

Special Report

## EU education objectives: programmes aligned but shortcomings in performance measurement



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The ECA's special reports set out the results of its performance and compliance audits of specific budgetary areas or management topics. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was produced by Audit Chamber II, headed by ECA Member Henri Grethen, which specialises in structural policies, transport and energy spending areas. The audit was led by the Reporting Member Iliana Ivanova, supported by Tony Murphy, Head of Private Office and Mihail Stefanov, Attaché; Alain Vansilliette, Principal Manager; Paolo Pesce, Head of Task; Zsuzsanna Csák, Sandra Diering, Xavier Gilquin, Zuzana Gullova, Attila Horvay-Kovács, Jean-François Hynderick, Thierry Lavigne and Ana Popescu, auditors.



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## **Reply of the Commission**

**Baseline:** Baselines are intended to establish a reference value against which targets are subsequently set and assessed.

**Early childhood education:** ‘Early childhood education’ refers to children between 4 years old and the age for starting compulsory primary education.

**Early school leavers:** ‘Early school leavers’ are defined as the share of the population aged 18-24 with only lower secondary education or less and no longer in education or training.

**Education and Training 2010 (ET 2010):** Framework for European cooperation in the field of education and training adopted by the Council in 2003 and based on common objectives. It includes a series of indicators and reference levels of European average performance.

**Education and Training 2020 (ET 2020):** Updated strategic framework for European cooperation in education and training adopted by the Council in 2009. It builds on the progress made under Education and Training 2010 and provides common strategic objectives for the European Union and its Member States for the period up to 2020.

**European Social Fund (ESF):** The European Social Fund aims to strengthen economic and social cohesion within the EU by improving employment and job opportunities (mainly through training measures), encouraging a high level of employment and creating more and better jobs.

**European Structural and Investment Funds (ESIF):** The ESIF cover five separate funds that aim to reduce regional imbalances across the Union, with policy frameworks set for the 7-year multiannual financial framework. The funds include: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

**Europe 2020 strategy:** The EU’s 10-year jobs and growth strategy. It was launched in 2010 to create the conditions for smart, sustainable and inclusive growth.

**Ex ante conditionalities:** *Ex ante* conditionalities are conditions, based on pre-defined criteria established in partnership agreements, which are regarded as necessary prerequisites for the effective and efficient use of the Union support covered by those agreements. When preparing ERDF, CF and ESF operational programmes under the 2014-2020 programme period, Member States have to assess whether these conditions are fulfilled. If they have not been fulfilled, action plans need to be prepared to ensure fulfilment by 31 December 2016.

**Impact:** Longer-term socioeconomic consequences that can be observed after a certain period after the completion of an intervention, which may affect direct beneficiaries of the intervention or other indirect beneficiaries (e.g. decrease in unemployment levels, improvements in water quality).

**International Standard Classification of Education (ISCED):** The International Standard Classification of Education is used to define the levels and fields of education. The ISCED classification was initially developed by Unesco in the mid-1970s and was first revised in 1997. Due to subsequent changes in education and learning systems at the start of the 21st century, a further review of ISCED was undertaken between 2009 and 2011).

The current classification (ISCED 2011) comprises the following levels.

01	Early childhood educational development	
02	Pre-primary education	
1	Primary education	
2	Lower secondary education	
3	Upper secondary education	
4	Post-secondary non-tertiary education	
5	Short-cycle tertiary education	Tertiary education
6	Bachelor's or equivalent level	
7	Master's or equivalent level	
8	Doctoral or equivalent level	

**Lifelong learning:** For the purpose of this report, 'lifelong learning' refers to the percentage of population aged 25-64 participating in education and training in the 4 weeks prior to the survey.

**Low achievers in basic skills:** 'Low achievers in basic skills' refers to the share of low-achieving 15-year-olds in reading, mathematics and science.

**Managing authority:** A managing authority is a national, regional or local public authority (or any other public or private body) which has been designated by a Member State to manage an operational programme. Its tasks include selecting projects to be funded, monitoring how projects are implemented and reporting to the Commission on financial aspects and results achieved.

**Mathematics, science and technology:** 'Mathematics, science and technology' refers to the increase in the total number of tertiary graduates from the mathematics, science and technology fields.

**Milestone:** Intermediate targets set for indicators for which a target value has been set.

**Operational programme (OP):** An operational programme sets out a Member State's priorities and specific objectives, and how the funding (EU and national public and private co-financing) will be used during a given period (generally 7 years) to finance projects. These projects must contribute towards achieving a certain number of objectives specified within the OP's priority axis. OPs exist for each of the funds in the cohesion area (i.e. ERDF, CF and ESF). An OP is prepared by the Member State and has to be approved by the Commission before any payments from the EU budget can be made. OPs can only be modified during the period covered if both parties agree.



## Glossary

**Outcome:** A change that arises from an intervention, normally relating to its objectives (e.g. trainees who have found employment, decrease in pollutants in treated waste water, decrease in travel time). Outcomes may be expected or unexpected, positive or negative.

**Output:** Something that is produced or accomplished with the resources allocated to an intervention (e.g. training courses delivered to unemployed young people, number of sewage plants or km of roads built).

**Partnership agreement:** Agreements entered into between the European Commission and each Member State for the 2014-2020 programme period. They set out the national authorities' plans on how to use funding from the European Structural and Investment Funds and outline each country's strategic goals and investment priorities, linking them to the overall aims of the Europe 2020 strategy for smart, sustainable and inclusive growth. They also include, among other things, details of any *ex ante* conditionalities and performance management frameworks. They are prepared by the Member State in consultation with the Commission and must be adopted by the Commission.

**Programme period:** The multiannual framework within which Structural Funds and Cohesion Fund expenditure is planned and implemented.

**Tertiary education attainment:** 'Tertiary education attainment' refers to the percentage of those aged 30-34 who have successfully completed tertiary level education.

**Upper secondary education:** For the purpose of this report, 'upper secondary education' refers to the percentage of those aged 22 who have successfully completed at least upper secondary education.

**I** Investment in education is crucial for improving labour productivity, professional development and ultimately economic growth in the European Union. Other benefits of education may be more active citizenship, reduced crime and improved average health conditions. Moreover, the level of education attained has a direct link both to employability and to the quality of employment obtained. EU unemployment in recent years has been three times lower for those with tertiary education compared to those with lower secondary or less.

**II** Within the EU, education policy is a full and exclusive competence of Member States. EU strategies are adopted in the form of Council conclusions, which are not legally binding for EU Member States. However, the Union has the competence to support, coordinate or supplement the actions of the Member States in the area of education.

**III** Eurostat estimates that while 3 200 billion euro was spent on education in the EU Member States between 2007 and 2011, the overall level of expenditure on education slightly decreased between 2009 and 2013 in most of them.

**IV** While the amount of EU funding directly allocated to education is limited in comparison to national investment in this field, the ESF nevertheless contributed 33.7 billion euro to education measures over the 2007-2013 programme period. For the 2014-2020 programme period, planned ESF allocations to education are significantly lower (with an estimated budget of up to 27.1 billion euro).

**V** The EU's education objectives are outlined in the Education and Training 2010, Education and Training 2020 and Europe 2020 strategic frameworks. Our audit assessed whether the objectives had been adequately considered in the operational programmes (OPs) and related projects for 2007-2013 and in the design of OPs for the 2014-2020 programme period.

**VI** During the audit we reviewed 37 ESF OPs from the 2007-2013 programme period, which represent about 28 billion euro or 83 % of the total ESF allocation to education. In addition, we visited five Member States' authorities (Germany, France, Italy, Portugal and Romania) and examined a sample of projects. For the 2014-2020 programme period, we reviewed five partnership agreements and eight OPs, which represent about 7 billion euro of the ESF allocation to education.

### VII

Overall, we concluded that EU education objectives have been adequately considered in the 2007-2013 OPs. However, for some OPs, there were elements of the intervention logic which were not described, and there were shortcomings in the monitoring tools framework. In addition, the performance of audited projects could not be systematically demonstrated due to a lack of quantified objectives and performance indicators. For the majority of the OPs reviewed which were subject to a change in the financial allocation, clear explanations about the implications of the change of the financial allocations for the related target values were missing.

### VIII

Regarding the design of 2014-2020 OPs, we found that EU education objectives have been adequately considered, with improvements in the description of the intervention logic. However, there are still some weaknesses in the framework which may have an impact on performance monitoring and reporting at OP and project level. In addition, there is not always a clear link between education measures and their impact on employability.

### IX

We recommend that:

- (a) During the preparation of the next programme period, the Commission should consider specifying the result indicator(s) on outcomes for which baseline and target values should be set for each investment priority.
- (b) For the 2014-2020 programme period:
  - (i) Where modifications to OPs are requested by Member States, the Commission should:
    - o encourage the establishment of a clear link between OPs' investment priorities and appropriate quantified and measurable result indicators;
    - o ensure that Member States provide explanations for the reprogramming of financial allocations, including both qualitative and quantitative information on the expected change in output and results indicators.
  - (ii) Member States should ensure that:
    - o there is a clear link between the selected projects and the achievement of EU education objectives embedded in the OP;
    - o appropriate result indicators are put in place to demonstrate the actual effects of the project on the final participants in a systematic manner and to monitor progress towards achieving the OPs' education objectives.
  - (iii) Where relevant, the Commission and the Member States should better target OPs' funding on measures which reinforce the link between education and employment, and should ensure that outcomes are monitored appropriately.

## The role of education

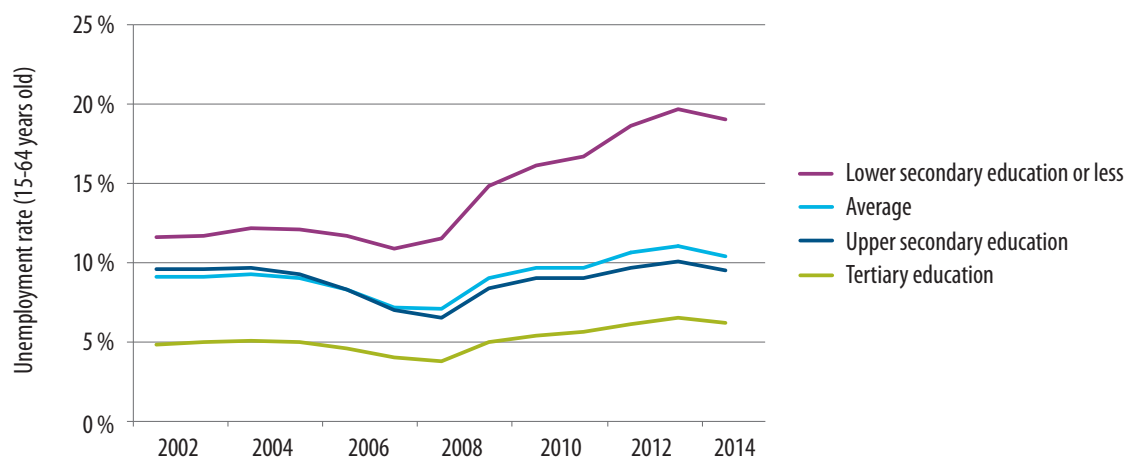
### 01

Investment in education is crucial for improving labour productivity, professional development and, ultimately, economic growth in the European Union. Other benefits of education may be more active citizenship, reduced crime and improved average health conditions<sup>1</sup>. A person's level of education has a direct link both to employability and to the quality of job obtained. It is related to individual earnings and even more closely to unemployment levels. As shown in **Figure 1**, EU unemployment in recent years has been three times lower for those with tertiary education compared to those with lower secondary or less.

1 European Expert Network on Economics of Education (EENEE), 'The economic case for education', December 2014 and OECD, 'Education at a glance 2015 — OECD indicators', 2015.

Figure 1

### Unemployment rate by educational attainment in the EU



Source: Eurostat.

## Education and the EU

### 02

One of the founding principles of the EU is promoting knowledge by giving EU citizens 'wide access to education and through its continuous updating'<sup>2</sup>. Within the EU, education policies are a full and exclusive competence of Member States. EU strategies are adopted in the form of Council conclusions, which are not legally binding for EU Member States ('soft law'). These conclusions are political statements by the Council that lay the foundations for cooperation between two or more Member States in a defined area.

### 03

The EU has competencies to support, coordinate or supplement actions by the Member States in the area of education<sup>3</sup>. In addition, 'The Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity'<sup>4</sup>.

### 04

In 2000, the Heads of State or Government approved the Lisbon strategy<sup>5</sup>, which had the aim of making the EU 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion' by 2010.

### 05

Following the Lisbon strategy, the Council had agreed<sup>6</sup> to establish a framework for European cooperation in the field of education and training, based on common objectives (known as 'Education and Training 2010' – ET 2010). This included a series of indicators and reference levels of European average performance in education to be used as one of the tools for monitoring the achievement of objectives for education and training systems in Europe.

- 2 Preamble of the Treaty on the Functioning of the European Union (TFEU).
- 3 TFEU, Article 6.
- 4 TFEU, Article 165.
- 5 European Council of 23-24 March 2000.
- 6 Council conclusions of 5 May 2003 on reference levels of European average performance in education and training (Benchmarks) (OJ C 134, 7.6.2003, p. 3), further to COM(2002) 629 final of 20 November 2002 'European benchmarks in education and training: follow-up of the Lisbon European Council'.

## 06

In 2009, the Council adopted<sup>7</sup> an updated strategic framework for European cooperation in education and training known as 'Education and Training 2020' – ET 2020, building on the progress made under the 'ET 2010'.

## 07

In 2010, the Europe 2020 strategy<sup>8</sup> for jobs and smart, sustainable and inclusive growth was adopted by the Council. It identifies five measurable EU headline targets for 2020 that were translated into national targets and trajectories. These targets encompass education objectives.

