



Ex-ante evaluation

Relating to *Europe at work: better life and opportunities for all – Four-year work programme 2009–2012*

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Introduction

This report presents the findings from the internal ex-ante evaluation of *Europe at Work: better life and opportunities for all – Four-year work programme 2009-2012*¹ (hereafter referred to as ‘programme’) of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the programming period 2009–2012.

Article 21 of the Implementing Rules of the Financial Regulations² specifies the scope of ex-ante evaluations in the Commission: ‘*All proposals for programmes or activities occasioning expenditure or a reduction in revenue for the budget shall be the subject of an ex-ante evaluation*’.

The ex-ante evaluation guidelines³ of the European Commission have been taken into consideration in the drafting of this report as far as possible. Methodological assistance and peer review has been provided through an external contractor (The Evaluation Partnership Ltd.).

¹ Title of final version of programme approved on 17 October 2008.

² Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

³ *Ex-ante evaluation: A practical guide for preparing proposals for expenditure programmes* (2001); *Evaluating EU activities* (2004).

Background

Eurofound (short for The European Foundation for the Improvement of Living and Working Conditions) is a European Union agency set up under Council Regulation (EEC) No 1365/75 of 26 May 1975 which is located in Dublin, Ireland.⁴ Eurofound contributes to the planning and establishment of better living and working conditions through action designed to increase and disseminate knowledge likely to assist this development.

It is administered by a multi-stakeholder Governing Board made up of representatives of the 27 Member States, employer and employee organisations, and the European Commission. Eurofound is managed by a Director and has around 100 staff (professional and support staff) with an overall budget of around €21 million per year.⁵

Eurofound's operations and activities are framed by a four-year rolling work programme, whose purpose is to define the strategic framework in which Eurofound will operate over the four-year period from 2009 to 2012.

The approved version of this programme is the subject of this ex-ante evaluation report.

Methodological approach

Evaluation objectives

The ex-ante evaluation provides an internal, but independent, perspective on the drafting process, with the following objectives:

- a) to contribute to the quality of the 2009–2012 programme as a multiannual work programme, by ensuring that it can meet the performance criteria as set out in article 21 of the implementing rules of the Financial Regulation and by providing formative evaluation assistance to the work programme development process;
- b) to assist in the establishment of the monitoring and evaluation framework which will ensure effective monitoring of the implementation of the 2009–2012 programme;
- c) to fulfil Eurofound's obligations to carry out an ex-ante evaluation of its programming activities, in accordance with the Financial Regulation⁶, and the European Commission's ex-ante evaluation guidelines⁷ to support the process leading to the proposal for a multiannual work programme, 2009–2012 programme.

⁴ Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions as amended by Council Regulation (EEC) No 1947/93 of 30 June 1993, Council Regulation (EC) No 1649/2003 of 18 June 2003 and Council Regulation (EC) No 1111/2005 of 24 June 2005.

⁵ Art. 18a of the Council Regulation (EEC) No 1365/75, consolidated version: Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents shall apply to documents held by Eurofound.

⁶ Article 21 of Implementing Rules of the Financial Regulation.

⁷ *Ex-ante Evaluation: A Practical Guide for Preparing Proposals for Expenditure Programmes* (2001); *Evaluating EU activities* (2004).

Methodology

This ex-ante evaluation was conducted during 2008 as an internal, formative evaluation exercise, by an internal evaluation project team.

A range of internal documents were analysed by the evaluators relating to the consultation and drafting process of the work programme (see annex 7).

The timing of this ex-ante evaluation coincided with the drafting process of the 2009–2012 programme:

- The first draft of the ex-ante evaluation report was based on the second draft of the 2009–2012 programme (15.2.2008, discussed at the Bureau meeting in March 2008).
- The second draft of the ex-ante evaluation was based on the third draft of the 2009-2012 programme (30.6.08, to be discussed by Groups and Board at their meetings 1–2 July 2008).
- The third draft of the ex-ante evaluation report was based on the fourth draft of the 2009-2012 programme (22.08.08).
- This final ex-ante evaluation report is based on the final version of the 2009-2012 programme (approved at Governing Board meeting on 17 October 2008), incorporating the amendments proposed and agreed by the Governing Board.

Working methods

1. **Desk research:** The evaluation team analysed a range of documents relating to the consultation and drafting process of the work programme.
2. **Formative evaluation approach:** With a view to carrying out this evaluation as a ‘formative’ evaluation process, liaison and communication took place between the ex-ante evaluation team and the working group responsible for the four-year work programme incrementally throughout the development process during 2008.
3. **Methodological advice and quality assurance** of this ex-ante evaluation report was provided through an external evaluation contractor who provided evaluation methodological advice and guidance on the ex-ante evaluation process, and quality assurance of this report.

Quality criteria for this ex-ante evaluation report are based on the Implementation Rules of Financial Regulation, 25.10.2006), Chapter 6, Article 21 (pp 13-14) (see annex 4).

Limitations and constraints

It should be noted that this was the first time Eurofound was required to conduct an ex-ante evaluation of its multi-annual work programme as stipulated by its amended Financial Regulation.⁸ Therefore, there was no previous experience present in the organisation prior to this ex-ante evaluation. Furthermore, Eurofound is one of the first agencies to conduct an ex-ante evaluation, so that experience with this process as applied to an EU agency was very scarce in general.

⁸ Eurofound’s Financial Regulation, consolidated version: adopted on 28.03.2003, amended on 7.2.2007 and 17.10.2008.

A lack of budgetary resources meant that the task of carrying out the ex-ante evaluation could not be contracted to an external evaluation contractor but had to be conducted internally by a small project team consisting of Eurofound staff members. This team had to acquire the necessary knowledge and experience through carrying out this task, with some methodological assistance and quality assurance from an external contractor (The Evaluation Partnership), and some additional methodological support and feedback from the evaluation unit of DG Budget at the European Commission.

The ex-ante evaluation process started in April 2008, at a time when a significant amount of stakeholder consultation on the programme had already taken place.

With more resources, it would have been possible to consult more widely with stakeholders for the purposes of the ex-ante evaluation.

While the internal ex-ante evaluation team itself has undertaken the analysis in this ex-ante evaluation in the spirit of 'formative evaluation' (recommended as a suitable approach for ex-ante evaluations in particular), this approach carries the risk of a possible lack of robustness of analysis.

It is therefore recommended that the lessons learnt from this initial experience should be taken into account for the planning of future ex-ante evaluations, and four-year programmes, and that the processes should be further improved in the light of these experiences.

Problem analysis and needs assessment 2

This section clarifies the rationale for *Europe at work: Better life and opportunities for all – four-year work programme 2009-2012* (hereafter referred to as ‘the programme’):

- Why is it necessary for Eurofound to develop this programme?
- What problems will it help to address?

Eurofound’s mandate

Eurofound was established in 1975 with the mandate to ‘contribute to the planning and establishment of better living and working conditions through action designed to increase and disseminate knowledge likely to assist this development.’⁹

Since its establishment, Eurofound has built up a substantial body of scientific and independent knowledge and data in the field of living and working conditions in Europe.

In over 30 years of carrying out research and communication activities in living and working conditions in Europe, Eurofound has developed a distinct set of core competencies required to deliver information and knowledge to the key information users and stakeholders – primarily European institutions, trade unions, employer organisations, and national governments in their capacities as policy makers concerned with promoting quality of work and life.

It has proved to be a unique information provider in its field of operation, being the only research body:

- covering all EU Member States and beyond;
- collecting relevant, consistent, longitudinal quantitative and qualitative survey data in the fields of observation of working conditions, quality of life, and working time;
- collecting qualitative data through its established observatories;
- providing an unbiased, tri-partite perspective on relevant developments.

The new programme is largely based on the assumption of continuity, by further building on the body of knowledge and capabilities accumulated throughout previous work programmes.

Problems to be addressed

The original problems referred to in the 1975 founding Regulation include:

- Problems present in the living and working conditions in modern society are increasingly numerous and complex;
- Lack of inter-disciplinary scientific data as a basis for Community actions in the field of living and working conditions;

⁹ Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions, amended by Council Regulation (EC) No 1111/2005 of 24 June 2005.

- Employers and workers should be associated in the action undertaken;
- The Community was found not to be in a position to undertake analyses, studies and research in this field systematically and scientifically.

In recognition of these problems, Eurofound has been proved to be ‘capable of scanning elements’ which would affect living and working conditions, and ‘carrying out long-term forward study’ for factors which may endanger such conditions, and those which are capable of improving them.¹⁰

Over time and incrementally, there have been a number of high-level requests by stakeholders for the inclusion of specific tasks to be carried out by Eurofound since the original regulation establishing the organisation.

