

Update Methodology Paper: How to ensure feasible targets

Interreg Knowledge Fair session report | 5 March 2024, 16.00-17.00

Overview

Around 51 Interreg programme representatives discussed the target setting of the current indicators and explored when and how the Methodology Papers should be modified or updated.

Four Interreg programme representatives shared their experience when setting targets for indicators and reflected how the inflation and other aspects influenced their initial assumptions for target calculations.

Key Discussion Points

- What is the Methodological Document?
- How can targets be calculated?
- What are inherent risks with target calculation?
- If and when to change the methodology paper

The Methodological Document serves as a comprehensive guide, outlining essential elements of the programme's intervention logic, indicators, and target calculation. It functions as a kind of institutional memory. The document should articulate how needs translate to actions, finances, indicators, and quantified targets, including assumptions, calculation methods, and factors influencing these assumptions.

The target calculation can be based on various approaches such as the project size from previous period, which is often used as key element combined with assumptions of shares of projects performing according to plan. Another possibility is to use a broader set of historical programme statistics (e.g., partner & participation numbers per project/ action, quantitative assumptions on causal link from project to pilot action, strategies & action plans delivered in 07-13 and 14-20, organisations cooperating per MEUR project volume etc.) or use more broad-brush approach such as benchmark at programme level 14-20 & 21-27. For the more technical common ERDF indicators a variety of more technical parameters has been used, e.g., methods using average population densities to calculate population having access to green infrastructure (using ha of green infrastructure as point of departure), or average cost per ha of rehabilitated land from mainstream programmes to calculate targets related to the available budget.

Inherent risks with target calculation

- Project size as a point of departure poses risks of under- or overestimation.
- Introduction of small-scale projects as a new feature.
- Inflation impacting project sizes, especially risky for construction activities or indicators based on cost per hectare.
- Force majeure events like crises (e.g., COVID or Russian aggression) heavily impacting performance.

Challenges Discussed:

- Programmes discussed changes in targets, outputs, and results encountered during their implementation.
- Consideration of adjustments to methodologies and factors influencing those decisions.
- Evaluation of potential amendments to programmes, including the rationale, timing, and reasons for such adjustments.

For most colleagues it is still too early to forecast the need for adjustments of targets. But price increase and inflation may have an impact (e.g., rise in construction prices in CZ since 2019 about 40%).

A more general issue in the debate has been the actual weight of indicators for decision making:

- On the one hand, indicators are an important proxy to express the programme targets,
- on the other hand, there is an inherent risk that scores along the indicator contribution to programme targets might outweigh the project content in decision-making.

It is important that the MA reveals and pinpoints such underlying questions and that the MC takes a deliberate decision pondering on the alternatives and its likely consequences.

Update of the methodology paper & programme modification

The intent cannot be to match targets with implementation. A change of targets owing to wrong assumptions at the programming stage does not justify a programme modification. However, it should be duly noted which assumptions had to be changed and MC should be informed – in order to avoid the pursuit of unrealistic targets and their eventual impact on decision making (see also the issue raised in the previous section). If a financial reallocation from one PO or SO to another is required the methodology paper needs to be updated in any case. In case of questions and/or doubts, the key person to talk to is the desk officer.

Regulations and articles of particular significance

Common Provisions Regulation: Article 16: Performance framework, Article 17: Methodology for the establishment of the performance framework

**Conclusions, plans for followed up**

The reasons of under/overperformed of indicators, the wrong assumptions in target setting and the necessity to update of the methodology paper should be discussed with the DG REGIO Desk officers of the programmes.

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