## 08

The EU education objectives have remained relatively stable and prominent on the EU agenda. Based on the above-mentioned strategic documents, the EU education objectives considered for the purpose of this report are:

- reduction of the number of early school leavers;
- increase of tertiary education attainment;
- increase of the participation in lifelong learning;
- reduction of the number of low achievers in basic skills;
- increase of the participation in early childhood education;
- increase of the participation in higher education in the field of mathematics, science and technology; and
- increase of upper secondary education attainment.

**Table 1** presents further details and the targets set at European level.

## 09

While it is difficult to establish a direct correlation with the impact of EU support, significant progress has been made in recent years towards achieving the Europe 2020 education objectives. However, efforts are still needed to reach the targets set. Despite the fact that the EU average is close to the Europe 2020 education targets, some Member States are still lagging behind in achieving their national targets.

7 Council Conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ('ET 2020') (OJ C 119, 28.5.2009, p. 2).

8 European Council of 17 June 2010, Conclusions further to COM(2010) 2020 final of 3 March 2010 'EUROPE 2020 A strategy for smart, sustainable and inclusive growth'.

Table 1

## EU objectives in the field of education

Area covered	Education and Training 2010 May 2003	Education and Training 2020 May 2009	Europe 2020 June 2010	
	Objectives to be reached by <b>2010</b> at EU level	Objectives to be reached by <b>2020</b> at EU level		
Early school leavers	The share of early leavers from education and training should be less than 10 %	The share of early leavers from education and training should be less than 10 %		
Tertiary education attainment (ISCED 5-8)	Not mentioned	The share of 30-34 year old with tertiary educational attainment should be at least 40 %		
Lifelong learning	At least 12.5 % of adults (25-64 years old) should participate to lifelong learning	At least 15 % of adults (25-64 years old) should participate to lifelong learning	No new targets set	
Low achievers in basic skills	The percentage of low-achieving 15 year olds in reading literacy should have decreased by at least 20 % compared to 2000	The share of low-achieving 15-year olds in reading, mathematics and science should be less than 15 %		
Early childhood education (ISCED 0)	Not mentioned	At least 95 % of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education		
Mathematics, science and technology	The total number of graduates in mathematics, science and technology should increase by at least 15 % (from 2003 to 2010), while at the same time, the level of gender imbalance should decrease	No new targets set		
Upper secondary education attainment (ISCED 3)	At least 85 % of 22 year olds should have completed upper secondary education			

## 10

**Figures 2 and 3**, for the visited Member States<sup>9</sup>, show the trend in the reduction of the number of early school leavers and in the increase in tertiary education attainment. In Portugal, a 2009 reform made it compulsory to remain in education until the age of 18, the age at which students normally attain an upper secondary education qualification. This has contributed significantly to the reduction in early school leaving.

<sup>9</sup> Germany, France, Italy, Portugal and Romania.

Figure 2

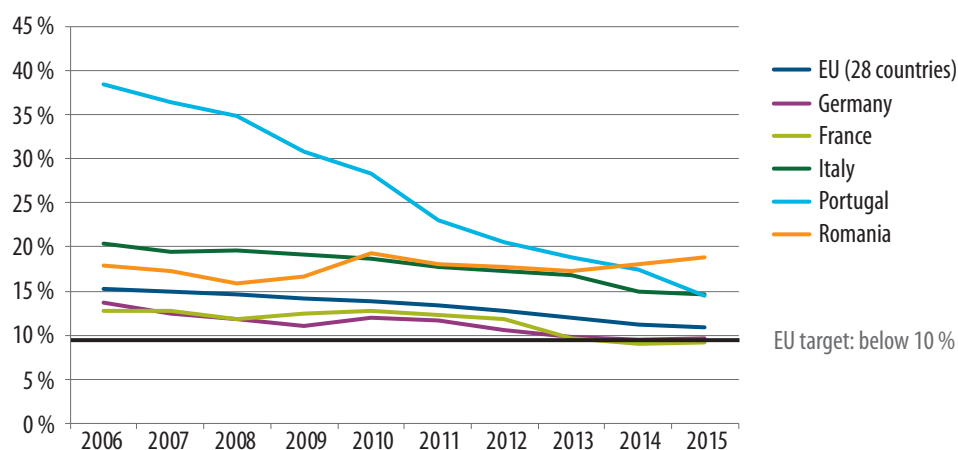
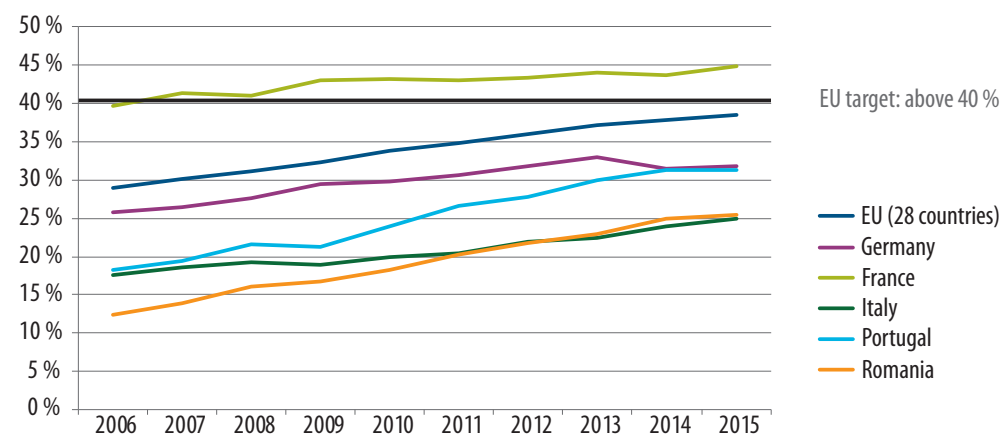
Early school leavers in the EU<sup>1</sup>

Figure 3

Tertiary education attainment in the EU<sup>1</sup>

<sup>1</sup> EU target is not necessarily the same as the specific national targets set.

Source: Eurostat.



**11**

For information purposes, the progress made during the period 2006-2015 by all 28 Member States towards reaching these Europe 2020 targets is shown in **Annex I**.

**12**

Education is one of the biggest expenditure items in the Member States' national budgets. Overall, Eurostat, the Commission's statistical service, estimates that 3 200 billion euro were spent on education by the EU Member States between 2007 and 2011.

**13**

Despite various calls from the Commission for Member States to protect investment in growth-friendly policies, such as education, the level of expenditure on education, as a share of gross domestic product, decreased slightly between 2009 and 2013<sup>10</sup> in most Member States (see **Table 2**).

**14**

While the amount of EU funding directly allocated to education is limited in comparison to national investments in this field, the ESF nevertheless contributed 33.7 billion euro to measures in the area of education throughout the 2007-2013 programme period. For the 2014-2020 programme period, planned ESF allocations to education are significantly lower (with an estimated budget of up to 27.1 billion euro).

<sup>10</sup> European Commission, 'Education and Training Monitor 2014', p. 14 and 'Education and Training Monitor 2015', p. 25.

**Table 2** EU-28 Member States — Education expenditures as a share of gross domestic product

	2009	2010	2011	2012	2013
EU (28 countries)	5.5	5.3	5.1	5.0	5.0
Belgium	6.2	6.1	6.3	6.3	6.4
Bulgaria	4.3	3.7	3.5	3.4	3.8
Czech Republic	4.8	5.1	5.1	5.0	5.2
Denmark	8.0	7.2	6.9	7.1	7.0
Germany	4.4	4.4	4.3	4.3	4.3
Estonia	7.1	6.6	6.3	6.3	6.0
Ireland	5.4	4.9	4.7	4.4	4.1
Greece	4.3	4.0	4.4	4.4	4.5
Spain	5.1	4.5	4.4	4.1	4.0
France	6.2	5.6	5.5	5.5	5.5
Croatia	-	5.0	5.0	5.0	5.3
Italy	4.6	4.4	4.1	4.1	4.1
Cyprus	7.2	6.8	6.6	6.1	6.5
Latvia	6.8	6.2	5.9	5.7	5.7
Lithuania	6.8	6.4	6.1	5.8	5.6
Luxembourg	5.3	5.2	5.1	5.4	5.6
Hungary	5.3	5.6	5.1	4.7	4.7
Malta	5.4	5.6	5.7	5.8	5.9
Netherlands	5.9	5.7	5.6	5.6	5.5
Austria	5.7	5.1	5.0	5.0	5.0
Poland	5.6	5.6	5.5	5.4	5.3
Portugal	6.8	7.7	7.3	6.5	6.8
Romania	4.1	3.3	4.1	3.0	2.8
Slovenia	6.5	6.6	6.6	6.4	6.5
Slovakia	4.3	4.9	4.6	4.4	5.0
Finland	6.6	6.6	6.5	6.4	6.5
Sweden	7.2	6.5	6.5	6.5	6.6
United Kingdom	6.9	6.6	6.0	5.8	5.5

Source: Eurostat.

## Shared management arrangements

### 15

The ESF is implemented by the Commission and the Member States through shared management. Member States prepare multiannual OPs that are negotiated with the Commission and adopted in the form of Commission decisions. An OP is a strategic document that analyses the problems and needs of the geographical area covered, identifies the groups that need assistance, sets the priorities of the intervention and the related budget and sets the goals to be achieved.

### 16

To manage and implement the OPs, the Member States designate managing authorities to ensure that their implementation is effective, legal and regular, particularly as regards the selection of projects to be funded, the monitoring of their implementation and the reporting to the Commission on financial aspects and results achieved. The managing authorities can decide to delegate part of the implementation work to one or more intermediate bodies. The projects are carried out by beneficiaries. Beneficiaries have to provide monitoring information on project progress to managing authorities, which have to send aggregate information to the Commission in the form of annual implementation reports<sup>11</sup>.

### 17

For the 2014-2020 programme period, changes have been introduced for establishing the OPs<sup>12</sup>, and in particular the partnership agreements and the *ex ante* conditionalities. Partnership agreements are contracts between the Commission and the Member States, and replace the national strategic reference frameworks that were in place during the 2007-2013 programme period. The partnership agreements present an overarching strategic plan with priorities for investment for each of the Member States. They are intended to ensure that the use of the European Structural and Investment Funds in the Member States is aligned with the Europe 2020 strategy, and to put in place arrangements to ensure that funds are used effectively. Partnership agreements are then broken down into OPs. *Ex ante* conditionalities are conditions which are regarded as necessary prerequisites for the effective and efficient use of the Union support. Where these conditions are not fulfilled, actions plans need to be prepared by Member States to ensure they are fulfilled by 31 December 2016.

### 18

**Annex II** sets out, in simplified terms, the main aspects of the programming, implementation and reporting processes for ESF actions.

11 The set-up is completed by a certifying authority, whose function is to certify to the Commission that the expenditure being declared for reimbursement is accurate, results from a reliable accounting system and is compliant with applicable EU and national rules. An audit authority audits the effectiveness of the control systems and is responsible for the closure declaration and the report to the Commission.

12 Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

## 19

In this audit, we assessed whether EU education objectives had been adequately considered in the OPs and related projects for 2007-2013 and in the design of OPs for the 2014-2020 programme period. It was not possible to select specific projects for review for the period 2014-2020 because it was still too early in the programme period.

## 20

In particular, we assessed whether:

- (a) EU education objectives had been adequately addressed in the 2007-2013 ESF OPs and projects;
- (b) the Commission had supported Member States during the establishment of 2014-2020 OPs with a view to improving them compared to the previous programme period.

## 21

The audit was based on:

- o interviews with Commission officials of directorates-general<sup>13</sup>;
- o an analytical review of relevant EU and national documentation;
- o a desk review of 37 ESF OPs from the 2007-2013 programme period covering 15 Member States (see **Annex III**), and of five partnership agreements and eight OPs (adopted between October 2014 and February 2015) for the 2014-2020 programme period covering five Member States: Germany, France, Italy, Portugal and Romania (see **Annex IV**). The detailed audit methodology used for the analysis is described in **Annex V**;
- o visits to the abovementioned five Member States' authorities;
- o visits to beneficiaries of 15 projects from the 2007-2013 programme period.

13 Directorate-General for Employment, Social Affairs and Inclusion and Directorate-General for Education and Culture.

## Assessment of 2007-2013 operational programmes

### 22

The EU education objectives are essential elements in helping the EU become the most competitive and dynamic knowledge-based economy in the world. Each Member State has its own specific needs and focuses its investment priorities accordingly in the relevant OPs submitted to the Commission for approval.

### 23

We assessed whether:

- the 2007-2013 ESF OPs had adequately addressed the EU education objectives<sup>14</sup>;
- any modifications had been made to the OPs during the programme period following the adoption of the ET 2020 and Europe 2020 strategies in 2009 and in 2010 respectively;
- it could be demonstrated that the sampled projects had contributed to achieving education objectives.

## EU education objectives are addressed in the 2007-2013 ESF operational programmes examined

### 24

Where OPs include specific education objectives, we consider that the related intervention logic and the tools for monitoring performance should be outlined and described.

### 25

We carried out an analysis of 37 ESF OPs for the 2007-2013 programme period in order to assess the extent to which these criteria had been outlined.

14 Although the objective of improving vocational education and training was not one of the EU education objectives defined by ET 2010, it had already been included by the Member States in 10 of the 37 2007-2013 ESF OPs examined and was therefore included in the analysis.

## 26

The initial budget of the OPs reviewed totalled 87.38 billion euro, of which 59.41 billion euro were allocated from the ESF. The ESF allocation to education is 28.4 billion euro, i.e. 48 % of the total ESF support. The examined OPs represent about 83 % of the total ESF allocation to education for the 2007-2013 programme period, which totalled to 33.7 billion euro (see paragraph 14).

