

Chapter 5 – Monitoring the application of interventions

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TOOL #43. MONITORING ARRANGEMENTS AND INDICATORS

1. WHAT IS MONITORING?

Monitoring is a continuous and organised process of systematic data collection (or access) throughout the life cycle of an initiative⁵⁷⁸ to oversee its progress. Monitoring is necessary to generate information that feeds into future evaluation and impact assessments and to provide solid evidence base for policymaking. Monitoring generally involves tracking progress with respect to previously identified targets or objectives. While monitoring most frequently uses quantitative data, using qualitative data is also possible.

Monitoring is therefore necessary and can be used for a variety of purposes. Some of the most frequent reasons for monitoring include:

- understanding of how initiatives are proceeding; it can serve as an early warning system, for instance in case of weak progress of an initiative or unexpected or unintended findings, when it may suggest a need for subsequent corrective adjustments;
- evidence-informed policymaking, by tracking and reporting on implementation progress against objectives and targets and enhancing accountability;
- addressing external requirements for compliance and control, such as stakeholders' demands for reporting and accountability;
- effective communication to wider stakeholders, ensuring transparency on EU initiatives and helping to explain the progress towards policy goals.

It is important to note that monitoring data could sometimes capture changes that are both due to the EU initiative *and* to other factors.

Monitoring is an integral part of the evaluation. Monitoring aims to track systematically the progress of an initiative during its implementation. It is one of the sources that informs the evaluation, which entails a more encompassing and in-depth retrospective assessment of whether the initiative actually achieved its objectives and how. Evaluation also assesses whether the objectives have been met efficiently (i.e. at least cost), as well as the reasons for its success or otherwise. Evaluation also captures the causality between the effects and the evaluated initiative, which is not the case for monitoring.

Monitoring and evaluation are complementary as they aim to check whether policy objectives are being achieved. For instance, to monitor progress towards objectives, one must measure inputs (such as actual expenditure of funds), outputs (such as numbers of individuals/firms affected), results and impacts related to the intervention logic, to the extent of available data; this information is one of the sources necessary for the more in-depth analysis in the evaluation. Moreover, monitoring may also collect data on other contextual indicators like macroeconomic conditions, such as unemployment in the local labour market, which may be facilitating or blocking the initiative from bearing its intended effects. The same contextual indicators might be useful in evaluation.

The implication of this observation is that **monitoring can be used to collect data for the evaluation** on inputs, outputs, results, impacts and contextual information. One limitation

⁵⁷⁸ 'Initiative' refers to policy, legislation or spending programmes and financial instruments.

occurs when the initiative takes a long time before some of its effects start to materialise or when changes in the policy cannot be attributed solely to the initiative; in this case, the monitoring may not capture the intended effects of the policy. However, the data collected by the monitoring could be used by the evaluation even if the effect may have not materialised or it is impossible to precisely distinguish the attribution of effects. A good practice that can limit the problem of the time lag between the initiative materialisation and measuring its effects is that monitoring is done on an ongoing basis, even beyond programming periods, to ensure data collections based on a stable framework and long time-series. This will improve data availability and eventually the evaluations quality.

Monitoring and evaluation arrangements should be analysed in the impact assessment report, for the preferred option if one is specified or otherwise based on the initiative's objectives⁵⁷⁹. This part of the impact assessment should inform the legal provisions on monitoring and evaluation to be included in the proposal itself⁵⁸⁰. Main elements may include **indicators** and/or **regulatory reporting requirements**⁵⁸¹. Reporting requirements are a prerequisite to ensure the timely monitoring of EU initiatives⁵⁸². The monitoring and evaluation arrangements that were initially identified in the impact assessment will need to be reflected in the Commission's proposal. They might have to be revisited again later to reflect changes to the proposal made in the legislative process to avoid that the indicators initially chosen no longer reflect objectives of the initiative.

2. SETTING UP A MONITORING SYSTEM

Given that monitoring is a systematic process to track progress and generate information for evaluation, arrangements need to be set-up for collecting, processing, and using/reusing data.

Setting up a monitoring system could benefit from IT support. Digitalisation will lead to simplification, burden reduction and less errors only when the monitoring processes and related data flows are well considered and streamlined in advance. To this end, it is important that policy officers consider the use and the reuse of IT systems and reuse of data, whenever possible as well as data protection aspects⁵⁸³.

Capabilities of such an IT system⁵⁸⁶ could include:

- cataloguing data collection requirements (frequency of data provision, actors, etc.);
- collecting or harvesting data;
- data storing;
- data quality assurance, including (automatic) validation;
- data processing and analysis;
- database interoperability;
- data visualising⁵⁸⁴, sharing and disseminating results;
- data access and discovery (for example by making available metadata or referencing your data on data.europa.eu).

⁵⁷⁹ See Tool #11 (*Format of the impact assessment report*)

⁵⁸⁰ See Tool #43 (*Legal provisions on monitoring and evaluation*)

⁵⁸¹ Regulatory reporting is the provision of periodical structured or unstructured data (qualitative or quantitative) from concerned Member States, private and public organisations to competent authorities (at EU or national level).

