermediate bodies (four ministries were selected: the Ministry of Education and Science, the Ministry of Welfare, the Ministry of Agriculture, the Ministry of Economics);
- Second level intermediate bodies/ grant scheme managers (Agency for Vocational Education Development, State Employment Agency, Rural Support Service, Latvian Investment and Development Agency, Central Finance and Contract Agency);
- Social partners (Employers' Confederation of Latvia, Free Trade Union Confederation of Latvia);
- Final beneficiaries.

The selection of institutions (ministries) was done within the context of the EU Structural Funds planning documents, namely, specific ministries were selected in line with activities subject to the thematic review regarding drafting of planning documents for these activities.

The selection of institutions was also based on the different approaches used by the institutions to define the criteria.

The Ministry of Agriculture and the Ministry of Economics mainly used time criterion, while the Ministry of Education and Science and the Ministry of Welfare – specific project selection criteria, which allowed both projects in each case to be assessed on a competitive basis.

Due to the fact that there were representatives of all First and Second level intermediate bodies participating 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 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 sample of evaluation criteria was selected as follows:

- Based on the defined area and scope of the project;

- Based on the potential support for similar projects within the next programming period;
- Taking into account the implementation progress of the activities;
- Taking into consideration the financing of the EU Structural Funds allocated to the financially capacious activities.

The First and Second level intermediate bodies and Grant scheme managers 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 as to the project selection criteria development.

##### 4.1 Development process of project selection criteria

(1) It would be advisable to study the experience gained in the programming period of 2004 – 2006 and analyse the impact of project selection criteria on ability to achieve the objectives defined in SPD. In addition, it would be necessary to take appropriate measures that would improve the exchange of information among people engaged in development of project selection criteria and project applicants, which would enforce involvement of applicants in discussions.

(2) Consider defining a unified project selection criteria development methodology for the next programming period. Methodology should among other things include types of project selection criteria, criteria development approach (e.g., information needed to make a decision), scales that should be used to rate the level at which project application corresponds to criteria. If it has been recognised that a unification of the criteria development approach for specific assessment criteria might not be reasonable due to the existing traits of a specific sector, the methodology only for administrative and quality assessment criteria might be considered.

(3) Capacity of final beneficiaries and needs of target groups should be taken into account when developing project selection criteria, therefore the involvement of social partners in project selection criteria development should be enforced in the next programming period.

(4) Reasonable period of time should be allocated for development of project selection criteria considering the fact that project selection criteria will henceforth be approved in Cabinet of Ministers regulations. The period of time necessary for coordination and approval defined in Rules of Procedure of the Cabinet of Ministers should also be considered.

##### 4.2 Content of project selection

(1) Consider application of two groups of project selection criteria: administrative assessment criteria and specific assessment criteria. Administrative assessment criteria could be defined specifically for large-scale and small-size projects; however specific assessment criteria could be defined separately for a specific activity.

(2) Capacity of final beneficiaries and indicators that need to be satisfied as a result of implementing a particular activity should be taken into account more considerably when defining project selection criteria.

(3) It is advisable to develop project selection criteria for Structural Funds National programme projects that could be used when making a decision upon the Structural Funds National programme project.

(4) Consider application of different groups of project selection criteria depending on the scale of project – criteria for large-scale projects and criteria for small-size projects.

(5) Compliance of a project application to horizontal priorities should be integrated into project selection criteria.

(6) It would be advisable to develop instructions on project selection criteria, which would help to gain a better understanding of project applicants and project application evaluators about each project selection criterion.