The most prominent examples for such additional specific inclusions relate to the establishment of EIRO and EMCC:

Establishment of the European Industrial Relations Observatory (EIRO) at Eurofound:

1995: Based on a request by the European Commission to Eurofound to provide key and timely information on industrial relations to policy makers, EIRO was established by Eurofound, and has been in continuous operation since 1997.

Establishment of the European Monitoring Centre on Change (EMCC) at Eurofound:

2000: The European Commission made a proposal in its ‘Social Policy Agenda’ (June 2000) to set up the EMCC at Eurofound, as a direct response to the call from the high-level expert group (Gyllenhammar group set up 1997). This proposal was supported by the social partners (joint opinion of social partners on EMCC, November 2000), and endorsed by the Council Presidency conclusions at the Nice Summit December 2000.¹¹

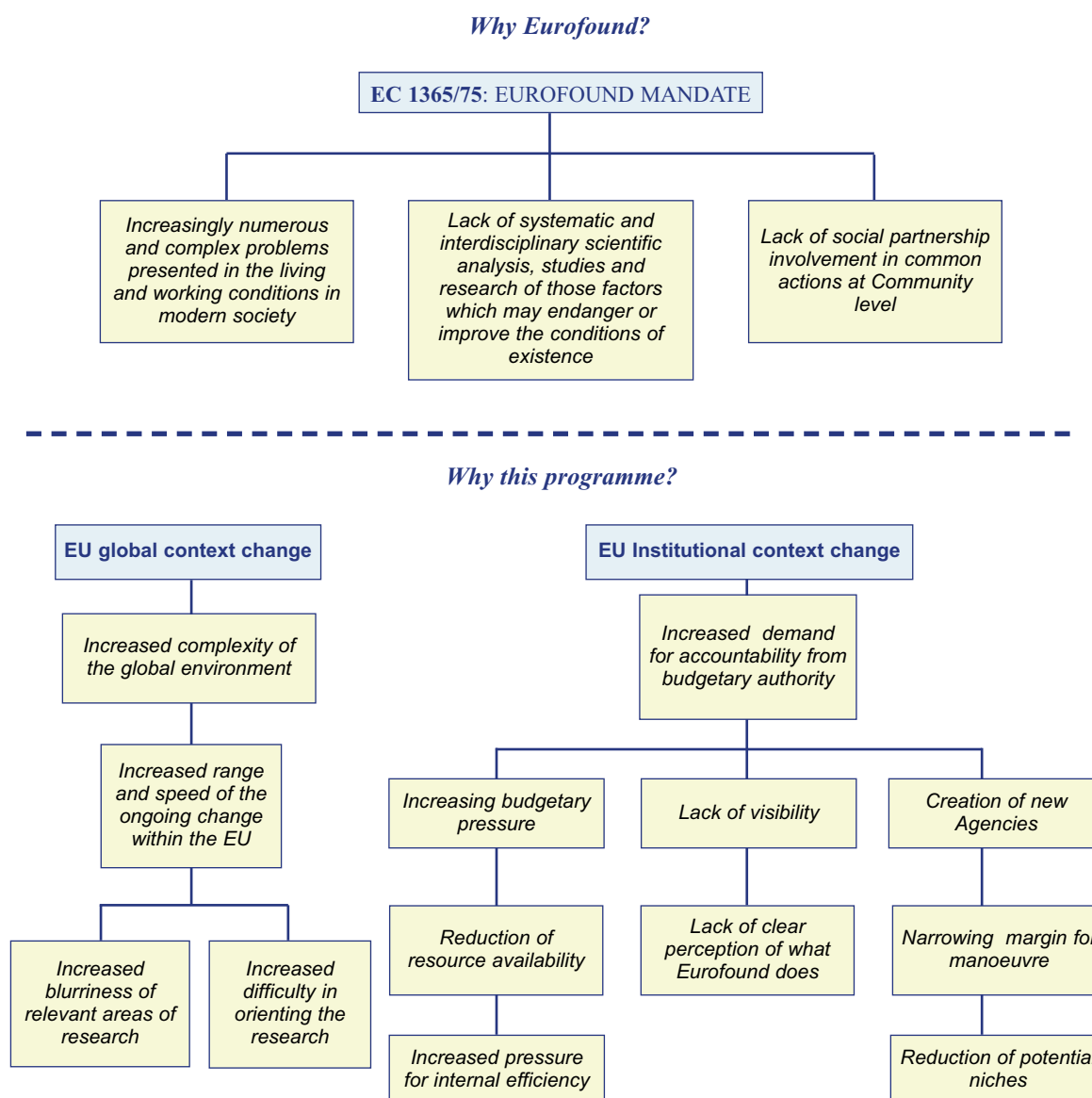
Based on these high-level policy recommendations, there were subsequently decisions by the Governing Board to incorporate these projects into the relevant work programmes of Eurofound at the respective times.¹²

¹⁰ Preamble of the Founding Regulation, 7th paragraph.

¹¹ Eurofound (2002), *Understanding, anticipating and managing change: identifying the drivers of change: conference to launch the European Monitoring Centre on Change*, Brussels, 23 October 2001, <http://www.eurofound.europa.eu/pubdocs/2001/76/en/1/ef0176en.pdf>.

¹² As evidenced in the minutes of the respective Administrative Board meetings.

Figure 1: Eurofound's 'intervention logic'



Relevance and coherence

Coherence with the relevant social and socio-economic policies is ensured inherently through Eurofound's Governing Board structure, which approves Eurofound's work programmes and oversees its work. In this multi-stakeholder governing structure, appointed representatives of Eurofound's information users are involved: trade unions, employer organisations, national governments and the European Commission.

Participation of all relevant social policy actors in the Board ensures that Eurofound's four-year programme takes account of relevant policy developments and contexts. The Board and its smaller executive Bureau are involved in the strategic direction setting of the programme from the outset and throughout the development process spanning two years (2007 and 2008), and formally adopt the programme at the end of this process.

This continuous and close interaction with those information users ensures that the content of the four-year programme is both relevant and reflective of the needs and concerns of policy makers and actors in the field of living and working conditions, and is coherent with the existing and emerging policy context at European level.

The programme explicitly refers to relevant and current EU level social policy developments, such as the ‘post Lisbon’ era, the European Commission’s 2008 ‘Renewed Social Agenda’, and other key policy papers, setting the context within which Eurofound’s four-year programme is operating.

The largely positive evaluation outcomes of the most recent ex-post evaluation of the 2001–2004 programme concluded in 2007 confirmed the overall success and continued relevance of Eurofound’s activities to date. For example, the 2001–2004 programme was found to have ‘responded well to the EU policy agenda and worked to address stakeholder needs’. It was found to have ‘addressed the areas of priority in the EU social agenda.’ ‘By facilitating a participative planning process, the Foundation gained an insight into the views of different stakeholders and enabled them to anticipate their needs’, and ‘the objectives [...] have been set in line with the needs of key stakeholders’.¹³

In the subsequent programme period 2005–2008 (partially addressed in the 2007 ex-post evaluation), Eurofound has continued to build on the 2001–2004 programme, adapted to a changed context. By the same token, continuity of operations in an updated policy context is the assumption for the new four-year programme, and for this reason, it is designed to further build on the previous programming periods.

Stakeholder consultations

Stakeholder consultations were conducted during 2007 and 2008, with a view to establishing the priorities and needs of the various stakeholder groups. The stated objective of the stakeholder consultation process is to ‘have the stakeholders’ views on the medium and long term developments that will be impacting on the improvement of living and working conditions in Europe, and to explore the scope of the Foundation’s unique contribution for the period 2009–2012 given its tripartite and independent nature.’¹⁴

A series of separate meetings and focus group sessions were organised during the early stages of work programme development in spring 2007 (for details see table 1), resulting in:

1. Identification of European debate topics of interest (a list of 10 prioritised debate topics of interest for inclusion reflecting the respective priorities of a wide variety of stakeholders);
2. Definitions of research areas and interests of the stakeholder groups consulted. Research topics for each area were identified (individual projects to be defined in the annual programmes);
3. Programme documents, drafts D1, D2, D3, D4 and D5, and final version.

¹³ PricewaterhouseCoopers (2007), *Ex-post evaluation of the 2001-2004 programming period*, p. v.