⁵⁸² For more guidance, visit the Commission's [Regulatory Reporting Community of Practice](#)

⁵⁸³ For example, local data correspondents or local IT services can provide more information.

⁵⁸⁴ <https://data.europa.eu/apps/data-visualisation-guide/>

The following sections describe the different steps for setting up a monitoring system.

2.1. Identify what to monitor

An initiative should be monitored during its lifecycle, from the **implementation** and **application** to the **compliance and enforcement**. The initiative objectives define what to monitor. What can be and needs to be monitored depends to some extent on whether the initiative is a regulatory proposal, a spending programme or other (for example a strategy). However, it can be helpful to think of monitoring an initiative in terms of inputs, outputs, results, and impacts, which should be aligned to the intervention logic – see figure 1.

- (1) **Inputs:** often money and material resources, for example any budget executed, human resources allocated. While inputs can be easily monitored, they give no indication of the outputs or impacts of the initiative;
- (2) **Outputs:** the immediate tangible and countable products/services produced because of the initiative. For regulatory initiatives, outputs will concern their implementation and application, e.g. the transposition into the national laws of the Member States in case of a directive and, more generally, adoption of measures that are necessary to comply with the regulatory requirements and to enable the legislation to be effectively applied by Member States or others. This may also concern monitoring compliance and enforcement (for example, extent of compliance by businesses, measurements taken, inspections carried out, court cases pursued). Outputs are directly connected with the operational objectives of the initiative, and hence, they are a reasonable measure of progress. They will be measurable in a short elapse of time (low data lag) and are influenced less by external factors.

Examples: *Kilometres of roads built, scholarships awarded, consultancy services developed, standards developed, databases created, labelling requirements implemented, number of SMEs supported, websites created, etc.*

- (3) **Results and impacts:** results match the immediate direct effects of the initiative with particular reference to the direct addressees. If an initiative aimed to support SMEs, a result might be the number of jobs created in the supported SMEs. Impacts concern the long-term wider effects on society, environment, etc., beyond those directly affected by the initiative. The distinction between results and impacts may sometimes be difficult to define, depending on the intervention logic. It is also often challenging to link the initiative to impacts. A variety of factors may be involved, and it could be difficult to differentiate between correlation, causality and incidental. For impacts, the data lag is higher for results and even more so than for outputs.

Examples: *Improvement in median income, or an overall increase in employment rate; safety incidents at EU level; tax compliance; innovations/new products generated in the sector; time saved by users of a road; survival rate of businesses; consumption of low fat, low sugar food; mutual recognition of nationally approved products; permissions/derogations granted; bans introduced; e-invoices exchanged cross-border; tax declarations filed, reduction of inputs (e.g. fertilisers and pesticides), etc.*

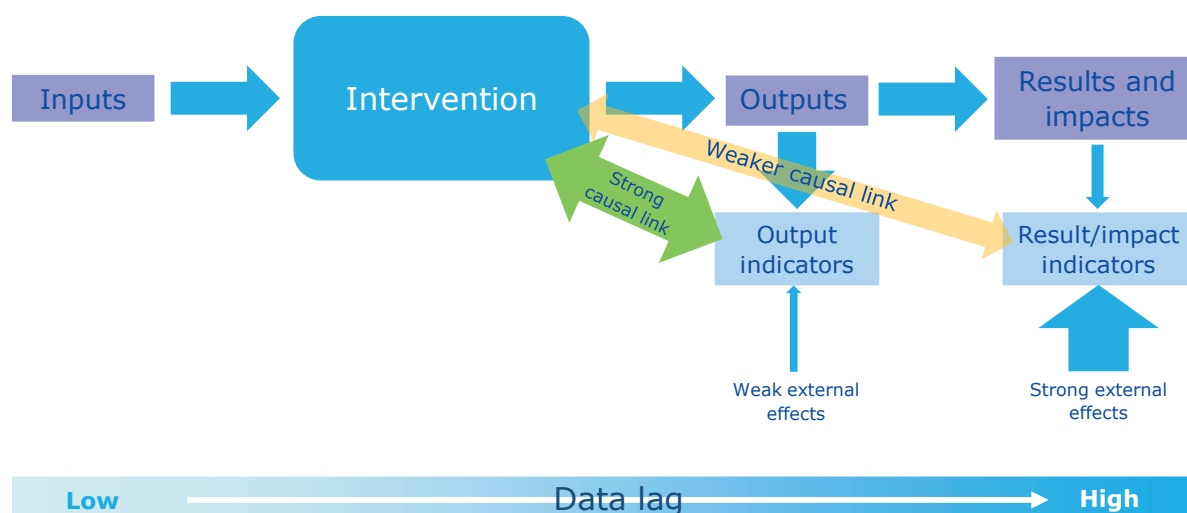


Figure 1: System view of an initiative

In addition to monitoring progress of an individual initiative, **contextual information**⁵⁸⁵ should also be collected. Contextual information refers to developments that are not intentionally related to the individual initiative, although they may influence it or be influenced by it, such as the economic growth, break-through (emerging) technologies, new behavioural patterns etc.

Results and impacts are ultimately the most relevant measures of performance of an initiative (whether financial programme or other), since they relate to finding the answer to the most important question: *is the initiative actually achieving what it set out to do?* It is the role of the evaluation to analyse this. In particular, two aspects complicate answering this question.