15 Belgian Flanders OP did not specifically address any EU education objective, but nonetheless received ESF funds allocations under the education priority codes.

## 27

Our analysis of the OPs examined showed that they generally included education objectives<sup>15</sup>. However, for some OPs, there were elements of the intervention logic which were not described and/or there were other shortcomings in the monitoring tools framework which are further detailed in the following two sections. An overview of the shortcomings is presented in **Table 3**.

Table 3

### Assessment of 2007-2013 ESF OPs: EU education objectives, intervention logic and tools for monitoring

Objectives	OPs that included the EU objectives (number and percentage of OPs examined)	Intervention logic			Tools for monitoring	
		Without any description of context (%)	Without any needs analysis (%)	Without any example of actions to achieve the objective (%)	Without any quantification of the objective (%)	Without any indicator for measuring the achievement of the objective (%)
Early school leavers	28 (76 %)	4	29	none	11	14
Tertiary education attainment	20 (54 %)	5	20	10	40	25
Lifelong learning	35 (95 %)	11	17	none	none	none
Low achievers in basic skills	11 (30 %)	27	27	36	36	45
Early childhood education	4 (11 %)	none	none	25	50	50
Mathematics, sciences and technology	18 (49 %)	33	44	17	22	22
Upper secondary education attainment	25 (68 %)	4	28	8	20	12
Vocational education and training	10 (27 %)	10	10	10	none	none
	<b>151 cases<sup>1</sup></b>	<b>12</b>	<b>22</b>	<b>13</b>	<b>22</b>	<b>21</b>

1 The total number of cases is the sum of all the identified education objectives in all 37 OPs examined.

## Clear intervention logic was not always presented for the chosen objectives

### 28

OPs are strategic documents which support EU intervention. They cannot be expected to contain exhaustive information. However, as the Commission has to assess and approve the OPs, we expect them to provide appropriate information, or at least references to other national documents, concerning the logic behind the EU intervention: description of the context, identification of the needs and of the actions necessary to meet the needs and remedy the initial weaknesses. This is the basis for allocating resources in an effective and efficient way.

### 29

Each time an EU education objective had been included in an examined OP, we assessed whether a clear intervention logic had been described. This logic should include a sound description of the context, followed by a detailed needs analysis, identifying the appropriate actions required. While the applicable regulation for the 2007-2013 programme period did not require Member States to list their intended actions, this is considered good practice and was introduced as a requirement for the 2014-2020 programme period<sup>16</sup>. Hence, we considered this good practice as a criterion for assessing the 2007-2013 ESF OPs. **Table 3** summarises the cases in which the assessment showed that neither the OPs nor the related documents had presented the necessary information.

### 30

Most of the OPs examined had presented a description of the context with qualitative and quantitative data or at least some minimum level of information. However, in 12 % of the cases, the OPs did not provide any information concerning the context, i.e. the situation before the programme's implementation. The absence of any description of the context implies that the needs can be identified only in general terms and therefore prevents the development of a clear strategy. Moreover, we identified differences in the quality of the information provided by the OPs and related documents within a Member State (see **Box 1**).

16 Article 96.2.b(iii) of Regulation (EU) No 1303/2013.

#### Box 1

### Example of differences in the information provided by the OPs and related documents within a Member State

In Italy, four ESF OPs included the objective of reducing the number of early school leavers. Among them, three OPs provided qualitative and quantitative information concerning the situation before the programmes' implementation, while one OP did not present an adequate level of information in this regard.

## 31

**Table 3** indicates that a needs analysis was found to be lacking in 22 % of the cases. Our analysis also found that while a needs analysis with qualitative or quantitative data was present in about a fifth of the cases, almost half of these referred only to the need to achieve the EU target without a detailed underlying analysis.

## 32

Finally, we found that most of the OPs examined provided examples of actions planned to achieve the objectives. However, in 13 % of the cases, the OPs did not provide any example of actions that could be taken to achieve the related objective.

### Inadequate tools for monitoring performance

#### Absence of outcome indicators and baselines, milestones and targets hampers effective monitoring and evaluation of the overall ESF performance

## 33

We have previously highlighted several times in other reports<sup>17</sup> that the Commission was in a difficult position to adequately monitor overall ESF performance during the 2007-2013 programme period. The 2007-2013 regulatory framework required Member States to define specific output and result indicators on outcomes as well as quantitative targets at the level of priority axes for each OP. However, in relation to common indicators it was only mandatory to report the ones in relation to participants and/or participations<sup>18</sup>. During the 2007-2013 period, there were no common result indicators on outcomes required, which creates problems for aggregating the monitoring information on results. Weaknesses in monitoring also have an impact on the capacity of the Commission and Member States to carry out evaluations.

17 Special Report No 3/2000 on the European Social Fund and the European Agricultural Guidance and Guarantee Fund (Guidance section) — Measures to assist the employment of young persons (OJ C 100, 7.4.2000); Special Report No 12/2001 concerning certain structural measures to improve the employment situation: the impact of ERDF aid on employment and ESF measures to combat long-term unemployment (OJ C 334, 28.11.2001); Special Report No 1/2006 on the contribution of the European Social Fund in combating early school leaving (OJ C 99, 26.4.2006); Special Report No 17/2009 'Vocational training actions for women co-financed by the European Social Fund' and Special Report No 25/2012 'Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?' (<http://eca.europa.eu>).

18 Annex XXIII to Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (OJ L 371, 27.12.2006, p. 1).



## Observations

### 34

In its 2013 strategic report, the Commission states that while the 2007-2013 OPs had strong mechanisms for tracking the absorption of funds, the mechanisms for setting, monitoring and evaluating objectives were weaker<sup>19</sup>. In addition, the final synthesis report by external Expert Evaluation Network on the main ESF achievements of the 2007-2013 programme period highlighted that 'although comprehensive data are available on outputs for each of the Member States, the position for results is much less favourable. Even for three key results — job entry, qualifications achieved and self-employment — it was not possible to obtain the absolute numbers on a consistent basis for a number of Member States. In the absence of absolute numbers it is not possible to generate aggregate figures across Member States for the results associated with ESF supported interventions'<sup>20</sup>.

### 35

Our analysis of the examined OPs considered two aspects relating to monitoring tools: whether there was any quantification of the objective and whether any indicator had been set for measuring the achievement of the objective. **Table 3** shows that 22 % of the cases did not have any quantification of the objective and 21 % did not include any indicator for measuring the achievement of the objective. Our analysis also found that around half of the OPs presented both output and outcome indicators, with baselines and target values, while in 31 % of cases, one of the two types of indicators was missing.

### 36

Baselines, milestones and targets are essential to efficiently assess and monitor the performance of the OPs. They provide the management with the tools required to properly assess the extent to which the objectives are being met, and make it possible to initiate corrective measures including reprogramming financial resources in the event of inadequate performance. The fact that goals are not set in measurable terms hampers the evaluation and reporting of the ESF's performance.

**Data on participants in ESF measures are likely to be overstated since reporting is based on the number of participations**

### 37

Among the output indicators, the most commonly available one is that related to number of participants. This output indicator allows the managing authorities to monitor the number of participants/participations in a measure, but does not provide information concerning the results achieved and/or the impact on the participants' situations.

19 COM(2013) 210 final of 18 April 2013 'Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Cohesion policy: Strategic report 2013 on programme implementation 2007-2013', p. 12.

20 ESF Expert Evaluation Network — Final synthesis report: Main ESF achievements, 2007-2013, 26.3.2014, p. 6.

## 38

Moreover, this indicator does not provide a clear distinction between individual participants and participation. The 2014 annual activity report of the Directorate-General for Employment, Social Affairs and Inclusion mentions an average of 11.2 million participants per year for the 2007-2013 programme period. However, it also specifies that these figures are at risk of being overstated because 'Member States report on the number of participations to ESF projects and therefore one participant could take part in several actions'<sup>21</sup>.

## Insufficient link between financial reprogramming of operational programmes and targets set

## 39

Member States should consider whether there is a need to review the initially established OP objectives in the light of an updated EU education strategic policy. Where this is the case, there should be a reassessment of the targets previously set and the required financial allocations.

## 40

An updated strategic framework on education was adopted by the Council during the 2007-2013 programme period (see paragraphs 6 and 7), and although it was not mandatory to modify OPs in that regard, we checked whether the 37 OPs reviewed needed to be updated accordingly.

## 41

While 35 out of the 37 OPs examined had been modified throughout the programme period, only two included modifications concerning education objectives to ensure that the OP was aligned with the Europe 2020 strategy (see **Annex VI**). However, our assessment showed that, in general, the education objectives included in the OPs examined had already been in line with the updated EU education objectives.

## 42

Indicators, or their target values (and in some cases the baselines), related to the education objectives, had been modified in 27 OPs and the majority of these had their financial allocation to education modified. For some OPs, information concerning the reprogramming including resetting of targets was available. For example, the Slovak OP<sup>22</sup> provided a detailed analysis, including the formula for calculating the target values of indicators. However, for the majority of the modified OPs, clear explanations about the implications of the change in the financial allocations for the related target values were missing.

21 Directorate-General for Employment, Social Affairs and Inclusion, 2014 Annual activity report — Ares(2015)1425867.

22 OP No 2007SK05UPO001 — Operačný program Vzdelávanie.

## Observations

### 43

For two OPs in Italy, the financial allocations to education were reduced by 9 million euro and 30 million euro (respectively 8 % and 10 % of the initial budget), without either modifying the indicators and their target values or providing an adequate justification<sup>23</sup>. For the second OP for which the initial budget was reduced by 10 % (Campania), almost all of the initial targets had already been overachieved at the time of the modification of the OP, having spent only around half of the initial budget. This illustrates that limited attention was given to performance aspects.

### 44

Where required, not updating the target values when modifying the financial allocations or updating them inconsistently weakens the validity of the indicators and their usefulness. Target values, if not carefully established, impede the assessment of the effectiveness of a programme.

## Performance of examined projects could not be systematically demonstrated

### 45

Projects supported through ESF OPs are expected to deliver results which fit into the OP strategy designed to reach one of the EU education objectives. Responsibility for the sound financial management of co-financed activities rests with the managing authority of each OP<sup>24</sup>. The managing authorities should first make sure that the grant applications include relevant quantified objectives and indicators and assess the adherence of the project to the OP strategy and the adequacy of the likely results.

### 46

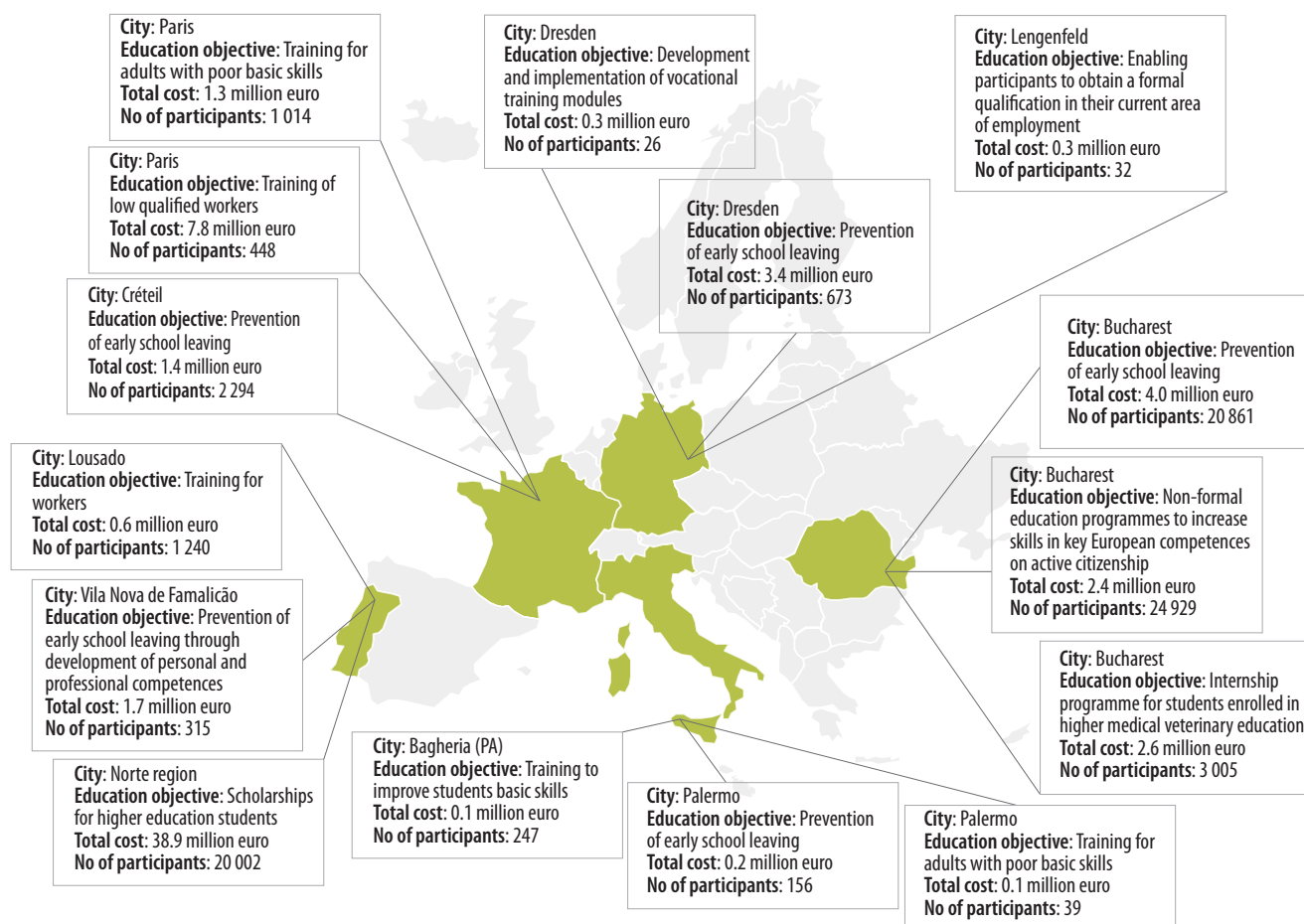
For the purpose of the audit, we examined 15 projects, i.e. three projects in each of the five Member States visited (see paragraph 21), that, according to the managing authorities, had contributed positively to achieving at least one EU education objective. For each project, we examined to what extent it could be demonstrated that the results achieved had contributed to the education objectives set out in the OP. **Figure 4** provides additional information on the location, scope, cost and participation in the projects examined.

