

OPINION ON POST-2027 ESF+ MONITORING AND REPORTING ARRANGEMENTS PREPARED BY MEMBER STATE EXPERTS COLLABORATING WITHIN THE ESF+ EVALUATION PARTNERSHIP NETWORK

I. Introduction – where we stand and what do we want to achieve

1. The ESF+ Evaluation Partnership, formed in 2000, brings together experts from national coordination bodies and managing authorities from all 27 EU Member States. It functions as a vital platform for sharing and discussing best practices in monitoring, reporting, and evaluating ESF+ interventions.
2. The purpose of this Non-paper is to convey the perspectives of the Network's members, who are experts in monitoring and reporting on ESF and ESF+ programmes within Member States. While the Non-paper is not binding for either the Member States or the European Commission, it aims to inform the Commission's considerations during the drafting of the proposal for the post-2027 programming period, alongside the opinions of other stakeholders in this process. Therefore, the goal of the Non-paper is to produce an opinion of the Member States experts collaborating within the ESF+ Evaluation Partnership network on monitoring and reporting of the post-2027 programming period (non-binding neither for the Member States nor for the Commission).
3. A reflection from the European Commission on the recommendations presented in this document would be highly welcomed. It would be particularly valuable for these considerations to be shared during the process of drafting the new Regulation via the ESF+ Evaluation Partnership Network, fostering an open dialogue and ensuring alignment with the perspectives of all stakeholders involved.

II. Monitoring

4. The current monitoring system for EU funds utilizes financial, output, and result indicators to guide programme management, evaluation, as well as control/audit and communication. This data is essential for meeting reporting obligations by Member States and responding to requests from European and national parliaments, auditors, stakeholders and taxpayers regarding ESF+ support areas.
5. Financial input information is derived from the system of intervention fields and secondary themes specific to ESF+. Managing Authorities select the most appropriate intervention fields that align with their support measures. Currently, there are over 20 intervention fields pertinent to ESF+ investments, with secondary themes providing additional insights into policy areas directly or indirectly benefiting from ESF+ support.
6. In 2021-2027 period, the indicators are employed within the programme for target setting, with output indicators having milestones to be reached by the end of 2024. Indicators can be either common or programme specific. Common indicators are defined by the ESF+ Regulation, with their definitions and statistical conventions outlined in the ESF+ Common Indicators Toolbox. Programme-specific indicators are established by the programme authorities. Achievement values for these indicators are reported biannually (or five times per year for financial indicators) in SFC and published on the Cohesion Policy Open Data Platform (ODP) after validation.
7. To ensure the proper quality of monitoring and reporting processes **continued guidance from the side of the European Commission is needed**. There is a need for both technical guidelines on definitions of common indicators as well as for organising a support platform, including the FAQs,

encompassing meetings and seminars to discuss challenges and identify good practice among Member States.