The first relates to the aspect of **causality**. Results and impacts usually relate to changes that are influenced by a wide range of factors, of which the initiative is only one.

For example, impacts on employment rates, health, innovation, and agriculture can be influenced by national policies, other initiatives, global context and many other factors. For example, in the agricultural case, suppose that the digitalisation intervention was implemented during a time of ideal weather. The productivity in the area in which the digitalisation intervention was implemented increased over previous years. However, is the productivity increase a result of the intervention? Or is it caused by other factors, such as increased rainfall, lack of frost-spell, etc.?

It is usually hard to know to what extent a change in a result/impact indicator is due or can be attributed to the initiative or to something else. To separate the effect of the initiative from other effects, appropriate evaluation methods should be used, such as counterfactual analysis. This requires detailed data and designing monitoring (and evaluation) from before the start of the initiative. A possible partial answer to this problem is to collect also contextual indicators on other drivers of the monitored phenomenon.

The second aspect relates to **timeliness**: depending on the initiative, it can take several years or more before it can actually have an impact, and even longer before that impact can be measured. Before that point, other indicators must be used.

⁵⁸⁵ ESTAT can be consulted for further details on contextual information.

For these reasons (causality and timeliness), measuring outputs and results (to a certain extent), is often more suitable for monitoring the progress of an initiative. Most results and impacts are analysed via evaluation.

2.2. Indicators

Indicators are a key part of a monitoring system. Generally, an indicator is a quantitative or qualitative indication of how close an initiative is to achieving its set goal; it is a factor or variable used to measure aspects of policy or programme progress. Indicators must be linked with the objectives of the initiative, and they must relate to different stages of the initiative (inputs, outputs, results, and impacts) (see section 2.1). Indicators could help analyse and compare performance across population groups or geographic areas and can be useful for informing the policy cycle. They set requirements on data that needs to be collected.

Indicators can give only one perspective of the performance of an initiative, depending on the type of indicator selected, timing, data, external influences, and other factors. It is important therefore to select a set of indicators carefully, be aware of their limitations and possible burden for their data collection. Indicators should be selected in such a manner to provide relevant and reliable information at an affordable cost. Attention must be paid also to the chosen set of indicators to avoid an unintended negative impact on the actual delivery of an initiative. For example, choosing an indicator reflecting shortening the waiting time in health care sector to monitor the progress towards improving access to healthcare may introduce pressure to shorten the waiting period with a negative impact on treatment quality.

Defining indicators should include the description of what exactly they are measuring, metadata and qualitative analysis, as appropriate.

There is no clear-cut rule on the appropriate level of detail for indicators. This will depend on the type of initiative, the complexity of the intervention logic and the hierarchy of objectives constructed for a particular initiative. In principle, however, the smarter the policy objective⁵⁸⁶, the easier to define a corresponding indicator.

Indicators should be chosen based on a set of clear criteria. To the extent possible, all indicators should be **RACER**, which means:

- (1) **Relevant**, i.e. closely linked to the objectives to be reached;
- (2) **Accepted** (e.g. by staff, stakeholders). The role and responsibilities for the indicator need to be well defined. For example if the indicator is the handling time for a grant application and the administrative process is partly controlled by Member States and partly by the EU, then both sides would assume only partial responsibility.
- (3) **Credible** for non-experts, unambiguous and easy to interpret;
- (4) **Easy to monitor** (e.g. at low cost and with acceptable administrative burden);
- (5) **Robust** against manipulation (e.g. if the target is to reduce administrative burdens to businesses, the burdens might not be reduced, but just shifted from businesses to public administration).

However, on top of the RACER criteria, other important criteria should be considered:

⁵⁸⁶ See Tool #15 (*How to set objectives*)

- (6) **Attributable:** changes in the indicator should be attributable to the initiative. There should be a clear causal link, unless the indicator is to be used for contextual information only;
- (7) **Data** should be easily/readily available and of a good quality, ideally at national/regional level if appropriate;
- (8) **Timeliness:** Indicators should capture the effects due to the initiative within a reasonable length of time, taking into account also the frequency of capturing or measuring the indicators;
- (9) **Baseline and target:** for monitoring progress, it is important to clarify the link to the relevant policy objective, have baseline (starting point) and explained target values to put the indicator value into context, for example which assumptions are used to derive the target from the baseline;
- (10) **Metadata:** Indicators definition should come with the unit of measurement, the source of the data, frequency of data collection and any other relevant information to facilitate data sharing, use and reuse, and aggregation.
- (11) **Data protection legal framework.**

Table 1: Examples of links between objectives and indicators

Objectives	Indicators
To develop and provide global satellite-based radio navigation infrastructures and services ⁵⁸⁷	<ul style="list-style-type: none"> • Cumulative number of operational satellites • Version of deployed terrestrial infrastructure • Number of services implemented
Strengthen sustainable innovation ecosystems and bring new solutions to the market ⁵⁸⁸	<ul style="list-style-type: none"> • No. of product innovations (goods or services) launched on the market • Start-ups supported and survival rate
Ensure interoperability and continuity of Cooperative Intelligent Transport Systems (C-ITS) services across the EU ⁵⁸⁹	<ul style="list-style-type: none"> • Number of C-ITS stations deployed • % of road network type covered by C-ITS services • Standardisation and profiling of new C-ITS services and communication methods • Revisions of the specifications to consider technological progress

It is usually not possible to find indicators that perfectly meet all criteria. Some quantities are particularly difficult to measure, such as illegal migration, counterfeits, social inclusion. In these cases, proxy indicators may need to be used. For example, in agricultural sector the actual use of pesticides by farmers could help measuring their effect on biodiversity (i.e.