23 OP No 2007IT051PO001 — Programma operativo obiettivo convergenza fondo sociale europeo 2007-2013 regione Campania and OP No 2007IT052PO004 — Programma operativo del fondo sociale europeo obiettivo competitività regionale e occupazione regione Lazio 2007-2013.

24 Article 60 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

Figure 4

## Overview of ESF projects examined



## 47

**Table 4** presents, for each EU education objective, the number of projects examined and the financial amounts involved. Although some projects contributed to more than one EU objective in the field of education, for reporting purposes they have been listed under the most relevant one based on our assessment.

Table 4

## EU education objective addressed by the projects examined

Objectives	Number and location of the projects examined	Number of participants	Total allocation (million euro)	Total ESF allocation (million euro)
Early school leavers	5 projects (Germany, France, Italy, Portugal and Romania)	24 299	10.6	7.1
Lifelong learning	5 projects (Germany, 2 in France, Italy and Portugal)	2 773	10.0	4.5
Low achievers in basic skills	2 projects (Italy and Romania)	25 176	2.5	1.8
Tertiary education attainment	2 projects (Portugal and Romania)	23 007	41.5	35.3
Upper secondary education attainment	1 project in Germany	26	0.3	0.2
<b>Total</b>	<b>15 projects</b>	<b>75 281</b>	<b>64.9</b>	<b>48.9</b>

## Insufficient focus on achievement of projects' objectives and use of relevant performance indicators

### 48

For most of the projects examined, only financial aspects and outputs had been monitored, not their contribution to the selected objectives as such. Failing to assess the skills acquired by the participants may lead to training that does not meet the participants' learning needs and does not improve the targeting of the learning activities if needed (see **Box 2**). In almost half of the projects, as the objectives had not been quantified, the monitoring procedures in place did not provide information on the extent to which the objectives had been achieved.

### 49

In two cases, while comprehensive monitoring information was available at the level of the beneficiary, it had not been requested and therefore not transmitted to the managing authority.

## Box 2

### Unsatisfactory monitoring procedure

The objective of a project in Palermo (Italy) was to strengthen lifelong learning, i.e. to support the access of adults, whether employed or not, to education pathways through which to recover initial educational deficits and/or obtain qualifications.

The selection criteria in the call for projects provided for a specific criterion related to enhanced and clear ongoing and *ex post* evaluation methodologies both for outputs and outcomes. The only monitoring put in place was a self-evaluation in which the 39 participants expressed a judgment on their knowledge before and after the training.

We consider that this method should have been accompanied by other monitoring procedures such as assessment by the training provider to better assess the effectiveness of the project.

**50**

Almost all the projects had been carried out within the budget and without delays. Where budget overruns had occurred, it was because of a significant increase in the number of the initially planned participants, and this had been approved by the relevant managing authority.

**51**

Overall, the activities related to the 15 projects examined corresponded to their respective EU education objectives set out in the OPs. However, because almost half of the examined projects had not set indicators other than the number of participants/participations, the possibility to ascertain the extent to which a project had actually produced any change in the situation of the participants was limited.

**52**

During the audit, we identified good practice in the case of one managing authority, where payments were linked to project performance (see **Box 3**).

**Box 3****Example of result-oriented management: linking payments to performance**

In Romania, the projects examined included both output and outcome indicators with target values.

The procedures in place gave the managing authority/intermediate body the possibility to decrease proportionally the amount of the grant where the monitoring showed that the output/outcome indicators' target values had not been attained at the end of the project<sup>25</sup>.

<sup>25</sup> See for example Romanian managing authority instruction No 71/2013 applicable to the 2007-2013 projects that were not yet completed at the time when the instruction was issued.

## Assessment of the establishment of operational programmes for the 2014-2020 programme period

### 53

Our approach to assessing the inclusion of EU education objectives in the 2014-2020 OPs was the same as that for the 2007-2013 OPs. In addition, the audit considered the changes in the applicable regulations<sup>26</sup> such as partnership agreements and the *ex ante* conditionalities.

### 54

We assessed whether:

- the Commission had supported Member States in establishing the 2014-2020 OPs;
- 2014-2020 OPs adequately addressed the EU education objectives<sup>27</sup>;
- the performance monitoring framework has been improved;
- a link had been established between EU education objectives and employment.

## Commission supported Member States in establishing 2014-2020 operational programmes

### 55

The Commission should provide support to Member States to ensure that the OPs submitted by them for its approval include those EU policy objectives which the Member States wish to benefit from ESF funding.

### 56

We consulted with the Commission services involved in the process of establishing the 2014-2020 OPs and reviewed the related documentation, including the partnership agreement for each of the five Member States visited (see paragraph 21) focusing on education objectives.

26 Mainly Regulation (EU) No 1303/2013 and Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

27 Improving vocational education and training was not included in the Europe 2020 objectives nor covered by any specific benchmark of ET 2020. However, this objective has been included in our assessment because the legal framework includes this objective under thematic objective 10 and introduced the thematic *ex ante* conditionality 10.4 requiring the existence of a national or regional strategic policy framework for increasing the quality and efficiency of vocational education and training systems.



## Observations

### 57

The process of negotiating and approving partnership agreements and OPs for the 2014-2020 programme period started in 2012, with the preparation of the position papers by the Commission. These position papers set out the Commission's preliminary analysis of the situation in the different Member States and regions and formed the framework for the dialogue between the Commission and the Member States on preparing the partnership agreements and OPs. They set out the key country-specific challenges and presented the Commission services' preliminary views on the main funding priorities. The starting point of the Commission's considerations was its assessment of the Member States' progress towards their Europe 2020 targets, underpinned by the country-specific recommendations addressed by the Council and country-specific development challenges<sup>28</sup>.

### 58

The Commission provided support to Member States in setting up these strategic documents. In particular, the Commission issued guidance on different aspects of the new programme period, such as a template and guidelines on the content of the partnership agreement and OPs. In addition, it issued guidance fiches on intervention logic and on how to comply with the four education-related *ex ante* conditionalities: 'Early school leaving', 'Higher education', 'Lifelong learning' and 'Vocational education and training'.

### 59

The Commission also developed appraisal procedures for assessing the draft partnership agreements and OPs in order to ensure that they properly address EU education objectives set in ET 2020 and Europe 2020.

### 60

The comprehensive assessment carried out by the Commission for the sampled partnership agreements and OPs successfully identified several shortcomings (such as unclear specific objectives, lacking or poor quality indicators, poor performance framework information and a failure to comply with the *ex ante* conditionalities). The observations were submitted to the Member States, which, where necessary, revised and resubmitted the partnership agreements and the OPs.

28 For an analysis of the country-specific recommendations see also Special Report No 3/2015 'EU Youth Guarantee: first steps taken but implementation risks ahead', paragraphs 73 to 78 (<http://eca.europa.eu>).

### 61

Our assessment of the process for the establishment of 2014-2020 OPs identified some shortcomings. For example, in the Norte OP (Portugal), despite financial support having been allocated to 'Vocational education and training', the corresponding *ex ante* conditionality had not been considered applicable or fulfilled.

### Examined operational programmes consistent with EU education objectives

### 62

Where OPs include specific education objectives, the related intervention logic and the tools for monitoring performance should be outlined and described.

### 63

We carried out an analysis of eight OPs which included an ESF allocation for the 2014-2020 programme period, in order to assess the extent to which these criteria had been outlined.

### 64

The total initial budget of the reviewed OPs is 23.33 billion euro, of which 13.76 billion euro is from the ESF. The ESF allocation to education is 7.14 billion euro, i.e. 52 % of the total ESF support. **Annex IV** provides the budgetary information on the OPs examined.

### 65

Our analysis of the OPs examined showed that they generally included education objectives. There was a significant improvement in the description of the intervention logic compared to the 2007-2013 programme period. We also noted improvements in the monitoring tools framework. An overview of the remaining shortcomings is presented in **Table 5**.

Table 5

**Assessment of 2014-2020 OPs: EU education objectives, intervention logic and tools for monitoring**

Objectives	OPs that included the EU objectives (number and percentage of OPs examined)	Intervention logic			Tools for monitoring	
		Without any description of context (%)	Without any needs analysis (%)	Without any example of actions to achieve the objective (%)	Without any quantification of the objective (%)	Without any indicators for measuring the achievement of the objective (%)
Early school leavers	7 (88 %)	none	none	none	none	none
Tertiary education attainment	5 (63 %)	none	none	none	none	none
Lifelong learning	6 (75 %)	none	none	none	17	none
Low achievers in basic skills	3 (38 %)	none	33	none	33	33
Early childhood education	2 (25 %)	none	none	none	50	50
Vocational education and training	7 (88 %)	29	none	none	none	none
	<b>30 cases<sup>1</sup></b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>17</b>	<b>14</b>

1 The total number of cases is the sum of all the identified education objectives in all 8 OPs examined.

**66**

The assessment showed that, overall, the OPs presented a satisfactory description of the situation existing before the implementation of the OP and coherently identified the needs to be fulfilled.

**67**

The OPs also presented indicative actions for achieving the objectives and identified the guiding principles for selecting operations and, where appropriate, identifying the main target groups, specific territories targeted and types of beneficiaries. While the process for establishing the examined OPs shows some improvements compared to the 2007-2013 programme period, the crucial next stage, which is in the hands of Member States, is to select and implement appropriate projects to support the achievement of education objectives outlined in the OPs.

## 68

We found shortcomings in some OPs, mainly regarding the quantification of the objectives and the lack of baselines and target values for indicators. As detailed in **Table 5**, these concern ‘Lifelong learning’, ‘Low achievers in basic skills’ and ‘Early childhood education’ objectives.

### Performance monitoring arrangements improved, but with some limitations

## 69

The monitoring and reporting framework should provide sufficient information for the Commission to be able to adequately monitor and report on the performance achievements of ESF funded measures.

## 70

To assess this aspect, we reviewed the 2014-2020 legal framework and the related guidance issued by the Commission in relation to the eight OPs examined.

## 71

To overcome the weaknesses identified for the 2007-2013 programme period (see paragraphs 33 to 38), the 2014-2020 legal framework introduced common result indicators<sup>29</sup>. Article 5 of the ESF regulation provides that ‘all common output and result indicators shall be reported for all investment priorities’. This reporting will take place in the annual implementation report and should deliver consistent and comparable information about the achievement of the OP objectives.

## 72

According to the guidance document on monitoring and evaluation of the EU cohesion policy<sup>30</sup>, ‘only the indicators that represent the main outputs expected from the specific objective should be linked to a target’. In addition, this guidance specifies that ‘baselines shall be fixed for all common and programme-specific result indicators for which a cumulative quantified target value for 2023 has been set’.

29 Annex I to Regulation (EU) No 1304/2013.

30 Programming Period 2014-2020 — Monitoring and Evaluation of European Cohesion Policy — European Social Fund — Guidance Document — June 2015, p. 15.

## 73

In its guidance, however, the Commission did not detail the exact requirements in terms of the result indicator(s) for outcomes to be chosen for each investment priority to ensure consistency between the OPs. For the objective of reducing the number of early school leavers, in particular, we consider that this led to some cases where baseline and target values for additional indicators would have been helpful to better assess the effectiveness of the measure (see **Box 4**).

### Box 4

#### Example where targets for additional outcome indicators would have been helpful

For the specific objective 'Reducing and preventing early school leaving', the 2014-2020 regional OP for Italy (Sicily) has selected as an outcome indicator 'participants who are in employment, including self-employment, 6 months after leaving' (together with a baseline and a target).

However, given that many of the recipients will be students still enrolled in school, this indicator alone is not sufficient for assessing the intervention's effectiveness.

Since this measure also aims at keeping participants in school, we consider that it would also have been necessary to set a target for an additional indicator such as the common result indicator 'participants in education/training upon leaving' or the indicator employed by the national Italian ESF OP measuring the situation of the participants 1 year after the end of an intervention.

## Difficulties in linking education measures to employment prospects

## 74

Monitoring and reporting systems for the 2014-2020 programme period should provide information on the impact of relevant education measures on participants' employability.

## 75

To address this criterion, we reviewed the Council employment guidelines and other relevant EU documentation.

## 76

The Council employment guidelines that were valid at the time the 2007-2013 ESF OPs<sup>31</sup> were adopted already emphasised the importance of expanding, improving and adapting the investment in human capital (i.e. education) to foster employability. This principle was confirmed both in the 2010 and in the 2013 employment guidelines<sup>32</sup>, especially with reference to vocational education and training, lifelong learning and tertiary education attainment.

## 77

The Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training (ET 2020), in recognising the importance of education and training to enhance employability, mandated the Commission to propose a possible European benchmark in this area.

## 78

In 2011, the Commission proposed<sup>33</sup> a new benchmark concerning the employment rate for recent graduates<sup>34</sup>. With the aim of highlighting what education and training policies can contribute to boosting employment success and to increasing the employability of graduates, the Council endorsed this benchmark in May 2012<sup>35</sup>.