¹⁴ Eurofound (2007) *Procedure Manual: Four-Year Programme, Work Programme (Annual Management Plan), Units’ Annual Management Plans*, version 2, 30.05.2008, p. 15

These debate topics, research areas and research topics were prioritised through an iterative process of selection, through a series of successive meetings with stakeholders and in particular in a tri-partite (or quad-partite) seminar for the Governing Board members in October 2007. Subsequently the programme document was developed through an iterative development process designed to take into account comments and amendments from the Bureau Governing Board groups in the subsequent drafts of the programme.

The final selection of topics is the result of a process of negotiations and trade-offs, predominantly through the quad-partite Governing Board, where the needs and priorities of the different interest groups are represented.

As a consequence, the resulting list of topics in this programme reflect the priorities as expressed by these stakeholder groups.

Table 1: *List of stakeholder consultation meetings 2007-2008*

Stakeholder group	Method of consultation	Date of meetings	Inputs to meetings	Outputs from meeting
Core stakeholder group meetings				
European Parliament (6 MEPs) (members of EP's 'Employment and social affairs committee')	Focus group seminar in Brussels: Discussion: 1. European debate themes 2. Research areas 3. EF outputs	10.05.07	Background paper; seminar facilitation by Eurofound staff	Minutes of focus group meeting; Excel table of feedback during meeting; List of priorities for research areas and topics for 2009-2012 from this stakeholder group
Business Europe (The Confederation of European Business)	Focus group seminar in Brussels (ditto)	21.05.07	Background paper; facilitation by Eurofound staff	Excel table of feedback during meeting; List of priorities for research areas and topics for 2009-2012 from this stakeholder group
European Commission	Focus group seminar in Brussels (ditto)	22.05.07	Background paper; facilitation by Eurofound staff	ditto
UEAPME (European Association of Craft, Small and Medium-sized Enterprises)	Focus group seminar in Brussels (ditto)	23.05.07	Background paper; facilitation by Eurofound staff	ditto
ETUC (European Trade Union Confederation)	Focus group seminar in Brussels (ditto)	10.10.07	Background paper; facilitation by Eurofound staff	ditto
Civil society: Social Platform	e-mail	25.10.07	Background paper	Email
Civil society: CECODHAS (European liaison committee on social housing)	e-mail contribution	5.11.07	Background paper	Email
<i>Overall result from stakeholder consultations: preliminary list of research areas and research topics ('hot spots'), as input for 1st draft and Board consultation</i>				

Table 1: *List of stakeholder consultation meetings 2007-2008 (cont'd)*

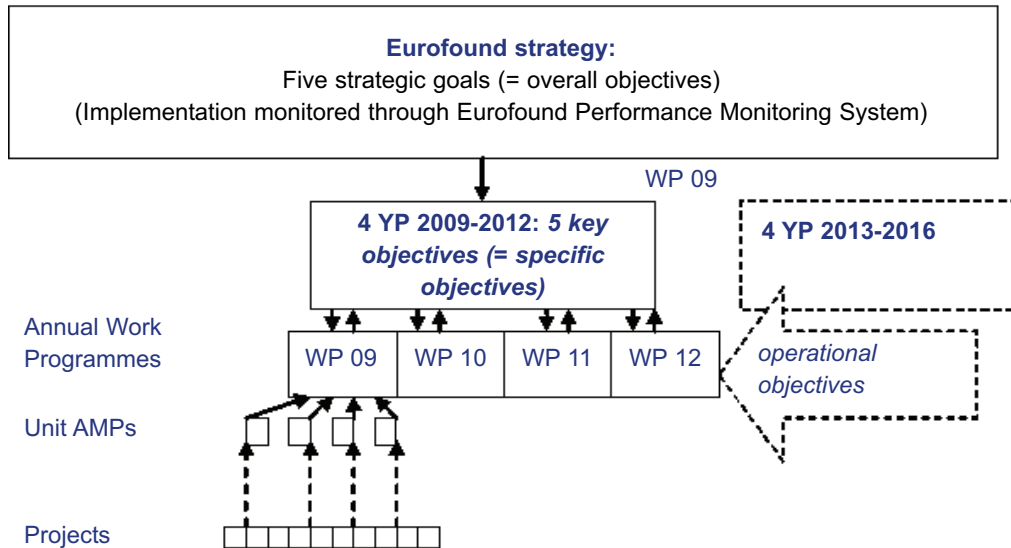
Stakeholder group	Method of consultation	Date of meetings	Inputs to meetings	Outputs from meeting
Governing Board and Bureau consultations				
Governing Board: Groups	Governing Board: tripartite seminar (government, workers, employers): 6 mixed groups facilitated by Eurofound staff and plenary session)	18.10.07	Background paper including list of 'hot spots' of European debate themes identified through stakeholder meetings; facilitation by Eurofound staff	Exploration of research areas and potential research topics (as input to 1st draft)
Bureau	201st Bureau meeting: Discussion of 1st draft of programme	7.12.2007	1st draft	Minutes; comments on 1st draft.
Bureau	203rd Bureau meeting	14.03.2008	2nd draft	Minutes; comments on 2nd draft
Governing Board	78th meeting of the Governing Board	02.07.2008	3rd draft	Minutes; comments on 3rd draft
Bureau	205th Bureau meeting	05.09.2008	4th draft	Minutes; comments on 4th draft
Governing Board	79th meeting of the Governing Board	17.10.2008	5th draft	Adopted version of programme (including agreed Board amendments); minutes
Bureau	206th Bureau meeting	09.12.2008	Final version	
Internal consultations				
Internal staff	Strategic seminars	1. 03.04.2007 and 2. 24.04.2008	1. Initial suggestions of potential 'hot spots' (policy areas relevant to Eurofound's scope of operations) and research themes. 2. Proposals for implementation of multiannual projects under proposed research areas (based on draft 2)	

Objective-setting and related indicators

3

Overall objectives of the work programme

The following diagram illustrates how Eurofound's overall, specific and operational objectives relating to this four-year work programme are aligned in Eurofound's planning context:



Eurofound's *overall objectives* are considered to be largely addressed in the five strategic goals which were developed in 2006 and adopted in the context of annual work programmes¹⁵, and which continue to be relevant:

Eurofound's overall objectives:

1. Expand influence on real decision makers.
2. Increase visibility and improve image.
3. Identify, develop and understand users.
4. Improve research and output quality.
5. Secure competitive advantage.

These overall objectives span a longer period than the four-year work programming period, and are monitored through 27 performance indicators in the Eurofound Performance Monitoring System (EPMS).

¹⁵ See *Programme of work 2008*, p. 3.

For the four-year work programme 2009-2012, two specific objectives are defined:

1. To be a reliable source of high-quality information and identify emerging issues for research and debate.
2. To strengthen the tripartite character and stakeholder relationships of Eurofound's activities.

These two objectives are consistent with the overall objectives (strategic goals), but designed to be specific to this four-year programming period.

Operational objectives are then defined for each of the annual work programmes falling within the four-year programme period, and monitored through indicators defined in the annual work programmes, unit annual management plans and projects.

Indicators and measures

Clear measures, targets and indicators have to be formulated for each year to ascertain to what extent such objectives will have been achieved by 2012.

As the specific objectives are derived from the overall objectives (as de-facto they are refined variants of a combination of some of the overall objectives), the monitoring of the progress of these specific objectives can be achieved through the existing indicators in Eurofound's already established Eurofound Performance Monitoring System (EPMS), which is based on the Balanced Scorecard methodology.

This will be achieved by using and adapting the existing EPMS indicator framework. Minor adaptations of existing indicators are necessary to cover the specific objectives of the programme. Planned adaptations include the identification of indicators as input, output, outcome and impact indicators relating to the specific objectives, and the definition and agreement of specific targets and alarms to be achieved for each year.

Plans are in place to elaborate and agree these changes before the end of 2008, prior to the commencement of the 2009-2012 programme.

With these provisions being completed, there is reasonable assurance that an operational set of indicators and measures with targets will be in place before implementation of the new programme commences.

Recommendation:

Elaborate and agree changes to the EPMS indicator framework to include:

- Specific input, output, outcome and impact indicator for the two specific objectives;
- Agreed annual targets and alarms for these indicators;
- Completion before implementation of the 2009 work programme.

Alternative approaches and risk assessment

What is the approach taken to reach the objectives?

The basic philosophy underpinning the intervention logic of the programme is that of building further on the established resources and capabilities of Eurofound, following an incremental and continuous improvement paradigm. These include Eurofound's accumulated body of knowledge of research and monitoring instruments over a number of years, the statistical data series of its surveys, and the existing skill sets and competencies, which Eurofound is developing further to meet changing demands.¹⁶

The approach proposes continuation of activities already established in earlier programming periods, predominantly through core activities as described in the programme.