⁵⁸⁷ <https://ec.europa.eu/budget/library/biblio/documents/2019/WD%20I%20with%20covers.pdf>

⁵⁸⁸ <https://ec.europa.eu/transparency/regdoc/rep/10102/2019/EN/SWD-2019-330-F2-EN-MAIN-PART-1.PDF>

⁵⁸⁹ <https://ec.europa.eu/transparency/regdoc/rep/10102/2019/EN/SWD-2019-96-F1-EN-MAIN-PART-1.PDF>

pollinators). It is nevertheless difficult to monitor it. A proxy could be the sales of pesticides, which provide an indication of the maximum amount of pesticides potentially used.

It is in any case always important to understand and explain the limitations of the indicators and of the monitoring in general.

Where impacts concern complex multidimensional concepts such as wellbeing or innovation, *composite indicators* may be a useful tool. Composite indicators aggregate a set of indicators into a single measure, such as country ratings and well-being indicators but also ratings of financial institutions and instruments. However, as they often use predefined weight values, they may be difficult to interpret and are usually more suitable for assessing the broad context rather than specifically tracking the progress of an initiative⁵⁹⁰.

At the end of the process, it might be useful to summarise the system of indicators and monitoring in tabular form:

General/Specific/Operational objective	Indicator	Definition	Type of indicator	Unit of measurement	Data source	Frequency of measurement	Baseline	Target	Data quality rating

For issues on **indicators and composite indicators**, the European Commission's *Competence Centre on Composite Indicators and Scoreboards* (based at JRC) can provide support⁵⁹¹.

2.3. Check any existing data and data arrangements

Before designing a monitoring system, one should first assess whether any existing monitoring and evaluation systems can be used, either those developed and used for earlier versions of the initiative or for related initiatives⁵⁹². Consider the following:

- **What data is already being collected and how is it used?** By whom is the data used and for which purpose?⁵⁹³ Is the data needed and sufficient for monitoring the implementation progress of the new initiative? If not, why not? Is the data used or can it be used for other purposes, including by considering data protection aspects? Is some relevant data already being collected in the context of monitoring other initiatives?
- **How is data collected?** To what extent do monitoring structures already exist? Are they interoperable? By whom is data collected (e.g. the Commission, Member States, intermediaries such as Agencies, operators/beneficiaries) and with what regularity? Are the existing data format and data collection compatible with your monitoring needs?

⁵⁹⁰ Various categories of indicators exist, such as qualitative/quantitative, local/global, monetary-non-monetary, etc.

⁵⁹¹ jrc-coin@ec.europa.eu

⁵⁹² A first assessment of monitoring systems in place should be provided in the relevant evaluations.

⁵⁹³ Beware that collected data need to be analysed to turn them into useful information.

- **Is data relevant and timely and of sufficient quality?** (See the section 2.2 on indicator criteria for more details.)

Before proposing new monitoring structures and data requirements, it should be carefully assessed to what extent the existing data reflect the (new) objectives set. If data gaps are identified, the purpose for which the data will be used and whether it can be collected via existing monitoring structures need to be considered in detail. If the additional data collection implies significant administrative burden – be it for businesses, citizens, or public authorities – it should be measured through the EU Standard Cost Model⁵⁹⁴ and demonstrate that it is proportionate compared to the identified data (and policy) needs. The cost of setting up and maintaining a monitoring system should also be considered among the cost impacts of options⁵⁹⁵.

A possibility for streamlining the existing regulatory reporting requirements should always be considered to minimise additional administrative burden⁵⁹⁶, for example by pooling them across policies or simplifying via web-based electronic collection.

2.4. Identify data sources

Data for monitoring can be gathered from many sources⁵⁹⁷.

- Many legal measures contain provisions requiring the production of different documents and reports on the performance of an initiative at a given point in time⁵⁹⁸. Member States may have to report on what they have done in accordance with the initiative provisions or about the national progress; beneficiaries may have to provide data, or the Commission may assess its own actions or those of Member States. Examples include implementation reports on the current state of play in the implementation and application of the EU measure, interim and final evaluations. One should always consider whether these reporting arrangements could be made potentially less burdensome, for example by substituting data reporting with data access to the sources in Member States that already hold the data, under proper confidentiality clauses or data reuse.
- EU decentralised agencies and other EU bodies, the European Parliament, Member States, NGOs, think tanks and consultants, also produce reports on various aspects of EU activities or areas where EU initiatives combine with a range of other actions.
- Higher-level data and indicators relating to impacts and contextual information can be gathered via Eurostat, the OECD, the World Bank, the UN, and other international organisations.