## 79

According to the benchmark, the employment rate for recent graduates should reach at least 82 % by 2020. The actual rate, available at Eurostat, the Commission's statistical service, shows that the current figures are well below the planned target. In 2014, the employment rate for recent graduates in the EU as a whole was 76 %. Out of the five visited Member States, only Germany already achieved the target. The others have shown a steady decline since 2006 (see **Figure 5**).

31 Council Decision of 12 July 2005 on guidelines for the employment policies of the Member States (OJ L 205, 6.8.2005, p. 21).

32 Council Decision (2013/208/EU) of 22 April 2013 on guidelines for the employment policies of the Member States (OJ L 118, 30.4.2013, p. 21), which maintains the employment guidelines annex to Decision 2010/707/EU.

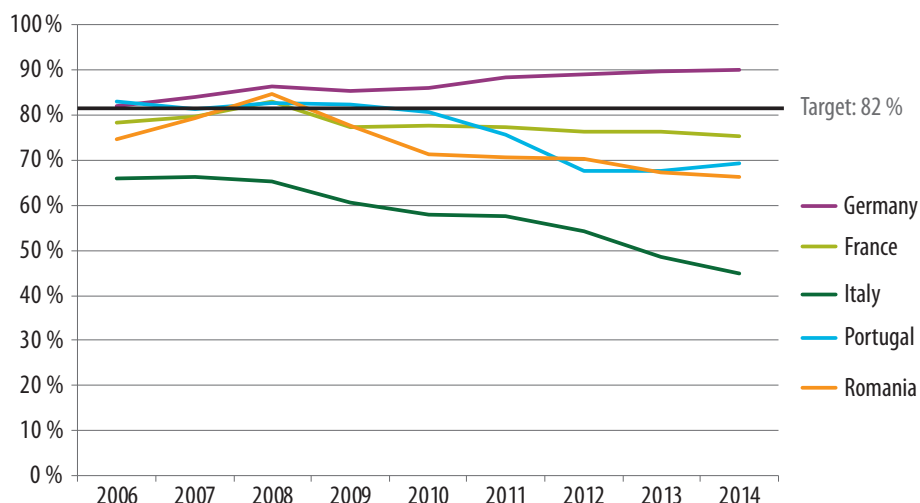
33 SEC(2011) 670 final of 24 May 2011 'Commission Staff Working Paper on the development of benchmarks on education and training for employability and on learning mobility'.

34 The indicator 'employment rates for recent graduates' presents the employment rates for persons aged 20 to 34 fulfilling the following conditions: first, being employed according to the ILO definition, second, having attained at least upper secondary education (ISCED 3) as the highest level of education, third, not having received any education or training in the four weeks preceding the survey and four, having successfully completed their highest educational attainment 1, 2 or 3 years before the survey. The indicator is calculated based on data from the EU Labour Force Survey.

35 Council Conclusion of 11 May 2012 on the employability of graduates from education and training (OJ C 169, 15.6.2012, p. 11).

Figure 5

## Employment rate of recent graduates in visited Member States



Source: Eurostat.

## 80

The common result indicators introduced by the 2014-2020 ESF regulation include both immediate and longer-term result indicators that capture the impact on employment of the measures implemented. However, for the three education objectives most closely linked with employment — vocational education and training, lifelong learning and tertiary education attainment — baseline and target values had been set in only a third of the cases of the 2014-2020 OPs examined.

## 81

Even when baseline and targets were set for employment-related indicators, the Italian OP for Sicily is the only case where, for two of the three education objectives most closely linked with employment<sup>36</sup>, there is a clear link between the number of intended participants and the expected employment outcomes of the planned education interventions.

36 Tertiary education attainment and lifelong learning.

## 82

We concluded that while EU education objectives have been adequately considered in the 2007-2013 OPs, the performance of the audited projects could not be systematically demonstrated due to the insufficient use of quantified objectives and performance indicators. Regarding the design of the 2014-2020 OPs, we found that the Commission provided support to Member States in drawing up their partnership agreements and OPs and subsequently assessed them, identifying several shortcomings. We also concluded that EU education objectives had been adequately considered, with improvements in the description of the intervention logic. However, there are still some weaknesses in the framework which may impact performance monitoring and reporting at OP and project level. In addition, there is not always a clear link between education measures and their impact on participants' employability.

### **EU education objectives addressed in the 2007-2013 ESF OPs examined, but shortcomings relating to OP modifications and monitoring**

## 83

Our analysis of the examined OPs showed that, generally, EU education objectives had been considered and included. However, for some OPs, elements of the intervention logic were lacking, such as the description of the context or the needs analysis (see paragraphs 27 to 32). In addition, there were shortcomings in the monitoring tools framework, as objectives had not been quantified and indicators for measuring them were lacking (see paragraphs 33 to 38).

## 84

In general, the ET 2020 and Europe 2020, which were adopted during the 2007-2013 programme period, had little impact on the OPs examined as they were already in line with the updated objectives therein. For the majority of those OPs reviewed which were subject to a change in the financial allocation, clear explanations about the implications of the change of the financial allocations for the related target values were missing (see paragraphs 39 to 44).



## Conclusions and recommendations

### Performance of examined projects could not be systematically demonstrated

#### 85

We examined a sample of 15 projects that, according to the managing authorities, had contributed positively to achieving at least one EU education objective. On this basis, we would have expected the impact of these projects on participants and on the overall achievement of the specific education objective to have been clearly demonstrated.

#### 86

The performance of the audited projects could not be systematically demonstrated. This was mainly due to the fact that the contribution to the selected education objectives had not been monitored, and indeed objectives had not been quantified for almost half of the projects audited. In addition, almost half of the projects had not set indicators other than number of participants/participations, creating difficulties in drawing conclusions on the real impact of the projects on participants (see paragraphs 48 to 52).

### 2014-2020 OPs consistent with EU education objectives

#### 87

The Commission provided support to Member States in drawing up their partnership agreements and OPs and subsequently assessed them, identifying several shortcomings. Our assessment of the process for establishing 2014-2020 OPs identified some shortcomings (see paragraphs 55 to 61).

#### 88

Our analysis of the examined OPs showed that they generally included education objectives. There was a significant improvement in the description of the intervention logic compared to the 2007-2013 programme period. We also noted improvements in the monitoring framework for the 2014-2020 period (see paragraphs 65 to 68).

### 89

While the process for establishing the examined OPs shows some improvements compared to the 2007-2013 programme period, the crucial next stage, which is in the hands of Member States, is to select and implement appropriate projects to support the achievement of education objectives outlined in the OPs.

### **Improved performance monitoring arrangements, but some limitations remain**

### 90

To overcome the weaknesses identified for the 2007-2013 programme period, the 2014-2020 legal framework introduced common result indicators. In its guidance, however, the Commission did not detail the exact requirements in terms of result indicator(s) on outcomes to be chosen for each investment priority to ensure consistency between the OPs (see paragraphs 71 to 73).

### 91

Education has a clear impact on participation in the labour market and earnings, and brings many social advantages. To implement the Europe 2020 strategy for jobs and smart, sustainable and inclusive growth, education interventions should have a clear focus on employment outcomes, especially when targeting adults.

### 92

The common result indicators introduced by the ESF regulation include both immediate and longer-term result indicators that measure the effect on employment of the measures implemented. However, for the three education objectives most closely linked with employment — vocational education and training, lifelong learning and tertiary education attainment — baseline and target values had been set in only a third of the cases of the 2014-2020 OPs examined (see paragraphs 76 to 81).

## Conclusions and recommendations

### 93

We recommend that:

#### Recommendation 1

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The Commission should consider specifying the result indicator(s) on outcomes for which baseline and target values should be set for each investment priority.

Target implementation date: during the preparation of the next programme period.

#### Recommendation 2

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Where modifications to OPs are requested by Member States, the Commission should:

- encourage the establishment of a clear link between OPs' investment priorities and appropriate quantified and measurable result indicators;
- ensure that Member States provide explanations for the reprogramming of financial allocations, including both qualitative and quantitative information on the expected change in output and results indicators.

Target implementation date: immediately.

#### Recommendation 3

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Member States should ensure that:

- there is a clear link between the selected projects and the achievement of EU education objectives embedded in the OP;
- appropriate result indicators are put in place to demonstrate the actual effects of the project on the final participants in a systematic manner and to monitor progress towards achieving the OPs' education objectives.

Target implementation date: immediately.

### Recommendation 4

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Where relevant, the Commission and the Member States should better target OPs' funding on measures which reinforce the link between education and employment, and should ensure that outcomes are monitored appropriately.

Target implementation date: immediately.

This Report was adopted by Chamber II, headed by Mr Henri GRETHEN, Member of the Court of Auditors, in Luxembourg at its meeting of 11 May 2016.

*For the Court of Auditors*



Vítor Manuel da SILVA CALDEIRA  
*President*

## Evolution towards reaching the Europe 2020 education targets

## I. Percentage of early school leavers from education and training

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TARGET
EU (28 Member States)	15.3	14.9	14.7	14.2	13.9	13.4	12.7	11.9	11.2	10.9	<b>10.0</b>
Belgium	12.6	12.1	12.0	11.1	11.9	12.3	12.0	11.0	9.8	10.0	<b>9.5</b>
Bulgaria	17.3	14.9	14.8	14.7	13.9	11.8	12.5	12.5	12.9	13.1	<b>11.0</b>
Czech Republic	5.1	5.2	5.6	5.4	4.9	4.9	5.5	5.4	5.5	5.8	<b>5.5</b>
Denmark	9.1	12.9	12.5	11.3	11.0	9.6	9.1	8.0	7.8	7.6	<b>10.0</b>
Germany	13.7	12.5	11.8	11.1	11.9	11.6	10.5	9.8	9.5	9.6	<b>10.0</b>
Estonia	13.4	14.4	14.0	13.5	11.0	10.6	10.3	9.7	11.4	11.8	<b>9.5</b>
Ireland	12.2	11.8	11.4	11.7	11.5	10.8	9.7	8.4	6.9	6.9	<b>8.0</b>
Greece	15.1	14.3	14.4	14.2	13.5	12.9	11.3	10.1	9.0	8.3	<b>9.7</b>
Spain	30.3	30.8	31.7	30.9	28.2	26.3	24.7	23.6	21.9	20.3	<b>15.0</b>
France	12.7	12.8	11.8	12.4	12.7	12.3	11.8	9.7	9.0	9.2	<b>9.5</b>
Croatia	4.7	4.5	4.4	5.2	5.2	5.0	5.1	4.5	2.7	3.0	<b>4.0</b>
Italy	20.4	19.5	19.6	19.1	18.6	17.8	17.3	16.8	15.0	14.6	<b>16.0</b>
Cyprus	14.9	12.5	13.7	11.7	12.7	11.3	11.4	9.1	6.8	5.4	<b>10.0</b>
Latvia	15.6	15.6	15.5	14.3	12.9	11.6	10.6	9.8	8.5	9.5	<b>13.4</b>
Lithuania	8.8	7.8	7.5	8.7	7.9	7.4	6.5	6.3	5.9	5.5	<b>9.0</b>
Luxembourg	14.0	12.5	13.4	7.7	7.1	6.2	8.1	6.1	6.1	8.6	<b>10.0</b>
Hungary	12.5	11.4	11.7	11.5	10.8	11.4	11.8	11.9	11.4	11.6	<b>10.0</b>
Malta	32.2	30.2	27.2	25.7	23.8	22.7	21.1	20.5	20.3	20.1	<b>10.0</b>
Netherlands	12.6	11.7	11.4	10.9	10.0	9.2	8.9	9.3	8.7	8.3	<b>8.0</b>
Austria	10.0	10.8	10.2	8.8	8.3	8.5	7.8	7.5	7.0	7.3	<b>9.5</b>
Poland	5.4	5.0	5.0	5.3	5.4	5.6	5.7	5.6	5.4	5.3	<b>4.5</b>
Portugal	38.5	36.5	34.9	30.9	28.3	23.0	20.5	18.9	17.4	14.4	<b>10.0</b>
Romania	17.9	17.3	15.9	16.6	19.3	18.1	17.8	17.3	18.1	18.9	<b>11.3</b>
Slovenia	5.6	4.1	5.1	5.3	5.0	4.2	4.4	3.9	4.4	5.4	<b>5.0</b>
Slovakia	6.6	6.5	6.0	4.9	4.7	5.1	5.3	6.4	6.7	7.1	<b>6.0</b>
Finland	9.7	9.1	9.8	9.9	10.3	9.8	8.9	9.3	9.5	9.3	<b>8.0</b>
Sweden	8.6	8.0	7.9	7.0	6.5	6.6	7.5	7.1	6.7	6.6	<b>10.0</b>
United Kingdom	11.3	16.6	16.9	15.7	14.8	14.9	13.4	12.3	11.8	11.0	<b>Not set</b>