a. Use of common indicators and their function

8. There is a principled consensus that the collection of data for common indicators is justified because it enables the display of effects (outputs and results) that serve as an argument for the purpose of past and future investments through ESF+. However, the list of common indicators needs to be carefully reviewed and revised and **strongly linked with specific objectives** (scope of intervention). The goal is simplification, reducing the administrative burden at operation level and keeping only the relevant and useful datasets. In duly justified cases, the MS should be allowed to select common indicators from other specific objectives, if it is more relevant for the intervention logic.
9. The recommended approach of strongly linking indicators with specific objectives **relates to all types of indicators, including longer term result indicators.**
10. In the post 2027 Regulation, it is necessary to **maintain the principles of setting of indicators at the level of a specific objective** with clear guidelines provided to all experts involved in the programming process (EC and MA level), so as not to require more from the Member States than is the regulatory obligation (e.g. setting indicators for each planned intervention).
11. The main objective should be to have a list of common indicators (CI) strongly linked with various specific objectives and intervention areas of the ESF+. The list of common indicators for 2021-2027 and previous programming periods has been focused mainly on active labour market policy and to some extent on social inclusion aspects, but relevant output and result indicators concerning other intervention fields are missing (esp. education, health, social services or capacity building).
12. Therefore, there is **a need for a separate list of common indicators for each specific objective** (intervention field) that will be defined for post-2027 which would be shorter at the level of a given specific objective and the **Member States choose the relevant CIs to report on from such a list** during the programming phase, depending on the respective investment fields. This may imply that some outputs and results would remain underreported in some of the MS (if indicator is not chosen for a specific objective).
13. The list of indicators to choose from should be made based on the assumption that there is a difference between **indicators that would be more applicable and meaningful for investments** in various fields, for example, investments in education vs. social inclusion. Member States should have the option of choosing indicators that are most relevant for the activities planned within their respective post-2027 programmes.
14. For identifying the list of possible common indicators broken down by specific objectives for the post-2027 Regulation, the Commission could combine CI that were most often used for benchmarks and target settings within a particular specific objective as well as the programme specific indicators (PSI) that have been most often used by Member States in for 2021-2027 period.
15. While defining the list for common indicators that will be mandatory for reporting, a criterion for selecting must be the **close linkage between the intervention logic and the indicators and their usefulness in terms of monitoring achievements.** In this way, resources can be saved from dealing with less relevant indicators.
16. The aim of the post-2027 indicator framework should be **bringing the ESF+ indicators closer to the approach used in other cohesion policy funds**, e.g. CF/ERDF where the common indicators are set separately for each specific objective (see Annex I and II to the ERDF/CF regulation 2021/1058).
17. It remains an open question whether there is a need to collect certain **horizontal indicators** (e.g. persons with disabilities, migrants, minorities) across all operations, in line with the objectives of the ESF+ set in the Treaty on the Functioning of the European Union. Given that these categories are often reported voluntarily by participants, unless based on register data or tied to eligibility

criteria, some level of underestimation is already present. Therefore, monitoring these indicators in selected SOs (intervention fields) would continue the existing challenge of underreporting and thus affect the visibility of the ESF+ impact on vulnerable groups. Most of the experts agreed that there should not be mandatory collection and reporting of such horizontal indicators.

18. One possible direction is identifying a **short list of core (horizontal) common indicators** that would be mandatory for all priorities (or investment fields) and **to monitor and report them based on anonymised estimations**. Such estimations should be used however only when these indicators are not linked with eligibility (e.g. the indicator does not refer to the project selection criteria or other rules which require certain target groups to participate in the operation). Otherwise, the data on these common indicators would have to be linked with personal data.
19. The Regulation should set indicators that can be collected through available registers, without mandating their use, to **accommodate the varying levels of register data accessibility across Member States**. At the same time, provisions should be made for Member States that lack access to such register data, ensuring **alternative methods are available for data collection**.
20. The regulations should include an **explicit and clear legal basis for the possibility of using public registers for monitoring and evaluation purposes** in line with the GDPR.
21. The Network recommends that the EC consider either **abandoning the highly contested longer term result indicator for improved labour market situation** or defining it in cooperation with MS experts, in a manner that permits the use of register data without obliging direct data collection from participants. However, the majority of the experts are in favour of abandoning the monitoring of this indicator.
22. The definitions of longer term result indicators should be further simplified and if the national registers are used, partial reduction in data comparability between MS should be accepted.
23. A general challenge has been identified in finding the golden mean between the reasonable demand of having common indicators that allow for aggregating cumulative values on the results of ESF/ESF+ interventions, comparing these among Member States, and communicating achievements to the public and the European Parliament (as well as the academia and national authorities) with the objective of reducing administrative burden of data collection and management. Therefore, **compromises must be made when setting the requirements for comparability of data among Member States and the indicators' definitions** that allow for the needed simplification of the monitoring and reporting systems.
24. **Definitions of common indicators should be simplified in a way that encourages people and entities to participate in ESF+ operations** (esp. including the issue of collecting sensitive data only in justified cases and by using plain language to explain various elements of the indicators definitions). Furthermore, to reduce administrative burden in case of using public registers, the regulations should allow for national definitions to be used.
25. The Network welcomes any simplifications that the post-2027 Regulation and guidance can propose to **ease the audit trail requirements related to data collection and reporting obligations**, as the complexity of these requirements often leads to underreporting of the most vulnerable cohorts and hinders an accurate reflection of the ESF+'s effect on disadvantaged groups.