⁵⁹⁴ See Tool #58 (*EU Standard Cost Model*)

⁵⁹⁵ See paragraph 22 of the Inter-institutional Agreement for Better Law-Making of 13 April 2016: *In the context of the legislative cycle, evaluations of existing legislation and policy, based on efficiency, effectiveness, relevance, coherence and value added, should provide the basis for impact assessments of options for further action. To support these processes, the three Institutions agree to, as appropriate, establish reporting, monitoring and evaluation requirements in legislation, while avoiding overregulation and administrative burdens, in particular on Member States. Where appropriate, such requirements can include measurable indicators as a basis on which to collect evidence of the effects of legislation on the ground.*

⁵⁹⁶ This [guidance document](#) can help setting regulatory reporting requirements.

⁵⁹⁷ See Tool #4 (*Evidence-informed policymaking*)

⁵⁹⁸ It is important to note that if a legal obligation does not cover an indicator or the data collection, it might be very challenging to obtain the necessary information.

- In particular cases emerging technologies (such as earth observation or text mining) might be considered when automatically extracting information from text sources such as Twitter, worldwide news, large document corpora, etc. The European Commission's *Competence Centre on Text Mining and Analysis* (based at JRC) may offer support⁵⁹⁹.

When collecting data, attention should be paid to international classification and/or agreed definitions from scientific literature. Classification systems are tools that allow harmonised registration of data. The Commission uses international classifications to collect high-quality and harmonised/comparable data⁶⁰⁰.

2.5. Constructing a monitoring and evaluation framework

The general objective of a monitoring and evaluation framework should be to monitor the initiative effectively and efficiently, and provide relevant information for evaluation purposes, while ensuring that the framework does not create unnecessary administrative burden. The framework needs to be aligned with the needs of the policy objectives, but complexity should be kept to the minimum. Some general principles should be:

- Ensure that adequate (legal) provisions are in place to collect necessary high-quality data from Member States or from other parties, including by considering the possibility to adapt the indicators while the initiative is in place in function of their relevance⁶⁰¹. Data needs to be collected reliably and smoothly, and regularly reported in a standardised and interoperable manner (regulatory reporting requirements) to the extent possible. Ensure that the data collected are reusable.
- Set clear and functional monitoring and evaluation framework from the outset of the initiative or as early as possible in its life cycle. This implies carefully selecting a set of indicators, in function of the intervention logic and keeping in mind the data that will be necessary and when it is expected to become available.
- The selected indicators should cover all objectives of the initiative along the whole implementation cycle and levels of initiative (output, result, impact).
- Design indicators that will provide information relevant for improving the policy implementation and later on for the evaluation of the initiative.
- Choose the right indicators based on quality criteria (see section 2.2).
- Ensure the soundness and reliability of the proposed methods and instruments for collecting, storing, and processing the data.
- Make maximum use of existing data to save time and resources and increase coherence of results. Reporting requirements should only cover what is relevant and not available via other channels and once-only principle should be respected.
- Use reporting standards and formats to increase interoperability and ease sharing of data in the context of different policy areas, to the extent possible.

⁵⁹⁹ JRC-TMA-CC@ec.europa.eu

⁶⁰⁰ A good place to find relevant data is the data.europa.eu – the official portal for European data, a single point of access to data produced by EU, national, regional, and local public administration, as well as by some international organisations.

⁶⁰¹ See Tool #44 (*Legal provisions on monitoring and evaluation*)

- Automate as much as possible with the use of (existing) IT tools to shorten data collection and processing time.
- Clarify and assign responsibilities for data management, collection, processing, and quality assessment (data governance).
- Be transparent towards stakeholders and make data publicly available where possible and according to the data protection framework, preferably as *open data* (according to the principles of the European Interoperability Framework⁶⁰²).

⁶⁰² [European Interoperability Framework](#)

TOOL #44. LEGAL PROVISIONS ON MONITORING AND EVALUATION

1. INTRODUCTION

An act of Union law should be evaluated, and the results used to inform any new initiative to modify it. The evaluation of existing legislation is an integral part of the policy cycle.

The Interinstitutional Agreement on Better Law-Making⁶⁰³ sets out the commitment of the European Parliament, Council and Commission to consider establishing reporting, monitoring, and evaluation provisions in a systematic way in legislation.

Box 1. The 2016 Interinstitutional Agreement on Better Law-Making

- §21: The Commission will inform the European Parliament and the Council of its multiannual planning of evaluations of existing legislation and will, to the extent possible, include in that planning their requests for in-depth evaluation of specific policy areas or legal acts. The Commission’s evaluation planning will respect the timing for reports and reviews set out in Union legislation.
- §22: In the context of the legislative cycle, evaluations of existing legislation and policy, based on efficiency, effectiveness, relevance, coherence and value added, should provide the basis for impact assessments of options for further action. To support these processes, the three Institutions agree to, as appropriate, establish reporting, monitoring and evaluation requirements in legislation, while avoiding overregulation and administrative burdens, in particular on Member States. Where appropriate, such requirements can include measurable indicators as a basis on which to collect evidence of the effects of legislation on the ground.
- §23: The three Institutions agree to systematically consider the use of review clauses in legislation and to take account of the time needed for implementation and for gathering evidence on results and impacts.