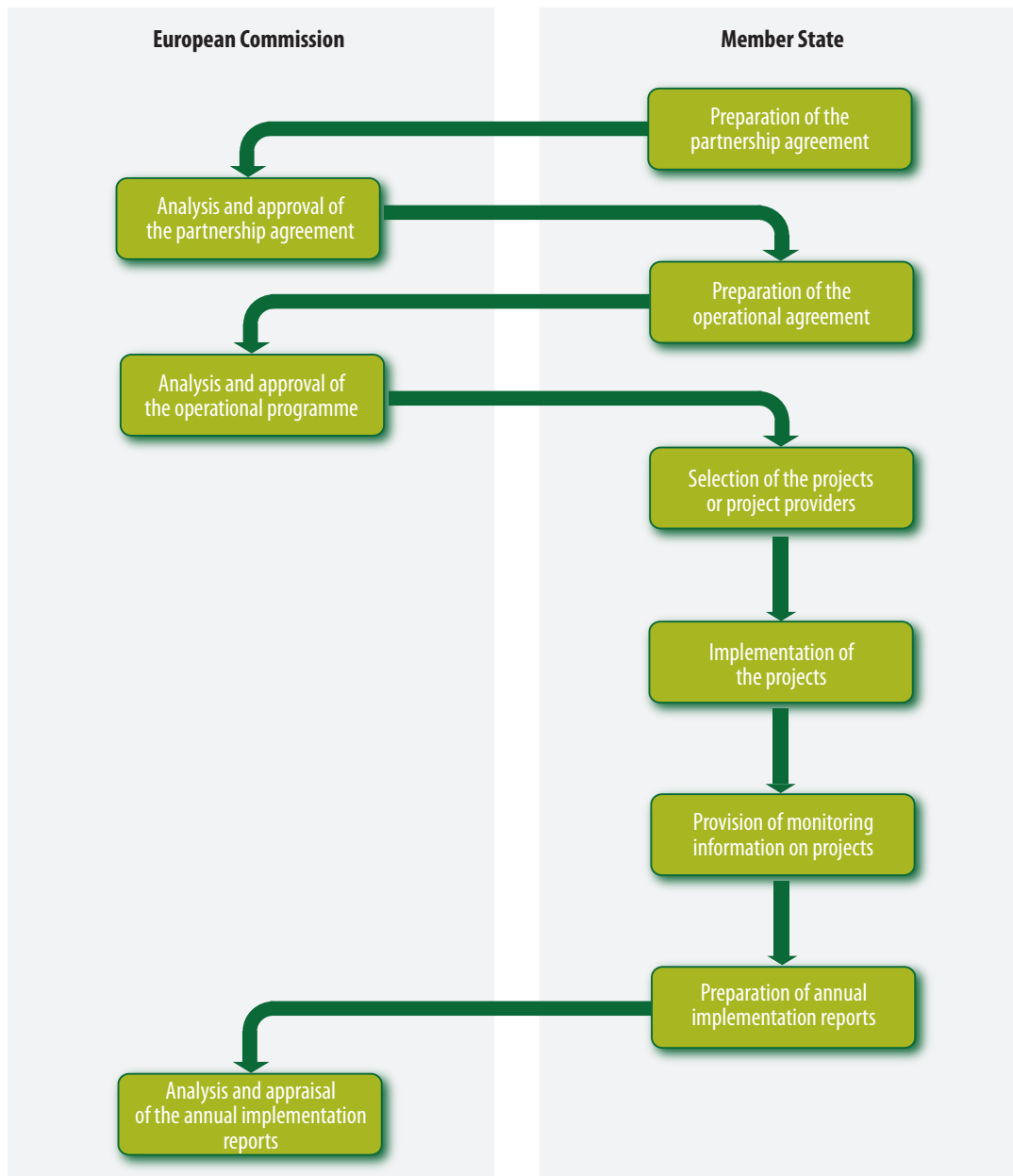
Source: Eurostat.

## II. Share of 30-34-year-olds with tertiary educational attainment

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TARGET
EU (28 Member States)	29.0	30.1	31.1	32.3	33.8	34.8	36.0	37.1	37.9	38.5	<b>40.0</b>
Belgium	41.4	41.5	42.9	42.0	44.4	42.6	43.9	42.7	43.8	43.1	<b>47.0</b>
Bulgaria	25.3	26.0	27.1	27.9	27.7	27.3	26.9	29.4	30.9	32.0	<b>36.0</b>
Czech Republic	13.1	13.3	15.4	17.5	20.4	23.7	25.6	26.7	28.2	29.5	<b>32.0</b>
Denmark	43.0	38.1	39.2	40.7	41.2	41.2	43.0	43.4	44.9	46.7	<b>40.0</b>
Germany	25.8	26.5	27.7	29.4	29.8	30.6	31.8	32.9	31.4	31.8	<b>42.0</b>
Estonia	32.5	33.5	34.4	36.3	40.2	40.2	39.5	42.5	43.2	45.2	<b>40.0</b>
Ireland	41.3	43.3	46.3	48.9	50.1	49.7	51.1	52.6	52.2	52.3	<b>60.0</b>
Greece	26.9	26.3	25.7	26.6	28.6	29.1	31.2	34.9	37.2	39.4	<b>32.0</b>
Spain	39.4	40.9	41.3	40.7	42.0	41.9	41.5	42.3	42.3	41.1	<b>44.0</b>
France	39.7	41.4	41.0	43.0	43.2	43.1	43.3	44.0	43.7	44.9	<b>50.0</b>
Croatia	16.7	16.8	18.5	21.3	24.5	23.9	23.1	25.6	32.2	31.7	<b>35.0</b>
Italy	17.6	18.6	19.2	19.0	19.9	20.4	21.9	22.5	23.9	24.9	<b>26.0</b>
Cyprus	46.1	46.2	47.1	45.0	45.3	46.2	49.9	47.8	52.5	54.2	<b>46.0</b>
Latvia	19.3	25.7	26.3	30.5	32.6	35.9	37.2	40.7	39.9	41.0	<b>34.0</b>
Lithuania	39.4	36.4	39.9	40.4	43.8	45.7	48.6	51.3	53.3	56.4	<b>48.7</b>
Luxembourg	35.5	35.3	39.8	46.6	46.1	48.2	49.6	52.5	52.7	50.5	<b>66.0</b>
Hungary	19.4	20.6	22.8	24.0	26.1	28.2	29.8	32.3	34.1	34.9	<b>30.3</b>
Malta	20.7	20.8	21.0	21.9	22.1	23.4	24.9	26.0	26.5	27.0	<b>33.0</b>
Netherlands	35.8	36.4	40.2	40.5	41.4	41.2	42.2	43.2	44.8	46.4	<b>40.0</b>
Austria	21.1	20.9	21.9	23.4	23.4	23.6	26.1	27.1	40.0	39.1	<b>38.0</b>
Poland	24.7	27.0	29.7	32.8	34.8	36.5	39.1	40.5	42.1	43.2	<b>45.0</b>
Portugal	18.3	19.5	21.6	21.3	24.0	26.7	27.8	30.0	31.3	31.3	<b>40.0</b>
Romania	12.4	13.9	16.0	16.8	18.3	20.3	21.7	22.9	25.0	25.5	<b>26.7</b>
Slovenia	28.1	31.0	30.9	31.6	34.8	37.9	39.2	40.1	41.0	42.6	<b>40.0</b>
Slovakia	14.4	14.8	15.8	17.6	22.1	23.2	23.7	26.9	26.9	27.9	<b>40.0</b>
Finland	46.2	47.3	45.7	45.9	45.7	46.0	45.8	45.1	45.3	45.3	<b>42.0</b>
Sweden	39.5	41.0	42.0	43.9	45.3	46.8	47.9	48.3	49.9	50.0	<b>40.0</b>
United Kingdom	36.4	38.3	39.5	41.4	43.1	45.5	46.9	47.4	47.7	47.7	<b>Not set</b>

Source: Eurostat.

## Overview of programming, implementation, monitoring and reporting



Source: European Court of Auditors.

## List of the 2007-2013 ESF operational programmes examined

Member State	Operational programmes	Total allocation (million euro)	Total ESF contribution (million euro)	Initial ESF allocation for education <sup>1</sup> (million euro)	% of total ESF
PT	<b>2007PT05UP0001</b> — Programa Operacional Temático Potencial Humano 2007-2013	8 736	6 117	5 056	83
	<b>2007PT051P0001</b> — Programa Operacional do Fundo Social Europeu Para a Região Autónoma dos Açores 2007-2013 Pro-Emprego	224	190	104	55
	<b>2007PT052P0001</b> — Programa Operacional de Valorização do Potencial Humano e Coesão Social da Região Autónoma Da Madeira	156	125	82	66
PL	<b>2007PL051P0001</b> — Program Operacyjny Kapitał Ludzki Narodowe Strategiczne Ramy Odniesienia 2007-2013	11 420	9 707	4 330	45
DE	<b>2007DE05UP0001</b> — Operationelles Programm des Bundes für den Europäischen Sozialfonds Förderperiode 2007-2013	6 031	3 488	914	26
	<b>2007DE051P0004</b> — Operationelles Programm des Freistaates Sachsen für den Europäischen Sozialfonds (ESF) in der Förderperiode 2007 bis 2013	1 157	872	571	65
	<b>2007DE052P0008</b> — Operationelles Programm zur Umsetzung des ESF in NRW in der Förderphase 2007-2013	1 368	684	432	63
	<b>2007DE051P0006</b> — Operationelles Programm für den Einsatz des Europäischen Sozialfonds im Freistaat Thüringen in den Jahren 2007 bis 2013	836	629	299	48
	<b>2007DE051P0002</b> — Europäischer Sozialfonds (ESF) Operationelles Programm des Landes Mecklenburg-Vorpommern im Ziel Konvergenz Förderperiode 2007 bis 2013	557	417	275	66
	<b>2007DE051P0001</b> — Operationelles Programm des Landes Brandenburg für den Europäischen Sozialfonds (ESF) in der Förderperiode 2007 bis 2013 Ziel Konvergenz Brandenburg Nordost und Brandenburg Südwest	826	620	260	42



Member State	Operational programmes	Total allocation (million euro)	Total ESF contribution (million euro)	Initial ESF allocation for education <sup>1</sup> (million euro)	% of total ESF
IT	<b>2007IT051P0007</b> — Programma Operativo Nazionale Competenze per lo sviluppo	1 487	743	698	94
	<b>2007IT051P0003</b> — Programma Operativo Regionale Sicilia per il Fondo Sociale Europeo 2007-2013	2 099	1 050	302	29
	<b>2007IT051P0005</b> — Regione Puglia Programma Operativo Regionale 2007-2013 Fondo Sociale Europeo	1 279	640	247	39
	<b>2007IT051P0001</b> — Programma Operativo Obiettivo Convergenza Fondo Sociale Europeo 2007-2013 Regione Campania	1 118	559	209	37
	<b>2007IT052P0006</b> — Programma Operativo Regionale della Lombardia Ob. 2 FSE 2007-2013	798	338	163	48
	<b>2007IT052P0004</b> — Programma Operativo del Fondo Sociale Europeo Obiettivo Competitività Regionale e Occupazione Regione Lazio 2007-2013	736	368	103	28
HU	<b>2007HU05UP0001</b> — Társadalmi Megújulás Operatív Program	4 097	3 483	2 358	68
CZ	<b>2007CZ05UP0002</b> — Operační program Vzdělávání pro konkurenceschopnost	2 151	1 829	1 617	88
	<b>2007CZ05UP0001</b> — Operační program Lidské zdroje a zaměstnanost 2007-2013	2 157	1 837	268	15
RO	<b>2007R0051P0001</b> — Programul Operațional Sectorial Dezvoltarea Resurselor Umane 2007-2013	4 089	3 476	1 862	54
EL	<b>2007GR05UP0002</b> — Επιχειρησιακό Πρόγραμμα Εκπαίδευση και Δια Βίου Μάθηση	2 215	1 440	1 418	99
	<b>2007GR05UP0001</b> — Επιχειρησιακό Πρόγραμμα Ανάπτυξη Ανθρώπινου Δυναμικού	2 825	2 260	369	16
	<b>2007GR05UP0003</b> — Επιχειρησιακό Πρόγραμμα Διοικητική Μεταρρύθμιση	675	505	173	34

Member State	Operational programmes	Total allocation (million euro)	Total ESF contribution (million euro)	Initial ESF allocation for education <sup>1</sup> (million euro)	% of total ESF
ES	<b>2007ES051P0005</b> — Programa Operativo Fondo Social Europeo 2007-2013 Andalucía	1 445	1 156	477	41
	<b>2007ES05UP0001</b> — Programa Operativo Plurirregional Adaptabilidad y Empleo Fondo Social Europeo 2007-2013	5 925	4 301	1 313	31
	<b>2007ES051P0004</b> — Programa Operativo Fondo Social Europeo de Galicia 2007-2013	448	359	153	43
	<b>2007ES051P0003</b> — Programa Operativo Fondo Social Europeo 2007-2013 Extremadura	333	250	128	51
	<b>2007ES052P0008</b> — Programa Operativo Fondo Social Europeo 2007-2013 Madrid	514	257	102	40
	<b>2007ES051P0002</b> — Programa Operativo Fondo Social Europeo 2007-2013 Castilla la Mancha	225	180	45	25
UK	<b>2007UK05UP0001</b> — ESF England 2007-13 Operational Programme	6 049	3 090	1 047	34
	<b>2007UK051P0002</b> — West Wales and the Valleys Convergence Programme Operational Programme for the European Social Fund 2007-2013	1 500	834	431	52
FR	<b>2007FR052P0001</b> — Compétitivité Régionale et Emploi 2007-2013 Programme Opérationnel National Fonds Social Européen	8 991	4 495	953	21
	<b>2007FR051P0004</b> — Ile de La Réunion Programme Opérationnel FSE 2007-2013	742	517	290	56
SK	<b>2007SK05UP0001</b> — Operačný program Vzdelávanie	727	618	490	79
BG	<b>2007BG051P0001</b> — Оперативна програма “Развитие на човешките ресурси” 2007-2013 г.	1 214	1 032	490	47
BE	<b>2007BE052P0005</b> — Operationeel Programma ESF Doelstelling 2 Vlaanderen 2007-2013	1 111	469	167	36
AT	<b>2007AT052P0001</b> — Operationelles Programm Beschäftigung Österreich 2007-2013	1 115	472	190	40
<b>Total</b>		<b>87 377</b>	<b>59 406</b>	<b>28 385</b>	<b>48</b>

1 In the 2007-2013 programme period, EU priority codes 62, 72, 73 and 74 are the ones identified as corresponding to allocations to education.