What are the risks associated with the programme?

At a high level of analysis, the following types of risks can be identified:

1. **Content risks:** this group of risks concerns the thematic orientation of the proposed programme itself. Identified risks concern the balance between research areas, choice of selected topics, relevance and internal coherence of the programme.
2. **Strategic risks:** these concern the strategic orientation of Eurofound as expressed in this programme, Eurofound's positioning vis-à-vis other organisations and actors, and the sustainability of proposed activities.
3. **Operational risks:** this group includes a number of risks which relate to Eurofound's ability to execute the programme over the four-year period. These risks include the availability of adequate resources (budgetary and human resources) and the capability of Eurofound to execute the programme.

Each identified risk is assessed for likelihood of the occurrence of the risk and which consequences the risk would have if it occurs, and suggestions are given for risk management (mitigation).

¹⁶ See programme, Executive Summary, p. 2: 'Eurofound will use its expertise in [...], and will continue research in these areas.', and table of areas of expertise.

Table 2: Risk Analysis, mitigating actions and alternative options

Issues	Risks	Likelihood (probability)	Impact (consequences)	Risk management (suggestions)	Alternative options	Benefit from alternative	Cost of alternative	Likelihood of effectiveness
1. Content risks								
Selected Eurofound research topics don't cover all the relevant topics in the EU debate	Being out of relevant debate for some topics	High	Loss in visibility; Loss in relevance	Enhance 'environmental scanning' (business intelligence) capabilities of Eurofound, with a view to ensuring full awareness of relevant topics. Classify / prioritise topics according to capacity to follow debate directly.	Memorandums of understanding (MoUs) / cooperation agreements with other organisations identified to be better placed to cover some topics. Shared results of competitor analysis	Clear and shared definition of Eurofound's market niche; Clear demarcation of responsibilities from potential competitors/partners; Clear definition of what topics are out of scope for Eurofound;	Requires extensive competitor / partnership analysis	Medium / high
Identification of emerging issues	Failure to establish Eurofound in emerging social issues arising; Lack of internal capacity Foresight work is costly, needs specific expertise, with minimum impact; Not evidenced as an area of stakeholder interest by the consultations	Medium	Loss of competitive advantage Reduced added value	Environmental scanning capability (see above) Ensure adequate budgetary capacity to cover emerging topics Reduce scope and scale.	Further differentiation strategy - concentrate on established narrow 'market niche'. Accept other organisations entering potential 'growth markets' on emerging topics within Eurofound's mandate	Accept limited topical coverage – clearly define and communicate Eurofound's niche.	Curtails ambitions to cover emerging issues not yet well defined; Could negatively impact on Eurofound's future relevance and reputation	?
Maintain the balance between long/medium term and short term perspectives	Not keeping the balance. Entering new areas without having sufficient and sustainable capabilities to do so. Developing new expertise risks losing established expertise. Inadequate resource management and distribution. Cost of implementing change Inadequate absorptive capacity on the part of staff to cope with too many things.	High	Future loss in quality; Future loss in quantity; Future loss in credibility and relevance	Become more responsive, agile and flexible; Ensure proper resource allocation to address the incoming needs Ensure better internal management of available resources Establish results-based management culture Training programme to increase capacity to perform new tasks.	Become more responsive, agile and flexible; Ensure proper resource allocation to address the incoming needs Ensure better internal management of available resources Establish results-based management culture Training programme to increase capacity to perform new tasks.			

Table 2: Risk Analysis, mitigating actions and alternative options (cont'd)

Issues	Risks	Likelihood (probability)	Impact (consequences)	Risk management (suggestions)	Alternative options	Benefit from alternative	Cost of alternative	Likelihood of effectiveness
1. Content risks								
Concentration on short-to medium time horizons in programme at cost of longer-term anticipatory perspective	Taking too short time horizons	High	Losing competitive advantage on doing longer-term anticipatory research, as provided by the Founding Regulation. Losing previously established niche and expertise in longer-range anticipatory in relevant areas.	Retain a proportion of budget reserve to undertake longer-term forward-looking research in relevant area.	Retain expertise and knowledge to carry out longer-range anticipatory research	Maintain competitive advantage	Maintain relevant expertise in skills base	Medium
2. Operational risks								
Net reduction in available budget	Budgetary subsidy forecasts ¹⁷ show 10% reduction of budget in 2009 compared to previous years ¹⁸ . Slow recovery (2% growth max) expected for 2010-12	High	10% budget reduction in 2009 means 2009 outputs must be reduced. Reduced outputs can negatively impact on desired outcomes and impact	Careful multiannual spreading of activities and expenditures to ensure continuity of outputs. Identify and take strategic decisions to discontinue activities of lower added value	Decide not to invest in capacity building in this area; MoUs / cooperation agreements with organisations with complementary skill sets and capacities	Concentrate on and further refine established core competencies already inhouse	Invest efforts in business intelligence and relationship management with other organisations Partnership development programme	High
Human capital	Imbalanced alignment between organisational needs and prospective HR planning	High	inadequate capacities released from existing HR staff structure Loss of human capital Lack of leverage of internal staff knowledge and expertise Lack of internal staff flexibility	Update and align HR strategy (including medium-term staff planning, i.e. multi-annual staff policy) to explicitly address human resource challenges in programme; Succession management to cover for staff losses Time management Motivation Training, development and capacity building Strengthen internal knowledge sharing and learning				

¹⁷ See figure 3, 'Projected inputs', p. 10.

¹⁸ 2009 figures reflect 10% budget cut ('Galileo cuts') across a range of EU agencies decided by European Council and European Parliament in 2008. Subsequent years (10-12) foresee a maximum of 2% growth.

Table 2: Risk Analysis, mitigating actions and alternative options (cont'd)

Issues	Risks	Likelihood (probability)	Impact (consequences)	Risk management (suggestions)	Alternative options	Benefit from alternative	Cost of alternative	Likelihood of effectiveness
2. Operational risks								
Internal development of knowledge and expertise	Critical knowledge and core expertise resides in organisational silos	High	Loss in capacity Loss in efficiency	Assure proper knowledge sharing and ongoing development; Set up independent reviews (ers) to ensure that the quality is not negatively affected as a result of cost reductions, etc				
Wide range of outputs	Resources bound in too many projects, leading to decreased efficiencies and effectiveness (spreading too thinly)	Medium	Loss in quality; Loss in control; Loss in flexibility; Inefficiencies Reduced effectiveness, Reduced capacity to satisfy stakeholder needs	Further prioritise and focus research topics through annual review processes; Reduce range of products	Establish formal Cooperation / Partnership development programme; approach every partnership/cooperation with an appropriate and resourced programme Establish clear responsibilities			
Increased efforts for targeted communication of all research projects to decisions makers at European and national level – providing evidence of achievement	Efforts to target research to target audiences could remain below expectations. Cost spent to communicate with specified target audiences must be compared with outcomes achieved	Medium	More focused communication to target audiences (policy makers) might not work Not provide expected value for money	Ensure cost-effectiveness assessments are done of communication spending (linking unit cost to desired impact) Compare projected cost to reach target audiences.	Include cost-effectiveness of communication cost to reach target audiences in Terms of Reference of mid-term evaluation, to ensure value For money is achieved and evidenced for this programme	Communication cost control Benchmark figures Higher transparency for benefits of communication expenditure	Evaluation cost	High
3. Strategic risks								
Budgetary resources distribution shared among agencies	Eurofound's unique position and added value may be jeopardised Eurofound work is assessed by budgetary authorities from quantitative/qualitative point of view	Medium	Loss of resources Loss of research areas Loss of relevance	Spend less, but better Maintain and increase impact	Further prioritise research topics Reduce range of products Engage in benchmarking exercises with other agencies			

Table 2: Risk Analysis, mitigating actions and alternative options (cont'd)