When proposing monitoring and evaluation clauses in Union legislation, it is important to consider that good quality ex-post evaluations⁶⁰⁴ of legislation cannot be performed too soon after its entry into force because its implementation must be sufficiently advanced to measure or assess its effects and to have information available about its actual performance.

Still, the legislator often incorporates ‘review clauses’ in Union legislation which request the Commission to undertake reviews (e.g. of specific clauses) or develop certain elements (e.g. those that could not be agreed in co-decision) with deadlines that are too short for a rigorous evaluation based on information gained from the application of the legislation.

To guide DGs on how to draft monitoring and evaluation clauses when preparing Commission proposals, this tool discusses various ex-post review systems⁶⁰⁵ that the DGs may include in the monitoring and evaluation clauses, their expected outcome and indicative timing.

⁶⁰³ OJ L123, 12 May 2016, p. 1.

⁶⁰⁴ See Tool #45 (*What is an evaluation and when it is required*)

⁶⁰⁵ This guidance also responds to the observations and recommendations in the framework of the ECA report on ex-post review of EU legislation on 12/06/2018ECA, in so far as considered relevant and acceptable.

2. WHAT IS A MONITORING AND EVALUATION CLAUSE?

Monitoring and evaluation clauses are provisions in Union legislation defining when and how the changes required by the legislation will be monitored and the effects of the legislation will be evaluated. The aim of monitoring and evaluation clauses is to ensure that appropriate arrangements are put in place early on to track **progress and evaluate the performance of Union legislation**.

A comprehensive monitoring and evaluation clause describes the information to be collected and its purpose, who is to collect the information and how and when it is to be collected and, on that basis, when to produce the evaluation or implementation report⁶⁰⁶ of the legislation. The scope of monitoring and evaluation clauses can vary greatly depending on the context of the legislation. It is guided by the analysis in the impact assessment⁶⁰⁷. The simplest cases only require reports to be prepared by the Member States or the Commission (or both) by a certain date. More complex legislation may include specific measurable indicators and require information to be collected and reported by stakeholders, public authorities, or both.

In principle, the Commission does not need any empowerment to establish a programme for monitoring the outputs, results, and impacts of legislation. Schemes for reporting may be autonomously determined by the Commission. Where it is necessary to provide for specific reporting obligations for national authorities or other stakeholders, they need to be specified in the monitoring and evaluation clause of the legislative act.

When it is impossible to spell out in the legislation what exactly will be needed from the Member States or other stakeholders (for example, due to time constraints or level of detail), the clause could contain an empowerment for the Commission to specify those requirements by adopting an implementing act (when such act would specify criteria that are already set out in the legislative act) or a delegated act (when such act would actually set out such criteria). Alternatively, the Commission may opt for including in its proposal a provision according to which it will be for the Commission to establish a detailed programme for monitoring the outputs, results, and impacts of the legislation, in which it will set out the means by which and the intervals at which the data and other necessary evidence will be collected. Such programme could then specify the action to be taken by the Commission and/or by the Member States in collecting and analysing the data and other evidence. Such alternative provision, which does not contain any empowerment to adopt an implementing or a delegated act, could be sufficient in those cases where there may be no need to impose specific data collection requirements on the Member States.

For funding programmes, monitoring and evaluation are tasks inherent to the Commission's powers of budget implementation under the Treaties. In such case, the data necessary for the monitoring and evaluation should normally be available from the reporting obligations laid down in the grant agreements or contribution agreements signed with beneficiaries or recipients, without any need for specification in the legislative act. In principle, there is no need either to adopt any other elements regarding the monitoring and evaluation framework (such as indicators) in the legislative act or in implementing/delegated acts. Still, in the

⁶⁰⁶ See section 3, points 3 and 4, below.

⁶⁰⁷ See Tool #11 (*Format of the impact assessment report*) and Tool #43 (*Monitoring arrangements and indicators*)

proposals for spending programmes/funds under the 2021-2027 Multiannual Financial Framework, standardised articles on monitoring and evaluation were included systematically. To ensure effective assessment of the progress made under the programmes/funds towards the achievement of their objectives, the Commission is empowered to adopt delegated acts to review or complement the indicators included in the regulations, where considered necessary, and to supplement the regulations with provisions on the establishment of a monitoring and evaluation framework. In this context, delegated acts should be adopted whenever DGs are to set up monitoring and evaluation frameworks **for the main elements establishing those frameworks** (such as indicators and corresponding reporting obligations, which are not already covered by the basic act). The DGs should develop the concrete monitoring and evaluation frameworks for the programme/funds, which should be submitted for inter-service consultation, where appropriate, and will generally be finalised as a staff working document.

Monitoring and evaluation arrangements should be analysed in the impact assessment report given the potential impacts that may follow from the requirements imposed – for example regarding the data collection. For the preferred option, if one is specified, operational objectives and the corresponding monitoring indicators should be identified as well as what would be monitored⁶⁰⁸, from when will the monitoring start, by whom and how the results will be used, and when the future evaluation will be undertaken⁶⁰⁹. The analysis should inform the drafting of the monitoring and evaluation clauses to be included in the proposal. When conducting the monitoring and evaluation, the DGs should set-up and apply the monitoring and evaluation arrangements as following from the final legislative text as far as possible, in the light of the needs and purposes initially identified in the impact assessment⁶¹⁰.