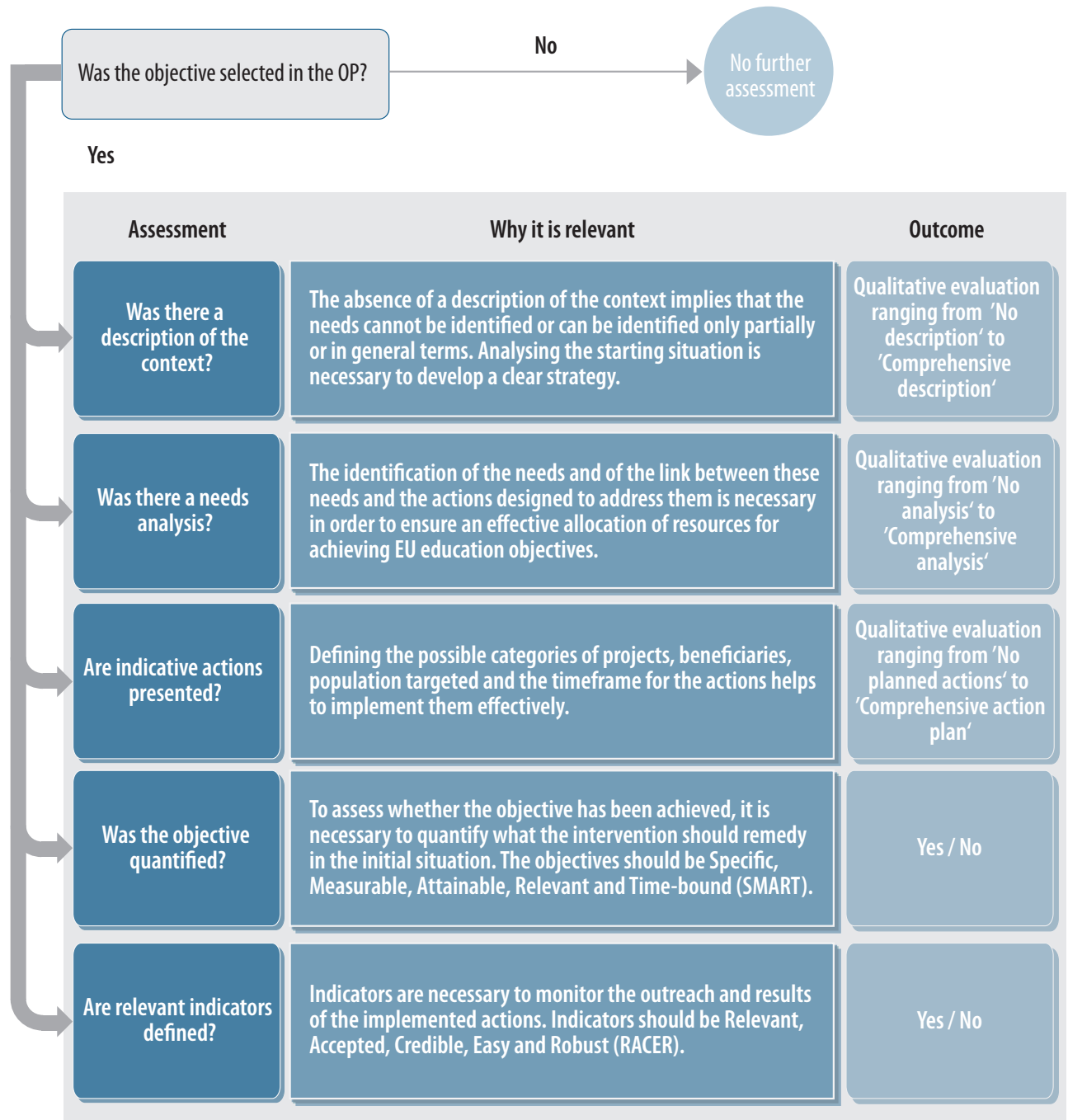
## List of the 2014-2020 partnership agreements and operational programmes examined

Member State	Partnership agreement number
DE	<b>2014DE16M8PA001</b> — Partnerschaftsvereinbarung zwischen Deutschland und der europäischen Kommission für die Umsetzung der ESI-Fonds unter dem gemeinsamen strategischen Rahmen in der Förderperiode 2014 bis 2020
FR	<b>2014FR16M8PA001</b> — Accord de partenariat 2014-2020 France
IT	<b>2014IT16M8PA001</b> — Accordo di partenariato 2014-2020 Italia
PT	<b>2014PT16M8PA001</b> — Portugal 2020 — acordo de parceria 2014-2020
RO	<b>2014RO16M8PA001</b> — Acordul de parteneriat România

Member State	OP number	Total allocation (million euro)	Total ESF contribution (million euro)	Initial ESF allocation for education <sup>1</sup> (million euro)	% of total ESF
DE	<b>2014DE05SFOP002</b> — Operationelles Programm ESF Bund Deutschland 2014-2020	4 830	2 689	883	33
	<b>2014DE05SFOP012</b> — Operationelles Programm ESF Sachsen 2014-2020	828	663	247	37
FR	<b>2014FR05M00P001</b> — Programme Opérationnel au titre de l'objectif «Investissement pour la croissance et l'emploi»	968	280	213	76
IT	<b>2014IT05M20P001</b> — Per la Scuola — Competenze e Ambienti per l'apprendimento	3 019	1 615	1 056	65
	<b>2014IT05SFOP014</b> — POR Sicilia FSE	820	615	193	31
PT	<b>2014PT05SFOP001</b> — PO Capital Humano	3 642	3 096	3 030	98
	<b>2014PT16M20P001</b> — Programa Operacional Regional do Norte 2014-2020	4 166	583	263	45
RO	<b>2014RO05M90P001</b> — Program Operational Capital Uman	5 059	4 221	1 257	30
<b>Total</b>		<b>23 332</b>	<b>13 762</b>	<b>7 142</b>	<b>52</b>

<sup>1</sup> In the 2014-2020 programme period, EU priority codes 115, 116, 117 and 118 are the ones identified as corresponding to allocations to education.

## Audit methodology for assessing the objectives addressed by the Operational programmes



Source: European Court of Auditors.

## Overview of the modifications of the 2007-2013 ESF operational programmes examined

Member State	OP number	Was the OP modified during the programme period?	Were the education objectives modified?	Were allocations to education <sup>1</sup> modified?	Were education related indicators or their targets modified?
PT	<b>2007PT05UP0001</b> — Programa Operacional Temático Potencial Humano 2007-2013	Yes	No	Yes	Yes
	<b>2007PT051P0001</b> — Programa Operacional do Fundo Social Europeu Para a Região Autónoma dos Açores 2007-2013 Pro-Emprego	Yes	No	No	No
	<b>2007PT052P0001</b> — Programa Operacional de Valorização do Potencial Humano e Coesão Social da Região Autónoma Da Madeira	Yes	No	No <sup>2</sup>	No
PL	<b>2007PL051P0001</b> — Program Operacyjny Kapitał Ludzki Narodowe Strategiczne Ramy Odniesienia 2007-2013	Yes	Yes	Yes	Yes
DE	<b>2007DE05UP0001</b> — Operationelles Programm des Bundes für den Europäischen Sozialfonds Förderperiode 2007-2013	Yes	No	Yes	Yes
	<b>2007DE051P0004</b> — Operationelles Programm des Freistaates Sachsen für den Europäischen Sozialfonds (ESF) in der Förderperiode 2007 bis 2013	Yes	No	Yes	Yes
	<b>2007DE052P0008</b> — Operationelles Programm zur Umsetzung des ESF in NRW in der Förderphase 2007-2013	Yes	No	No	Yes
	<b>2007DE051P0006</b> — Operationelles Programm für den Einsatz des Europäischen Sozialfonds im Freistaat Thüringen in den Jahren 2007 bis 2013	Yes	No	Yes	Yes
	<b>2007DE051P0002</b> — Europäischer Sozialfonds (ESF) Operationelles Programm des Landes Mecklenburg-Vorpommern im Ziel Konvergenz Förderperiode 2007 bis 2013	No	No	No	No
	<b>2007DE051P0001</b> — Operationelles Programm des Landes Brandenburg für den Europäischen Sozialfonds (ESF) in der Förderperiode 2007 bis 2013 Ziel Konvergenz Brandenburg Nordost und Brandenburg Südwest	Yes	No	Yes	Yes

Member State	OP number	Was the OP modified during the programme period?	Were the education objectives modified?	Were allocations to education <sup>1</sup> modified?	Were education related indicators or their targets modified?
IT	<b>2007IT051P0007</b> — Programma Operativo Nazionale Competenze per lo sviluppo	No	No	No	Yes
	<b>2007IT051P0003</b> — Programma Operativo Regionale Sicilia per il Fondo Sociale Europeo 2007-2013	Yes	No	Yes	Yes
	<b>2007IT051P0005</b> — Regione Puglia Programma Operativo Regionale 2007-2013 Fondo Sociale Europeo	Yes	No	Yes	Yes
	<b>2007IT051P0001</b> — Programma Operativo Obiettivo Convergenza Fondo Sociale Europeo 2007-2013 Regione Campania	Yes	No	Yes	No
	<b>2007IT052P0006</b> — Programma Operativo Regionale della Lombardia Ob. 2 FSE 2007-2013	Yes	No	No	No
	<b>2007IT052P0004</b> — Programma Operativo del Fondo Sociale Europeo Obiettivo Competitività Regionale e Occupazione Regione Lazio 2007-2013	Yes	No	Yes	No
HU	<b>2007HU05UP0001</b> — Társadalmi Megújulás Operatív Program	Yes	No	Yes	Yes
CZ	<b>2007CZ05UP0002</b> — Operační program Vzdělávání pro konkurenceschopnost	Yes	No	Yes	Yes
	<b>2007CZ05UP0001</b> — Operační program Lidské zdroje a zaměstnanost 2007-2013	Yes	No	Yes	Yes
RO	<b>2007R0051P0001</b> — Programul Operațional Sectorial Dezvoltarea Resurselor Umane 2007-2013	No	No	No	No
EL	<b>2007GR05UP0002</b> — Επιχειρησιακό Πρόγραμμα Εκπαίδευση Και Δια Βίου Μάθηση	Yes	No	Yes	Yes
	<b>2007GR05UP0001</b> — Επιχειρησιακό Πρόγραμμα Ανάπτυξη Ανθρώπινου Δυναμικού	Yes	Yes	Yes	Yes
	<b>2007GR05UP0003</b> — Επιχειρησιακό Πρόγραμμα Διοικητική Μεταρρύθμιση	Yes	No	Yes	Yes

Member State	OP number	Was the OP modified during the programme period?	Were the education objectives modified?	Were allocations to education <sup>1</sup> modified?	Were education related indicators or their targets modified?
ES	<b>2007ES051P0005</b> — Programa Operativo Fondo Social Europeo 2007-2013 Andalucía	Yes	No	Yes	Yes
	<b>2007ES05UP0001</b> — Programa Operativo Plurirregional Adaptabilidad y Empleo Fondo Social Europeo 2007-2013	Yes	No	Yes	Yes
	<b>2007ES051P0004</b> — Programa Operativo Fondo Social Europeo de Galicia 2007-2013	Yes	No	Yes	Yes
	<b>2007ES051P0003</b> — Programa Operativo Fondo Social Europeo 2007-2013 Extremadura	Yes	No	No	No
	<b>2007ES052P0008</b> — Programa Operativo Fondo Social Europeo 2007-2013 Madrid	Yes	No	Yes	Yes
	<b>2007ES051P0002</b> — Programa Operativo Fondo Social Europeo 2007-2013 Castilla la Mancha	Yes	No	Yes	Yes
UK	<b>2007UK05UP0001</b> — ESF England 2007-13 Operational Programme	Yes	No	No	No
	<b>2007UK051P0002</b> — West Wales and the Valleys Convergence Programme Operational Programme for the European Social Fund 2007-2013	Yes	No	Yes	Yes <sup>3</sup>
FR	<b>2007FR052P0001</b> — Compétitivité Régionale et Emploi 2007-2013 Programme Opérationnel National Fonds Social Européen	Yes	No	Yes	Yes
	<b>2007FR051P0004</b> — Ile de La Réunion Programme Opérationnel FSE 2007-2013	Yes	No	Yes	Yes
SK	<b>2007SK05UP0001</b> — Operačný program Vzdelávanie	Yes	No	Yes	Yes
BG	<b>2007BG051P0001</b> — Оперативна програма “Развитие на човешките ресурси” 2007-2013 г.	Yes	No	No	Yes <sup>4</sup>
BE	<b>2007BE052P0005</b> — Operationeel Programma ESF Doelstelling 2 Vlaanderen 2007-2013	Yes	No	No	No
AT	<b>2007AT052P0001</b> — Operationelles Programm Beschäftigung Österreich 2007-2013	Yes	No	Yes	Yes

1 EU priority codes 62, 72, 73 and 74 are the ones identified as corresponding to allocations to education.

2 The allocation to priority code 74 was increased by 100 000 euro, which represents about 0.12 % of the allocations to education.

3 Target values were modified for programme-level indicators.

4 The target value of the context indicator concerning early school leavers was modified the light of the Europe 2020 targets.

## Executive summary

### IV

Concerning the decrease of the funding allocated to education, the Commission notes that new thematic concentration requirements have been introduced for the 2014-2020 programme period in order to ensure that support focusses primarily on the needs and challenges identified to achieve the Europe 2020 targets and objectives (see Article 18 of Regulation (EU) No 1303/2013).

### VII

The Commission notes that while in the absence of a legal requirement to set common result indicators, aggregation at EU level has been a challenge, the work of the ESF Expert Evaluation Network bringing together Member States' monitoring and evaluation evidence have helped to partially overcome the obstacles.