Issues	Risks	Likelihood (probability)	Impact (consequences)	Risk management (suggestions)	Alternative options	Benefit from alternative	Cost of alternative	Likelihood of effectiveness
3. Strategic risks (cont'd)								
High reliance on stakeholder inputs in relation to enhanced Advisory Committee role	Assumes sustained active engagement of AC members; Efficient and effective delivery could be affected by increased involvement and growing number of Advisory Committees ¹⁹	Medium to high	Withdrawal or disengagement of AC members (for any reason) puts Eurofound's ability to comprehensively deliver the work programme at risk in affected activities, e.g. evaluation (quality assurance) of research reports prior to publication; advice on follow-up activities, etc.	Encouragement of continuous stakeholder engagement in Advisory Committees; Consider relevant incentives to maintain engagement	Widen stakeholder base actively involved in ACs (e.g. wider Board involvement; beyond Board) More explicit involvement of content experts	Broaden the number of AC members Spread the burden more evenly Strengthen diversity of participation in AC	Greater number of people involved Possibly more meetings / meeting costs	
High reliance on stakeholder inputs in relation to enhanced Advisory Committee role	Composition of Advisory Committees requires appropriate balance between representation of constituencies, and content expertise	Medium		(for Bureau / Board): Review compositions / appointments to Advisory Committees with view to ensuring sufficient balance and expertise is available to ACs.				
Cooperation with other agencies and organisations	Not adequately addressed Cooperation is 'double edged sword': risk of loss of control and competitive advantage	High	Loss in competitive advantage and 'market share'	Establish formal Cooperation / Partnership development programme; approach every partnership/cooperation with an appropriate and resourced programme Establish clear responsibilities	Extend scope of partnership programme to also address supplier relationships			
Risk of not delivering expected outputs of the Four-year work programme during the initial years (2009 and 2010)	Falling behind expectations of delivery in first two years increases pressure of having to catch up during remaining period to ensure delivery	Medium	Delayed delivery Drop in user and stakeholder satisfaction Loss of reputation and credibility Likelihood of increased budgetary pressures	Ensure appropriate management controls and checks are in place, and used to prevent and manage any strategic and operational drift: <ul style="list-style-type: none"> use of performance data (EPMS); carry out activities under multi-annual evaluation programme; readjust any drift through annual work programme planning as strategic review processes 				

¹⁹ See draft minutes of Governing Board meeting 17.10.08, p. 9, point 9

What would be the consequences of not carrying out this programme?

A number of different possible scenarios could be envisaged in the event that this programme would not be carried out, albeit with different degrees of likelihood. In the following sections, a number of such theoretically possible scenarios are described.

Winding up Eurofound

In such a scenario, Eurofound's activities would be discontinued and the information and knowledge expected from the Four-year work programme would not become available to the users of Eurofound's services.

Disadvantages:

- As the stakeholders and users find Eurofound's services useful and valuable, this alternative would leave a gap in users' needs.
- A decision to wind up Eurofound would lead to the loss of access of users to the established body of knowledge and expertise.
- Considerable switching costs for the European Union to establish new alternative bodies or capabilities to deliver replacement services to meet stakeholder's needs.
- Social costs for Eurofound's staff in need of alternative employment and/or relocation.

Advantages:

- short-term savings of budgetary allocations assigned to Eurofound, which can be used for other purposes;

Non-intervention scenario – 'do nothing', business as usual

In this scenario, a decision not to implement this work programme would correspond to a de-facto continuation of activities as under the framework of the 2005-2008 work programme. In this scenario, Eurofound's activities would continue without taking account of the changed social, economic, global and political context and adapting its delivery accordingly.

Disadvantages:

- Eurofound's resource allocation, activities and outputs would fail to be aligned with the changed context and stakeholders' expectations.
- Eurofound would be at risk of 'strategic drift' – perpetuating its activities without clear reference to the needs of its stakeholders and customers.
- There would be an increasing risk of not satisfying customers' changed needs.
- Declining customer satisfaction is likely to erode Eurofound's established niche and threaten its continued relevance, with a risk of no longer satisfactorily fulfilling its role according to its mandate.
- The budgetary forecast for the coming years renders continuation as usual as unfeasible, as activities cannot be funded on the same basis as under the previous Four-year work programme.
- The existing human resources' skills base would fail to be updated to meet emerging needs, leading to an erosion of Eurofound's organisational capabilities.

Advantages:

- In the short-term, a majority of activities could be carried out as established over the preceding time period.
- Short-term stakeholder and customer needs would be likely to be met without major changes.
- No major updates to skills and organisational capabilities would be required.

Alternative bodies

In a scenario of seeking alternative bodies to carry out such a programme, there is no alternative organisation in existence or in a position that would be able to carry out this programme at EU level.

With reference to section 2 (problem analysis) it can be recognised that Eurofound is the body which can best ensure the unbiased, EU wide coverage of scientific information in this field of working and living conditions through its broad mandate, autonomy, tripartite structure.

A number of organisations can cooperate with Eurofound, but can not replace it in its unique role:

- The European Commission has its own objectives and policy mandates, and is thus not able to provide the unbiased and multilaterally trusted scientific information Eurofound provides.
- Other EU agencies with neighbouring mandates (e.g. CEDEFOP, EU-OSHA, ETF, etc) do not overlap with Eurofound's mandate, but rather deal with partial respectively complementary aspects.
- Other Community bodies like Eurostat carry out specialised tasks, and are thus unable to provide the depth and breadth of analysis Eurofound provides in its field.
- Other EU level organisations like ETUC or BusinessEurope represent the positions of their constituencies and organisations, such as trade union, or employer positions, and thus can not provide the unbiased information Eurofound provides which is trusted by all parties.
- Organisations at national level do not cover the European dimensions Eurofound is well placed to cover, such as comparative data and analyses between all EU Member States.

Cooperation with other bodies:

A 'competitor analysis' was carried out internally in Eurofound as part of the work programme development process, with the objective of mapping Eurofound's own strategic position compared to other organisations active in the field of the proposed research areas for 2009-2012, and clearly establishing Eurofound's niche in these fields relative to other key players. This analysis provided a differentiation of other actors into 'competitors' (focusing on the same topics from a similar perspective, with similar or better resources) and 'complementors' (organisations whose strategy and resources provide outputs that Eurofound can take up as an input for its work).

This analysis provides a useful basis for Eurofound's strategy for cooperation and partnerships with other organisations which it regards as key to a successful implementation of the new programme.

Alternative programmes

In such a scenario, it is possible to consider alternative intervention logics as a basis for Eurofound's Four-year work programme. Alternative logics that could be considered might be based on alternative scenarios to the adopted scenario of 'overall continuity', or on a different selection of research themes and topics.

Alternative logics could be applied to:

- a) a more pessimistic scenario: ‘doom and gloom’

At macro-economic level:

Dramatically declining socio-economic framework conditions in Europe / globally; recession or depression, with unexpected levels of job losses. Such dramatic changes might change stakeholders’ information priorities and needs from Eurofound. At the time of writing (autumn 2008), the relatively sudden emergence of a period of EU (and world-wide) recession following the crisis in the financial and banking sectors with consequences for the wider economy proves the increased likelihood of such an alternative logic to emerge.

At micro-level (applied to Eurofound’s organisational context):

Further budgetary pressures reducing budget beyond current projections could cause Eurofound to come under unprecedented difficulties / pressures to deliver.

- b) a more optimistic scenario: ‘reach for the skies’

At macro-economic level:

Economic development experiences unexpected upturn.

At micro-level:

Unexpected additional resources becoming available for Eurofound. This situation appears unlikely at the time of writing.

- c) a different selection of research focus areas and topics

During the development process for this programme, the content as presented in the four-year work programme was determined by decision of the Governing Board to whom different options were presented (meetings of the Groups of the Governing Board, 2-3 July 2008).

The following selection criteria were defined and applied to the selection process in guiding the Board’s decisions on selecting the research focus areas and topics for this programme:

- Necessity to focus on a limited number of broad thematic areas – for both research and communication activities.
- Reflecting the mandate of Eurofound as well as the knowledge and expertise built up over the last number of years.
- Considering the role of policies and measures to improve daily life in the workplace and community – looking first at the role of social partners and governments.²⁰

Therefore the selected research themes, topics and set of activities are deemed to reflect the consensus achieved by the different key stakeholder groups represented on Eurofound’s Governing Board.

²⁰ Presentation by Director Jorma Karppinen to Governing Board, Group meetings July 2008 (24.06.2008) slide 12.

Purpose

The Financial Regulation stipulates that Community funds must be used in accordance with the principles of economy and cost-effectiveness.²¹

A *cost-effectiveness analysis* consists of relating the *effects* of an intervention to the total amount of inputs (total cost) needed to produce those effects. The criterion for judgement is usually the cost per unit of outcome achieved. This unit cost is then compared to other interventions or to other methods for delivering the same outcome.

Whether or not a programme is judged to be cost-effective depends on whether it outperforms other programmes used as a benchmark in achieving given objectives for less cost.

Eurofound's Founding Regulation sets the specific mandate 'to contribute to the planning and establishment of better living and working conditions through action designed to increase and disseminate knowledge likely to assist this development'.