Subsequently, any evaluation of legislation should review its monitoring and evaluation arrangements, as already defined in the impact assessment, and consider the information provided in the implementation report or review reports.

3. ISSUES TO CONSIDER WHEN PREPARING MONITORING AND EVALUATION CLAUSES

(1) *The Commission's right of initiative*

It is the Commission's right pursuant to the Treaty to decide whether and when to present a proposal to the legislator to take action or amend existing Union acts. Monitoring and evaluation clauses proposed by the Commission should not contain therefore any commitment to present any new proposal in the future.

The Commission should evaluate the performance of existing legislation and then assess based on the evidence collected and in conformity with the 'better regulation' guidelines, whether any modification to that legislation is necessary. There may however be circumstances where the Commission needs to act before it has been possible to carry out any

⁶⁰⁸ For example, for initiatives that are 'highly relevant' for SMEs, the impact assessment report could consider specific indicators to monitor the impact of the preferred option on SMEs.

⁶⁰⁹ Including by considering for example in the case of expenditure programmes or funds, the timing for interim and final evaluations.

⁶¹⁰ See Tool #43 (*Monitoring arrangements and indicators*)

evaluation and the Commission should be free to do so in the exercise of its right of initiative⁶¹¹.

(2) *Consider how to monitor and evaluate the legislation*

The monitoring and evaluation arrangements section of the impact assessment report accompanying the Commission proposal should be the starting point for preparing evaluation and monitoring clauses. This section of the report describes how the impacts of the EU legislation will be monitored and evaluated in the light of the objectives, what indicators will be used and when and what information might be needed in addition to that which is already available. Before drafting the proposal, you will have to consider the principles to constructing a monitoring and evaluation framework⁶¹² and the following aspects:

- Should there be mandatory provisions regarding data collection – regulatory reporting requirements⁶¹³ – define who will collect the data, when, how often, where it will be stored, how it will be transmitted, accessed or reused, etc.);
- What will be the role of the Member States, the stakeholders, the Commission or any relevant EU decentralised agencies or other EU bodies?;
- Are any new reporting requirements clear and proportionate to the scope and objectives of the legislation⁶¹⁴? What are their costs and how will they be covered?
- Consider whether specific aspects of the legislation are particularly important so that they need to be directly referenced in the monitoring and evaluation clauses to ensure a sufficient focus on these aspects. It is however good practice to cover all elements of the legislation for monitoring and evaluation purposes;
- Ensure that the legislation will be evaluated fully, at the appropriate time.

Ultimately, the evaluation of the legislation will result in an evaluation report (in the form of a staff working document) prepared by the lead DG or service and possibly accompanying a formal Commission report to the legislator, the Economic and Social Committee and/or the Committee of the Regions, as necessary.

(3) *Timing of the evaluation*

An ex-post evaluation can only be useful if there is enough practical experience and performance-related information. Results and impacts take time to materialise.

As a rule of thumb, an ex-post evaluation requires data on the application of the legislation over a period of at least three to four years. In setting the period on which an evaluation is to be provided, account must be taken also of the transposition, implementation and application deadlines, the moment when the key elements of the legislation will be applied in practice, as well as any time needed for the collection of data, for the evaluation and for the reporting.

Due consideration needs to be given to the time needed to carry out the evaluation, including the drafting of the report, where relevant, interservice consultations and the process for adoption of the report to the legislator, if the legislation provides for such a report. Ex-post

⁶¹¹ See Tool #40 for guidance regarding the explanatory memorandum

⁶¹² See Tool #43 (*Monitoring arrangements and indicators*) for detailed information.

⁶¹³ For more guidance on regulatory reporting requirements, consult [the regulatory reporting wiki](#).

⁶¹⁴ This [guidance document](#) can help you in setting clear regulatory reporting requirements.

evaluations should not be required more frequently than every 5 to 8 years after transposition, application, or implementation, as it is important that the requirements do not impose unnecessary burdens.

(4) Other intermediate reports

The lead DG should also consider carefully whether it may be useful for the Commission to also prepare a report on the Member States' implementation of the legislation based on the data available before the actual evaluation is carried out.

As indicated in the table below, such implementation report should be produced by the Commission within 1 to 3 years. It should be noted that this intermediate product cannot be considered as a substitute for a comprehensive, fully-fledged evaluation and cannot inform on its own a possible revision of the legislation.

The DGs should consider that monitoring or evaluation clauses proposed by the Commission do not contain any commitment to present any new proposal, as explained above.

Report type	Timing (after transposition, application or implementation)	Content	Who
Implementation report	1-3 years	An EU directive or regulation may require the Commission to prepare an implementation report focussed on the Member States' implementation measures. This describes the state of play based on available monitoring data and provides information on progress against agreed timetables, targets, or objectives, to the extent possible and in the limits of the data available. It often has a wider scope than a purely legal compliance report, but nonetheless builds on existing conformity/compliance checking.	Commission based on information from Members States or other parties.