Moreover, the 2007-2013 ex-post evaluation and in particular the thematic studies launched have included a rigorous exercise of converting specific result indicators to the common result categories (i.e.: gaining a job, a qualification or another positive result) and to estimate success ratios based on the priority axes where consistent output and results were available. This included the conversion of result indicators expressed in percentages to absolute figures wherever possible.

The Commission notes that the 2007-2013 regulatory framework contained no obligation to set targets and output/result indicators at project level.

The Commission also notes that an increase or a decrease in the financial allocation does not imply automatically the need to change the target value. Once implementation has started and the economic context changes, Member States can realize that more or less or different actions need to be taken to achieve the initial target and this might require additional or less funding. Moreover, it is also important to recall that many of the 2007-2013 Operational programmes' amendments occurred in the midst of the economic crisis. Some measures to bring people back to the labour market might have then required more intensive investments to achieve the results initially planned before the economic crisis.

### VIII

The Commission underlines the significant improvements in the monitoring and evaluation system of the 2014-2020 programme period, particularly related to the obligation of reporting on common result indicators and to carry out impact evaluations at the level of priority axes. It also reminds of the improvements to the monitoring at operations level (see Commission replies to paragraphs 68 and 90).

As regards the measurement of effects on employment, the Commission underlines that common immediate and longer-term result indicators are to be collected and reported for all investment priorities.



## Reply of the Commission

### **IX (a)**

The Commission accepts the recommendation and will consider for the post-2020 programme period specifying the result indicator(s) for which baseline and target values should be set for each investment priority.

### **IX (b) (i) First indent**

The Commission accepts the recommendation and will implement it when considering Member States' requests for OP modifications.

### **IX (b) (i) Second indent**

The Commission accepts this recommendation and is already implementing it in line with the applicable legal framework. Article 30 of Regulation (EU) No 1303/2013 requires that requests for amendment of programmes submitted by a Member State are duly justified and in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of this Regulation and the Fund-specific rules, the horizontal principles referred to in Articles 5, 7 and 8, as well as of the Partnership Agreement.

### **IX (b) (ii)**

The Commission notes that this recommendation is addressed to the Member States.

### **IX (b) (iii)**

The Commission accepts the recommendation.

When the need to reinforce the link between education and employment was identified, i.e. when a country-specific recommendation was issued by the Council, this was reflected in the ESF OPs at the time of programming. Article 23 of Regulation (EU) No 1303/2013 moreover allows the Commission to request a Member State to review and propose amendments to its Partnership Agreement and relevant programmes to support the implementation of relevant country-specific recommendations. The Commission therefore already has the possibility to request, where relevant - i.e. when new Country Specific Recommendations identify weak links between education and employment - that funding is allocated to reinforcing the link between education and employment.

In addition, the current monitoring system allows the monitoring of all common output and result indicators as Member States are obliged to report on all common output and result indicators (Article 5 of the ESF Regulation for 2014-2020). First data will be submitted to the Commission in the first annual implementation reports due by 31 May 2016. It will therefore be possible throughout the programme period to monitor the employment results under the education thematic objective even when the Member States have not set targets for these results indicators in their OPs. The Commission will make sure that these results are made visible through the summary of the annual implementation reports.

### Introduction

#### 14

Concerning the decrease of the funding allocated to education, the Commission notes that new thematic concentration requirements have been introduced for the 2014-2020 programme period in order to ensure that support focusses primarily on the needs and challenges identified to achieve the Europe 2020 targets and objectives (see Article 18 of Regulation (EU) No 1303/2013).

#### 26

See Commission reply to paragraph 14.

Common Commission reply to paragraphs 33 and 34:

While in the absence of a legal requirement to set common result indicators, aggregation at EU level has been a challenge, the work of the ESF Expert Evaluation Network bringing together Member States' monitoring and evaluation evidence have helped to partially overcome the obstacles.

Moreover, the 2007-2013 ex-post evaluation and in particular the thematic studies launched have included a rigorous exercise of converting specific result indicators to the common result categories (i.e.: gaining a job, a qualification or another positive result) and to estimate success ratios based on the priority axes where consistent output and results were available. This included the conversion of result indicators expressed in percentages to absolute figures wherever possible.

#### 42

The Commission notes that an increase or a decrease in the financial allocation does not imply automatically the need to change the target value. Once implementation has started and the economic context changes, Member States can realize that more or less or different actions need to be taken to achieve the initial target and this might require additional or less funding. Moreover, it is also important to recall that many of the 2007-2013 OP amendments occurred in the midst of the economic crisis. Some measures to bring people back to the labour market might have then required more intensive investments to achieve the results initially planned before the economic crisis.

#### 43

The Commission notes that for two OPs, Campania and Lazio, the financial allocation to education did not change radically in relative terms. In relation to Campania, the Commission assured itself, on the basis of data on outputs and results already achieved at the time of the modification request, that the targets initially set remained valid despite the reduction of the financial allocation.

Furthermore, the Commission would like to underline that it encourages Member States to be as ambitious as possible in terms of results planned and cost/participant ratio. If the Member States consider they can achieve the same level of results at a lower cost, the Commission will not question this. On the contrary, a substantial increase of the financial allocation without a change in the target for participants reached would have prompted a further analysis by the Commission during the OP modification procedure.

### 44

See Commission reply to paragraph 42.

### 48

The Commission notes that the 2007-2013 regulatory framework contained no obligation to set targets and output/result indicators at project level.

The ESF expert evaluation network and the ex-post evaluation have shown the need to improve the monitoring arrangements so that comprehensive, reliable and comparable result indicators are available at project level, especially after the completion of the intervention, to allow for an assessment of the performance and sustainability of results.

This lesson is already reflected in the 2014-2020 framework. Each operation supporting participants has to collect data on individual participants based on common indicators for participants and relevant specific indicators, and performance data should be recorded and stored by operation in a computerised form in order to allow them to be aggregated where necessary for the purpose of monitoring, evaluation, financial management, verification and audit (Article 24.2 of Commission Delegated Regulation 480/2014). Targets have to be linked to the output and result indicators stored where relevant.

### 51

See Commission reply to paragraph 48.

### 61

The Commission acknowledges a limited number of inconsistencies in the text of the 2014-2020 OPs regarding criteria and actions on ex-ante conditionalities. The Commission and the Member States have been working to identify any such inconsistencies and to address them in compliance with Article 30 of Regulation (EU) No 1303/2013.

### 65

See Commission reply to paragraph 68.

### 67

The selection criteria are indeed drawn up and applied by the Managing Authority. These criteria need to ensure that the operations selected contribute to the achievement of the specific objectives and results of the relevant priority (Article 125(3)(a)(i) of Regulation (EU) No 1303/2013). These criteria need to be approved by the Monitoring Committee (Article 110(2)(a) of Regulation (EU) No 1303/2013) in which the Commission participates in an advisory capacity.

The Commission has drawn Member States' attention to the importance of the selection criteria for achieving the specific objectives (in particular to deliver on relevant country-specific recommendations) in its discussions in the ESF Technical Working Group.

### 68

The Commission notes that in case the Member State was not able to set a quantified target for a result indicator due to the lack of reliable baselines, general ex-ante conditionality on statistical systems and result indicators has been considered as unfulfilled and an action plan was set up to remedy the shortcoming.

### 73

The Commission notes that result indicators are to be designed in line with the intervention logic of the programme so as to reflect the specific objectives pursued. Their quantified targets enable to measure the progress towards meeting the specific objective. The latter reflect the specific challenges, in particular the country specific recommendations of the Member State in line with thematic concentration and increased contribution of the ESF support to the Europe 2020 strategy.

The ensuing diversity of specific objectives that can contribute to a specific investment priority makes it difficult to standardize suitable indicators for target-setting in advance.

At the same time, although not always linked to quantified targets, all common output and result indicators will be monitored and reported for all investment priorities, allowing to calculate success ratios.

### Box 4 - Example where targets for additional outcome indicator would have been helpful

The Commission notes that:

- the description of the specific objective also includes the promotion of activation and employability of young people;
- the indicator is coherent with the recipients targeted in the specific objective, which include students and families but also inactive and unemployed young people and corresponds to some of the activities foreseen (traineeships, guidance and school-work experiences);
- the focus on the employment effects of interventions is also coherent with the fact that the OP will intervene in co-ordination with (and not duplicating) the interventions of the National OP 'Per la Scuola', which focuses on the education side of early school leaving.

### 80

As regards the measurement of effects on employment, the common immediate and longer-term result indicators will be collected and reported for all investment priorities. As regards target setting to pre-defined result indicators, see Commission reply to paragraph 73.

## Reply of the Commission

**82**

The Commission notes that the 2007-2013 regulatory framework contained no obligation to set targets and output/result indicators at project level.

**83**

The Commission notes that according to Article 37 of Regulation (EC) No 1083/2006 an OP needs to include an analysis of the situation of the eligible area or sector in terms of strengths and weaknesses and the strategy chosen; a justification of the priorities chosen as well as information on the priority axes and their specific targets. However, when a Member State has a Country Specific Recommendation on education, the needs analysis can be fairly limited.

Monitoring and evaluation of performance at Operational Programme level was possible. While in the absence of a legal requirement to set common result indicators, aggregation at EU level has been a challenge, the work of the ESF Expert Evaluation Network bringing together Member States' monitoring and evaluation evidence have helped to partially overcome the obstacles.

Moreover, the 2007-2013 ex-post evaluation and in particular the thematic studies launched have included a rigorous exercise of converting specific result indicators to the common result categories (i.e.: gaining a job, a qualification or another positive result) and to estimate success ratios based on the priority axes where consistent output and results were available. This included the conversion of result indicators expressed in percentages to absolute figures wherever possible.

**84**

The Commission notes that an increase or a decrease in the financial allocation does not imply automatically the need to change the target value. Once implementation has started and the economic context changes, Member States can realize that more or different and more costly actions need to be taken to achieve the initial target and this might require additional funding. Moreover, it is also important to recall that many of the 2007-2013 OP amendments occurred in the midst of the economic crisis. Some measures to bring people back to the labour market might have then required more intensive investments to achieve the results initially planned before the economic crisis.

**86**

The Commission notes that the 2007-2013 regulatory framework contained no obligation to set targets and output/result indicators at project level.

**87**

The Commission acknowledges a limited number of inconsistencies in the text of the 2014-2020 OPs regarding criteria and actions on ex-ante conditionalities. The Commission and the Member States have been working to identify any such inconsistencies and to address them in compliance with Article 30 of Regulation (EU) No 1303/2013.

### 89

The selection criteria are indeed drawn up and applied by the Managing Authority. These criteria need to ensure that the operations selected contribute to the achievement of the specific objectives and results of the relevant priority (Article 125(3)(a)(i) of Regulation (EU) No 1303/2013). These criteria need to be approved by the Monitoring Committee (Article 110(2)(a) of Regulation (EU) No 1303/2013) in which the Commission participates in an advisory capacity.

The Commission has drawn Member States' attention to the importance of the selection criteria for achieving the specific objectives (in particular to deliver on relevant country-specific recommendations) in its discussions in the ESF Technical Working Group.

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The Commission notes that result indicators are to be designed in line with the intervention logic of the programme so as to reflect the specific objectives pursued. Their quantified targets enable to measure the progress towards meeting the specific objective. The latter reflect the specific challenges, in particular the country specific recommendations of the Member State in line with thematic concentration and increased contribution of the ESF support to the Europe 2020 strategy.

The ensuing diversity of specific objectives that can contribute to a specific investment priority makes it difficult to standardize suitable indicators for target-setting in advance.

At the same time, although not always linked to quantified targets, all common output and result indicators will be monitored and reported for all investment priorities, allowing to calculate success ratios.

### Recommendation 1

The Commission accepts the recommendation and will consider for the post-2020 programme period specifying the result indicator(s) for which baseline and target values should be set for each investment priority.

### Recommendation 2 First indent

The Commission accepts the recommendation and will implement it when considering Member States' requests for OP modifications.

### Recommendation 2 Second indent

The Commission accepts this recommendation and is already implementing it in line with the applicable legal framework. Article 30 of Regulation (EU) No 1303/2013 requires that requests for amendment of programmes submitted by a Member State are duly justified and in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of this Regulation and the Fund-specific rules, the horizontal principles referred to in Articles 5, 7 and 8, as well as of the Partnership Agreement.

## Reply of the Commission

### Recommendation 3

The Commission notes that this recommendation is addressed to the Member States.

### Recommendation 4

The Commission accepts the recommendation.

When the need to reinforce the link between education and employment was identified, i.e. when a country-specific recommendation was issued by the Council, this was reflected in the ESF OPs at the time of programming. Article 23 of Regulation (EU) No 1303/2013 moreover allows the Commission to request a Member State to review and propose amendments to its Partnership Agreement and relevant programmes to support the implementation of relevant country-specific recommendations. The Commission therefore already has the possibility to request, where relevant - i.e. when new Country Specific Recommendations identify weak links between education and employment - that funding is allocated to reinforcing the link between education and employment.

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Event	Date
Adoption of APM / Start of audit	12.11.2014
Official sending of draft report to Commission (or other auditee)	31.3.2016
Adoption of the final report after the adversarial procedure	11.5.2016
Commission's (or other auditee's) official replies received in all languages	17.6.2016

Investment in education is crucial for improving labour productivity, professional development and economic growth. The level of education achieved has a direct link to both employability and the quality of employment obtained. The European Social Fund contributed nearly 34 billion euros to supporting education measures between 2007 and 2013 and plans to allocate a further 27 billion between 2014 and 2020. We assessed whether the EU's education objectives had been adequately considered in the programmes and related projects undertaken before 2013 and in their design for the future. Overall, we concluded that they have been adequately considered. However, we found some shortcomings in monitoring and project performance could not always be demonstrated because of a lack of quantified objectives and indicators.



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