Therefore, a direct comparison with other organisations is out of scope, given that the work of Eurofound is distinct or complementary, and not competing with other organisations' area of activity.

Moreover, the calculation of cost-effectiveness ratios (cost per unit of outcome) at the ex-ante stage and at the level of a programme or policy proposal is difficult or may require too many and too uncertain assumptions to be useful. In particular, if the objectives of a programme are multiple and not very specific in terms of expected results (as is the case here), it will be difficult to attribute costs to any comparable key impacts.

However, understanding and explaining the consequences of the proposal in terms of different types of costs is considered more important than doing exact measurements and calculations.

Therefore the following section will:

- present a broad estimate of the cost of the proposed programme;
- ask if the objectives justify the cost – bearing in mind that ultimately this is a political judgement;
- ask if the same results could be achieved at a lower cost, or if more or better results could be achieved with the same cost by using a different approach or other instruments.

Cost-effectiveness analysis

A budget plan of the cost of the programme is presented in the table below (Figure 2). This plan represents an accurate budget forecast at the time of writing. It should be noted that the budget view presented in this chapter shows a conventional breakdown by budget titles. However, Eurofound has implemented Activity Based Budgeting (ABB) during 2008, which is reflected in the programme. The introduction of ABB signifies a notable improvement in budgetary resource management, in line with current best practice. This approach to managing the budgetary allocations to specific activities is expected to substantially assist with the practical management to achieve the objectives of the programme.

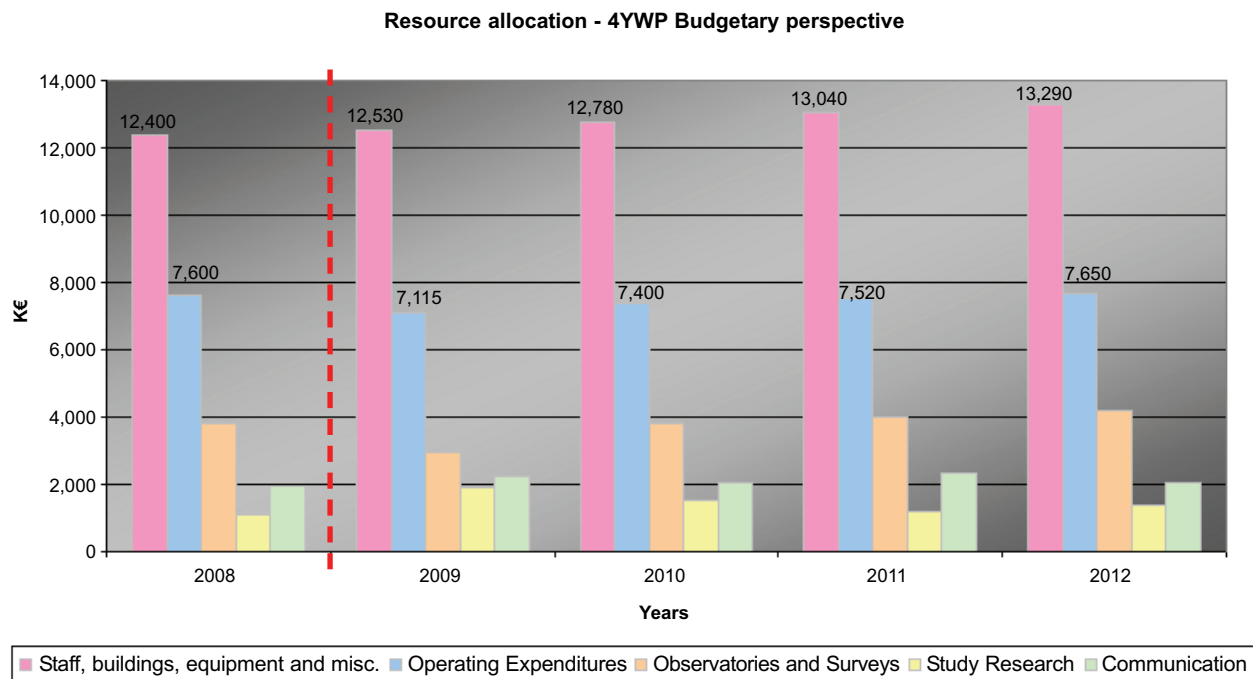
²¹ European Commission Ex-ante evaluation guidelines (2001).

An alternative breakdown according to an ABB view of the budget will result in different figures, but the breakdown by titles enables easier comparison with a benchmark figure of 2008, and potentially earlier years, prior to the introduction of ABB, and is therefore chosen as the preferred presentation for the purposes in this section.

In this figure, year 2008 is used as reference year, to show the effect of budget reductions to finance the EU ‘Galileo’ programme through direct budget cuts of some agencies’ budgets, including Eurofound. The ‘Galileo’ cut will not be applied on a linear basis over the next years but at once in 2009. Globally title 3 (Operating Expenditures) will see a cut of 10.53% in comparison with 2008 while titles 1 and 2 (Staff, Buildings, Equipment, etc.) will see an increase of 2.02%.²²

Figure 2: Four-year work programme’s budgetary perspective

Figures for 2009-2012 include IPA (previously PHARE programme) and Revenues from other services.



The programme-specific objectives set a strategy to improve the quality of data (investments in quality and comparability of observatories and surveys results) and the capacity to match stakeholders’ needs (ad hoc studies, customised research, preference channels, etc.). In other words, this strategy focuses on an increase in terms of quality of results, more flexible and responsive research and more effective communication. As assessed in previous parts of this report, the objectives relate to relevant problems identified for the coming years.

²² Draft budget as adopted by the Council (1st reading by ECOFIN), July 2008.

The budgetary perspective presented above gives a broad idea of resources distribution among different area of work:

- Observatories and surveys are mainly concerned with a gain in efficiency and increase in quality of processes and results. A decrease in 2009 is explained by the decision to split the more expensive field work for the Fifth European Working Conditions Survey between the years 2009 and 2010.
- A significant increase of 44% for study research in 2009 compared to 2008 is in line with the specific objective to increase the responsiveness capacity of the organisation but still correlated to the resources allocated for observatories and surveys as the significant decreases in the years 2010–2011 show.
- Resources for communication activities remain steady in comparison with 2008, with slight increases/decreases in the years 2009–2011 and 2010–2012 respectively.

The budgetary perspective (Figure 2) raises some concerns when comparing Eurofound's need for responsiveness to emerging issues, and the constraints imposed by the resources. For example, comparing the years 2010 and 2011, it is evident that 51% of resources (allocated for title 3) is committed to the area of observatories and surveys, whilst the resources dedicated to study research experience a significant decrease (from 20% in 2010 to 15% in 2011).

In other words, due to this correlation, Eurofound's capacity to allocate resources (both internally and outsourced) to other areas of activities is limited, and hampers Eurofound's flexibility in executing its work programme.

The budget for communication does not seem to be subjected to this correlation as there is a relatively stable budget allocation. The section about communication in the programme is not very elaborate compared to the amount of allocated resources, of which large parts appear to be bound in fixed costs, such as for publishing, translations, etc.²³ In summary, based on the budget figures, there is a risk of a mismatch of resource allocation in the light of the stated objectives.

The successful realisation of the programme also relies on the more specific human resources strategy for the period 2009–2012. With no further scope for the expansion of the staff table and as the funds are at the same time reduced, the strategy will gear staffing resources (in-house and those to fill vacant posts) to the areas of work that directly contribute to the achievement of Eurofound strategic goals and the programme-specific objectives.

A main focus in this area will be training of staff, re-allocation of posts, in-house allocation of more tasks, review of the outsourcing policy and partnership with other organisations.

This human resource strategy seems to follow the general idea to increase the in-house research capacity, but some concerns arise if considering the future expected workload when compared to the decreased possibility of outsourcing activities.

According to budgetary reduction, the decision to proceed to a more autonomous research capacity is appropriate. As to the alternative solution, outsourcing is less and less a realistic option as in previous programming periods. Communication still remains a core part of the mission of the organisation, and therefore a clear implementation plan of the communication strategy is very important.

²³ See information and communication cost breakdown, Powerpoint presentation to Bureau meeting on 9 December 2008.

Globally along with the budgetary perspective, the HR strategy and other measures directed to increase the efficiency of the organisation (ICT action plan, knowledge management initiatives, etc.) align with Eurofound’s overall strategic goals and with its programme-specific objectives.

For a better appreciation of the detailed risks associated with this programme, refer to the risk assessment (see Table 2).