In order to ensure consistency across policy areas, when drafting monitoring and evaluation clauses, the DGs should use the terminology indicated above (i.e. 'implementation report') and not refer to any 'application', 'transposition' or 'monitoring' report⁶¹⁵.

Similar to the requirements for an evaluation, the implementation report should always describe the methodology used (i.e. including data collection and analysis tools), a justification of its choice and the limitations.

Thought also needs to be given as to how often an implementation report should be produced. It is important that the requirements do not impose unnecessary burdens and the implementation report(s) do not overlap between them and with the evaluation of the legislation.

⁶¹⁵ Some of these terms are currently used in existing review clauses.

The legislator might require a **review report on specific provisions of the legislation**, shortly after its adoption or implementation, i.e. less than 3 years. The DGs should note that a review report should be based on the available monitoring data regarding the specific provisions of the legal act, which sometimes only allows for a general description of the state of play. When the data available are limited, such report can only explain *what* has happened rather than *why*. Such report should clearly explain data availability issues and limitations. Depending on the availability of data, the report may not be a sufficient basis for proposing a revision of the entire legislation. However, it may **inform a revision of the specific aspects reviewed**. Its timing should be carefully considered in the light of the timing of the implementation report, where such a report is envisaged, and the timing of the evaluation, in order to avoid administrative burden and overlaps.

A review report should not be confused with an evaluation. Where the legislation requires an implementation report as well as an assessment of the effects of certain provisions, this should not prevent the DGs, where sufficient data are available, to carry out a fully-fledged evaluation.

4. EXAMPLES OF MONITORING AND EVALUATION CLAUSES

The Commission's 'better regulation' policy requires Union legislation to be evaluated. In specific cases, a legislative act may also require the Commission to monitor, review or evaluate specific aspects of the act. However, the European Parliament, Council and the Commission have agreed to consider a more systematic approach⁶¹⁶. Accordingly, the Commission should include in its proposals what it considers to be appropriate approach for the monitoring and evaluation of the legislation concerned and defend that approach in further institutional negotiations to ensure consistency across the *acquis* as regards monitoring and evaluation.

There is no single template for monitoring and evaluation clauses that may be applied in every case. The table below contains templates for evaluation and monitoring clauses. In every specific case, their wording should be adjusted to the needs of evaluation and monitoring (including the list of data/information, which should be collected). An evaluation and monitoring clause may take elements from different templates. For instance, an evaluation and monitoring clause may require Member States to collect certain data, based on which the Commission is required to produce an implementation report followed by an evaluation, once sufficient information on the performance of the legislation has been obtained.

4.1. Examples of evaluation and monitoring clauses

Box 2. Examples of evaluation and monitoring clauses	
Evaluation	<p>No sooner than [five] years after the date of [application/transposition/implementation] of this [Regulation/Directive], the Commission shall carry out an evaluation of this [Regulation/Directive] and present a report on the main findings to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions.</p> <p>Member States [<i>or other parties</i>] shall provide the Commission with the information necessary for the preparation of that report.</p>

⁶¹⁶ Interinstitutional Agreement on Better Law-Making, OJ L123, 12 May 2016, p1.

<p>Implementation report</p>	<p>By [xx/yy/zzzz] at the latest, the Commission shall present a report on the implementation of this Directive to the European Parliament, the Council and the European Economic and Social Committee.</p> <p>Member States [<i>or other parties</i>] shall provide the Commission with necessary information for the preparation of that implementation report.</p>
<p>Monitoring– monitoring programme*</p> <p><i>*such a clause could be used when the monitoring arrangements (for example data, indicators and data collection) are not sufficiently detailed in the impact assessment, DGs cannot include them at the time of the proposal and require more time to define them after the proposal is adopted.</i></p>	<p>By [xxx] at the latest, the Commission shall establish a detailed programme for monitoring the outputs, results and impacts of this [Regulation/Directive].</p> <p>The monitoring programme shall set out the means by which and the intervals at which the data and other necessary evidence will be collected. It shall specify the action to be taken by the Commission and by the Member States in collecting and analysing the data and other evidence.</p>
<p>Monitoring - specific requirements</p>	<p>Member States shall regularly monitor the application of the [Regulation/Directive] based on the following indicators⁶¹⁷:</p> <ul style="list-style-type: none"> - X - Y - Z <p>Member States shall organise the production and gathering of the data necessary to measure the change in the indicators described in [paragraph x.x] above, and shall supply that information to the Commission on a [yearly/b-annual/monthly basis].</p>

4.2. Recitals

In the Commission’s proposal, it may be useful to provide further explanations on the monitoring and evaluation clauses through a corresponding recital. The following examples may be useful:

<p>Box 3. Examples of recitals</p>	
<p>Evaluation</p>	<p>The Commission should carry out an evaluation of this [Regulation/Directive] [add reasons why].</p>
<p>Data collection</p>	<p>Information should be collected in order to assess the performance of the legislation against the objectives its pursues and in order to inform an evaluation of the legislation.</p>

⁶¹⁷ See Tool #43 (*Monitoring arrangements and indicators*)