b. Use of programme specific indicators (PSI)

26. The Network believes that introducing the new approach to defining common indicators (broken down by SOs) will contribute to reducing the scale of using programme specific indicators and improve comparability of effects of the intervention across various programmes and measures as well as for communication and academic purpose.
27. Nonetheless there is a need to provide the Member States with **the option to use the PSI** since it is not possible to set exhaustive list of common indicators covering all potential operations and

interventions. The use of PSI will still be needed particularly in case of interventions supporting systems and structures or introducing reforms with the use of the ESF+ resources. The specificity of such operations requires the use of this type of indicators.

28. The Network would appreciate the Commission providing a list of examples of PSIs, that have been identified as examples of good practice, prior to publishing a regulation draft, so that Member States can contribute towards defining indicators that will be included in the regulation and to use it as reference during the programming process.

c. Targets and milestones

29. The practice of setting targets at the program level for indicators of highly diverse and complex operations is seen by most Member States as counterproductive. Such indicators can only offer a limited perspective on these operations. Converting them into targets has been shown to create unintended incentives, especially for more complex operations. By definition, indicators provide only partial insights. When they are turned into 'targets,' it is assumed, often incorrectly, that they fully capture the measure of success.
30. It is crucial to acknowledge the limitations of programme indicators and complement them with robust evaluation methodologies. While indicators serve as useful tools for tracking progress, they should not be regarded as definitive measures of success. The real impact of complex operations can only be fully understood through comprehensive evaluations that account for qualitative factors, unintended effects, and broader socio-economic changes. Ensuring that evaluations play a central role in the monitoring process will provide a more accurate and meaningful assessment of the program's overall effectiveness.
31. It is suggested that, for the post-2027 period, the European Commission consider **shifting from mandatory targets and milestones to the use of reference values or national benchmarks** for indicators, similar to the current approach for SO(m) in 2021-2027. The experience of Member States has shown that fixing targets and milestones is often fraught with uncertainty due to the vast number of variables and unforeseen circumstances that inevitably arise. Economic fluctuations, political shifts, and social challenges always emerge, making precise target-setting more speculative than reliable. The counterproductivity of this process is confirmed by the **frequency of programmes amendments** to adjust the indicators' target values. In light of this, the shift to reference values or national benchmarks would allow for a more realistic and flexible approach, enabling Member States to adapt their strategies while still maintaining accountability and transparency in achieving desired objectives.
32. Additionally or alternatively the MS could **adjust values for benchmarks and targets once a year directly in SFC** (for example two months after the second data-transmission), without a need to submit a program amendment. That would give the commission a realistic, timely and transparent overview of the goals that are going to be achieved within the ESF+.
33. If milestones or some other form of **mid-term indicators** are nevertheless deemed necessary, the timetable for these should be **based on the actual duration of the programme and progress in achieving indicators**. When setting the timetable, it should be considered that the implementation of the programme takes time. Accordingly, the idea of **mid-term review should be abandoned, postponed or become a part of regular process of programme amendments**.

III. Access to data and data collection

34. It is recommended that the Commission allows Member States the **flexibility to decide whether to collect participants' data or use aggregate data** based on the specific needs and logic of their ESF+ interventions. This approach should be guided by the eligibility requirements and the theory of change within each programme.