Table 3: *Potential intended outcomes*

The tabular presentation below put in relation the main areas of activity, the programme-specific objectives and the intended results plus the resource allocation by year and per area of activity.

Areas		Observatories and Surveys	Study Research		Communication	
Programme-Specific objectives		Be a reliable source of high quality information and identify emerging issues for research and debate		Strengthen the tripartite character and stakeholder relationships of Eurofound’s activities		
INTENDED RESULTS		<i>Improvement of quality standards; methodology, process and outputs.</i>	<i>Taking up emerging topics. Developing new concepts and methods; Collaboration with other organisations.</i>	<i>Better identification and understanding of user target groups. Developing innovative vehicles for bringing knowledge to key stakeholders. Providing a continuous debate.</i>	<i>Focused communication activities. Focused channels; Customised messages</i>	<i>Feeding actively into the policy debate.</i>
Budgetary perspective (K€)	2012	4,200		1,380	2,070	
	2011	4,000		1,190	2,330	
	2010	3,800		1,530	2,070	
	2009	2,950		1,920	2,245	
	2008	3,798		1,089	1,962	

Justification of current and future spending

Recent evaluations have confirmed that the current (2006/07/08) level of spending constitutes overall good ‘value for money’.²⁴

When comparing the projected resource allocation for this programme with the resources available for the preceding 2005–08 programme, it becomes clear that Eurofound will have less resources at its disposal in the new four-year period: a net reduction of ca 10% of disposable budget for 2009.²⁵

This overall budgetary situation requires Eurofound to carefully and comprehensively review its current insourcing and outsourcing arrangements.

²⁴ PricewaterhouseCoopers (2007), *Ex-post evaluation of the 2001-2004 programming period*.

²⁵ <http://register.consilium.europa.eu/pdf/en/08/st11/st11490-ad02.en08.pdf>, 2009 draft budget adopted by ECOFIN (Council) 1st reading, 17 July 2008.

The necessity for review and change where appropriate is likely to continue in future years, within the framework of this programme.

How can Eurofound continue to finance its activities, and implement its new work programme?

A large proportion of Eurofound's budget is already committed to multi-annual ongoing activities (medium-term contractual arrangements, multi-annual projects and programmes), leaving only little budgetary room for manoeuvre and new work.

This budgetary situation was a strong contributing factor to choosing the proposed approach of the new programme, as it was deemed to be cost-effective.

What are the trade-offs associated with the current proposal?

Compromises have to be taken concerning the scope of the programme, in the light of stakeholder feedback provided through the Governing Board and Bureau, and in the light of resource constraints.

The following examples indicate trade-offs that were made in the light of stakeholder feedback²⁶:

- Drivers of change: e.g. impact of 'climate change' was re-scoped to explicit relevance to living and working conditions, and notably employment only.
- Research areas/topics: a number of proposed topics that were proposed by stakeholder groups during the consultation were necessarily dropped as a result of the prioritisation process.
- Time horizons were confirmed to be short- (up to 2 years) to medium-term (up to five years), rather than longer-term perspectives.

Furthermore, compromises need to be considered in terms of resource availability and Eurofound's capacity to implement the programme in a situation of facing significant budget cut-backs. The 10% budget cut applied to the 2009 annual work programme forces Eurofound to revise its expenditure patterns on activities, ensuring delivery of the best-possible outputs for less inputs compared to previous years. The review of surveys and observatories as major activities and cost factors are testimony to this requirement to achieve economies of scale and scope.

Maintaining the resource input levels for observatories and surveys ensures that these established monitoring instruments can continue to deliver the planned outputs and to meet outcome and impact expectations of these 'flagship' products. However, this is traded-off by having significantly less budgetary resources available for new study research.

²⁶ As evidenced by Bureau and Governing Board minutes relating to four-year work programme development, 2007 and 2008.

The added value of Eurofound at European level is anchored in the Founding Regulation which recognises the need for action at EU level in setting up the organisation.

This was confirmed through stakeholder requests to add the specific tasks concerning EIRO and EMCC to Eurofound's mandate and work programmes in 1995 and 2000 respectively. (see pps 5-6)

The European Added Value of Eurofound was confirmed again through previous favourable ex-post evaluations, most recently in 2007.²⁷

That evaluation report states that Eurofound's European Added Value is provided predominantly through:

- Eurofound's independence and impartiality guaranteed through its tripartite governance structure;
- its capacity of transferring comparative analysis, information and best practices across all EU member states in its well established niche;
- combining long-term scientific data with qualitative depth studies and extensive reporting across key social issues;
- providing an important link between research and policy as a neutral body.

With this new four-year work programme, Eurofound aims to further build on and maintain the European Added Value achieved over previous programmes, and extend to new research areas and topics (section 3 of programme), which are deemed to be priority issues in the forthcoming period in the light of the identified drivers of change in the European and global context (section 2).

The programme recognises the need for 'further collaborative initiatives' with a number of other European agencies and building further on its existing collaboration network with other European and international organisations (such as Eurostat, ILO and OECD²⁸), with view to increasing synergies and complementarities with other actors.

²⁷ PricewaterhouseCoopers (2007): European Foundation for the Improvement of Living and Working Conditions – ex-post evaluation of the 2001-2004 programming period, final report August 2007, pp. 82-85.

²⁸ *Europe at work: better opportunities for all: Four-year rolling programme 2009-2012* (4th draft, 22.08.2008), p. 4.

Monitoring and Evaluation

How will the programme be implemented?

Eurofound’s programme will be implemented through already established instruments, following established practice laid down in the Financial Regulation.

- **Annual Work Programmes:** For each year of the period 2009 – 2012, an annual Work Programme is drafted and adopted by Eurofound’s Governing Board – under the overall umbrella of the programme.
- **Unit Annual Management Plans:** each unit draws up its own annual management plan in conjunction with the annual work programme development process (bottom-up and top-down).
- **Projects:** the majority of activities are implemented through a series of typically multiannual projects, as indicated in the annual work programme.

How will the programme be monitored?

Overall delivery of the programme will be monitored at annual review points, triggered by the annual work programme processes. This annual process offers the opportunity to review progress achieved under the programme to date, and to adjust priorities and resource allocations for the subsequent annual work programme under preparation to take account of the actual status.

The multi-annual evaluation programme provides an umbrella for a series of interrelated evaluation activities in relation to the multi-annual programme.

Monitoring of Eurofound’s activities takes place at all levels: corporate/strategic level, programme level, and project level.

Implementation level	Monitoring arrangement	When
Corporate and strategic level	Multi-annual evaluation programme	Periodic, scheduled evaluation activities every year, according to programme delivery cycle
	<ul style="list-style-type: none"> • Annual Activity Report • Eurofound Performance Monitoring System (EPMS) 	Annual (external reporting) Quarterly and monthly (internal)
Programme level	<ul style="list-style-type: none"> • Additional indicators for specific objectives • Impact tracking system 	Annual
Project level	<ul style="list-style-type: none"> • Project management system (Projex) 	Continuous
Unit level	<ul style="list-style-type: none"> • Unit indicators 	Annual

8

Lessons learnt from the past

The confirmed continued need for research, data collection and analysis and communication to the policy debate means that there is sufficient justification for further actions taken by Eurofound under the new programme.

The recent external evaluation (particularly the five case studies as part of ex-post evaluation 2001-2004) suggest that the 2005-2008 programme has made further significant contributions towards the achievement of Eurofound's purpose.

Recommendations from this ex-post evaluation have been taken up in an action plan submitted to the Governing Board in October 2007, which Eurofound has undertaken to implement.

A significant number of the recommendations from the 2007 evaluation are reflected in the 2009-2012 programme, for example:

- *Recommendation 2*: 'Supporting research for emerging issues' is strengthened through attention given to further developing the anticipatory aspects of Eurofound's work (section 'adapting to a changing Europe' (p. 5), reference to EMCC's anticipation tasks (p. 8), reference to emerging work place innovations (p. 9), references to HR strategy including training of staff, and the dedicated knowledge management strategy (p. 23).
- *Recommendation 3*: 'Deepening cooperation with international organisations': this recommendation is directly addressed in the section concerning 'partnerships and cooperation' (p. 5);
- *Recommendation 4*: 'Monitoring administrative costs', and Recommendation 5 'Enhancing performance-based management': these recommendations are addressed through the provision of activity-based budgeting and resource management (p. 22), and the monitoring and evaluation system (p. 24)
- *Recommendation 6*: 'Invigorating the Advisory Committees' is directly reflected in the specific objective 2: 'strengthen the tripartite character and stakeholder relationships of Eurofound's activities', with an explicit commitment to cover each major activity by a specific Advisory Committee.