35. Data protection is a constant challenge, and it is to be assumed that it will continue to grow. It would be prudent to invest efforts in organizing **cooperation between experts in the field of monitoring EU funds and experts in the field of data protection**, to jointly find more optimal solutions, e.g. changing or redefining EU-legal framework, so that no room is left for creative interpretations of the EU-legal framework within MS.
36. While drafting the post-2027 Regulation, it is crucial to consider the data collection challenges faced by Member States for certain vulnerable groups, particularly migrants who are not present in national registries nor is their historical data available. The Commission should explore potential solutions while recognizing that even an unlimited access to multiple registers may never fully capture all participants.
37. While acknowledging the benefits of having available comprehensive public registers that can be used by Member States for data collection and reporting on EU funds implementation, it is far from realistic and attainable for most Member States. At this point in time, it is **not acceptable to mandate for post-2027 reporting that is solely based on data available in registries**, as Member States would have trouble complying with this requirement. Therefore, it is necessary to maintain several options when it comes to the method of data collection and reporting post-2027.
38. The Regulation should strongly **encourage and promote the use of registries**, e.g. rather than stating that the “data may be used” it should state that “the data should be made available where national registers with the relevant data exist and can be practically used for the ESF-purpose”, while also further efforts could be made in developing national registers where they are lacking. In this regard, national data protection authorities should be encouraged by the regulations to expedite their approval of datasets collected under ESF+.
39. A stipulation should be added in the Regulation to promote the sharing of available data between stakeholders on the national level, with the goal of providing the Member States with a legal basis that they can refer to when they request data from other institutions and sectoral authorities within the Member States.
40. For the post-2027 period, a mechanism could be introduced to **support investments in the development of national registers**. This could involve dedicated funding within the individual programmes of Member States that require such investments, or a similar approach to ensure targeted financing for the development and use of registers. Beyond reporting purposes, this would enable Member States to plan and implement targeted social reforms based on comprehensive, high-quality national data.

IV. Reporting

41. Compared to the 2014-2020 period, for which Member States prepared annual implementation reports that included significant textual information, for the 2021-2027 period, the reporting obligation is limited to the submission of cumulative structured data on implementation. The reporting frequency has increased from once to twice a year for indicator achievement values, and five times a year for financial data. Despite the availability of a web service option, most Managing Authorities continue to input data manually, while Excel uploads are available only for transmitting financial data.
42. Even though the default form for structured reporting has been simplified, the obligation to provide a comparable amount of information within the framework of the Annual Performance Review has been retained, therefore the success of achieving the desired simplification in 2021-2027 is questionable.
43. It is recommended that the Commission **improve the organization of intervention categories and secondary themes for the post-2027 period**, considering the identified mismatch between Priority objectives, intervention codes, and project-level activities (see Table 2: Breakdown of the

cumulative financial data by type of intervention in SFC2021). There is a need to **define the categories of intervention and secondary themes** (e.g. categories monitoring green skills, support for the Child Guarantee and supporting youth) **to avoid the overlap** and improve the utility for monitoring of programmes and funds. This would involve creating clearer, more distinct categories that align between priorities, intervention fields and codes and the indicators, leave no room for ambiguities and enable the necessary precision in the reporting and end use of this data.

44. The **frequency of Data Transmission defined for 2021-2027 can be kept for post-2027** with the recommendation of changing the reporting months from January and July to March and September. **Under no circumstances should the frequency of data transmission be increased.**
45. To best utilize the SFC's functionalities and simplify the administrative burden of reporting, the Member States call on the Commission's Services to invest resources in **allowing for an excel upload of all the reporting forms and datasets that are a requirement.** The ability to upload Excel files would significantly reduce administrative work and should be a relatively simple improvement to implement. The current web service option, while commendable, is still far too complex and too expensive for every Member State to implement. The prevailing opinion is that it would be more rational for the Commission to invest additional efforts in enabling a unique solution in the SFC itself, which does not require excessive involvement of each Member State. Another way to solve this issue might be to provide other **alternative tool(s) ensuring interoperability between the EU and national management and information systems.**
46. Bearing in mind the sectoral character of the ESF+ interventions, the new Regulation should consider the possibility of introducing **optional breakdown of data on indicators by category of regions.** The current approach requiring all the indicators to be broken by regions distorts the information provided by the ESF+ monitoring systems since **not all interventions have regional dimension or are possible to be disaggregated in such a way.** This is particularly the case of investing EFS+ in national systems (including IT systems and tools), structures and reforms for which the regional breakdown is not feasible nor reasonable. Using the pro rata approach for such interventions solely blurs the logic of intervention and provides no or incorrect information (e.g. by multiplying the numbers of PES management tools implemented by the number of categories of region in each country).