While these and some other recommendations have been incorporated in programme, it should be noted that not all recommendations have been fully implemented to date.

Conclusions

The problem analysis and needs assessment show that continued relevance of Eurofound's mandate and tasks has been confirmed, and that the programme takes account of the current needs of Eurofound's stakeholder base. The work programme development and approval process ensures that the adopted programme meets stakeholders' expectations and needs, through extensive consultations with relevant stakeholder organisations, and through the structural governance arrangements of representation of key stakeholder groups in the Governing Board and Bureau. These processes and structures also ensure the relevance and coherence of the programme with relevant EU social policy developments.

A revision process of the already existing EPMS indicator framework will ensure that specific indicators will be in place to monitor the specific objectives of this programme.

A risk analysis has highlighted a number of associated risks, and makes a number of suggestions how these risks can be managed by Eurofound, and its stakeholders, as appropriate. The most pertinent of these suggestions are summarised in the recommendations section below.

The programme will be implemented through a series of annual work programmes, annual management plans for each unit, and a series of projects. Monitoring arrangements are in place for each level of implementation. The multi-annual evaluation programme running in parallel with this programme will ensure a series of integrated evaluation activities that will contribute to the successful implementation of the programme, and the planning of future programmes.

Recommendations

Based on evidence contained in the risk analysis (see table 2, pps 14-17), the following high-level recommendations can be made.

Internal risks

1. Possible imbalance between delivering the programme, and accommodating emerging needs, requires sufficient flexibility in programme execution.
2. Further expansion of involvement and growing number of Advisory Committees in operations bears a risk of delivery inefficiencies.

Recommendations:

- Use and further expand environmental scanning capacities to identify emerging priorities and needs.
- Continue with implementation of the strategic planning process.
- Use periodic reviews and evaluation to be able to readjust to emerging needs.
- Ensure full implementation of aligned functional strategies in programme execution.
- Ensure implementation of planned management of available resources.
- Find feasible ways of efficient integration of stakeholder involvement into delivery operations, to ensure consistent inputs.

External risks (information users and stakeholders)

1. Flexibility needed in annual work programmes to meet stakeholders' changing needs.
2. Balance between short term versus long-medium term perspectives.

Recommendations:

- Ensure flexibility and responsiveness to execute and meet changing needs.
- Ensure adequate budgetary capacities for emerging topics in annual work programmes.
- Prioritise and focus research topics through annual planning review process.

External risks (partners)

1. Full realisation of synergies through cooperation with other organisations and agencies.

Recommendation:

- Ensure implementation of formal cooperation and partnership development strategy as part of annual work programmes.

Annexes

Annex 1: Objective-setting linked to problems and implementation

Problems	Increased pressure for internal efficiency	Reduction of potential niches	Increased difficulty in orienting the research; Increased blurring of relevant areas of research	Lack of clear perception of what Eurofound does	Lack of clear perception of what Eurofound does
Specific objectives (3rd draft)	'To be a reliable source of high quality data and knowledge'	'To be proactive in identifying emerging issues for research and debate'	'To be responsive in user-focused, policy-relevant, communication'	'To improve the visibility and image of Eurofound's work'	'To strengthen stakeholder relationships at European and Member State level'
Intended Results	Improvement of quality standards: methodology, process and outputs.	Taking up emerging topics; Developing new concepts and methods; Collaboration with other organisations.	Better identification and understanding of user target groups; Developing innovative vehicles for bringing knowledge to key stakeholders; Provide inputs for continuous debate.	Focused communication activities; Focused channels; Customised messages;	Feeding actively into the policy debate
Value adding layers	1. Measure, Observe	2. Identify trends, compare 3. Understand, anticipate	2. Identify trends, compare 3. Understand, anticipate	4. Communicate, Make Impact	4. Communicate, Make Impact
Specific changes in 09-12	Higher statistical accuracy; Higher statistical resolution; Higher integration between methods; Cost-efficiency.	More systematic vision on likely developments of emerging trends; Deeper research and analysis on selected information gaps;	More versatile research and analysis on selected information gaps; More systematic reporting; More holistic reporting.	More focused reporting	More involvement in policy impact analysis; More joint events with decision makers
Methods	Observatories, surveys.	Forward-looking analysis; Trend reports.	Study research; Study analysis; Descriptive analysis; Comparative analysis	Communication	Policy impact analysis

Annex 2: Draft EPMS indicator framework to monitor implementation (subject to further revision)

Goal	Type of indicator	Indicator	Measure	Comments four-year programme framework
Four-year programme objective 1a: Be a reliable source of high quality information				
	Outcome	Uptake	no. of requests to contribute to work of other organisations in our policy fields	
	Input	Ensure representative datasets from the surveys on the basis of agreed quality standards	Quality standards agreed y/n	2009
	Output		External QA of datasets ok y/n	2009
	Input	Establish an action plan for the further development of the observatories and surveys	Action plan in place/ approved/ implemented by [date]	2009

* Colour coding: yellow = proposed new indicator.

Annex 2: Draft EPMS indicator framework to monitor implementation (cont'd)

Goal	Type of indicator	Indicator	Measure	Comments four- year programme framework
Four-year programme objective 1a: Be a reliable source of high quality information (cont'd)				
1. Improve research and output quality	Outcome	Academic references	no. of articles in which EF and/or its work were cited over a 2 year period	Would be more meaningful when the target is categories of journals, e.g. scientific
	Outcome		no. of of different journals in which citations appear	Specify the variety
	Input	Staff experience	no. of person years of experience in the organisation in current or similar role compared to the level of experience of EF staff outside the EF	
	Input	Staff development	no. of days training delivered per staff member	Focus on research and information
	Input	'Intellectual capital'	no. of degrees / no. of staff (diplomas, degrees, post-graduate courses, Masters, PhDs)	Specify what we are aiming for
			Breakdown by type of qualification (% of total no.)	
	Input	Staff numbers in core activities	% headcount in core activities	??
Input	Improve implementation of research methodologies	eg no. of hours devoted to methodological development	This has not been implemented although still an interesting indicator. Will it work in 2009?	
Four-year programme objective 1b: Identify emerging issues for research and debate				
	Input	Strengthen the monitoring of the debate at EU and Member States level to identify emerging issues at an early stage	Time spent on monitoring activities. No. of of meetings attended	WP 2009. How to define 'monitoring' activities in this context.
	Input	Incorporate expert and stakeholder reviews of key deliverables in all areas of significant spending	No. of Advisory Committee meetings. No. of seminars to discuss findings	2009
	Input	Increase the capacity for on-request studies, for outputs customised to the specific needs of stakeholders	Capacity available	WP 2009, define what capacity, how many resources and budget
	Input		% budget available for these studies	
	Output		No. of studies produced	
3. Identify, develop and understand customer target	Outcome	Target groups' satisfaction level	Extent that Eurofound is meeting the needs of its target groups including accuracy, relevance and timeliness of outputs	Can we use this to measure if we are 'tuned in'
5. Ensure competitive advantage	Output	Forward-looking focus in Eurofound's activities	% Respond rate to new issues and hot spots arising on the radar screen at an early stage	Not implemented yet. Can new hot spots database help?
	Input		Percentage share of budget invested in forward-looking activities	How to define 'forward-looking'

* Colour coding: yellow = proposed new indicator.

Annex 2: Draft EPMS indicator framework to monitor implementation (cont'd)

Goal	Type of indicator	Indicator	Measure	Comments four- year programme framework
Four-year programme objective 2a: Strengthen tri-partite character and stakeholder relationships				
		Consolidate briefing meetings with key policymakers in Brussels		WP 2009, relates to indicator 'Strengthen linkages to key target groups'
		Increase high-level joint events with stakeholders, both at European and national levels	No. of high-level joint events	WP2009 Define high-level events
			% of stakeholders at those events satisfied with Eurofound	
		Influence the policy debate through the use of Eurofound material in policy and legislative documents	No. of key events organised jointly with key EU level stakeholders	
		Strengthen linkages to key target groups	No. of meetings with key target groups	Further develop exchange and cooperation with key target groups
			No. of meetings with key target groups at the EU level	
Four-year programme objective 2b: Respond effectively to the needs of social partners, governments, the Commission				
		Ensure regular forward- looking debates, with input from external experts	Reports' backlog	2009. Define 'forward-looking' debates
		Assess feasibility of establishing outreach centres in new Member States	Feasibility study done y/n Feasible y/n	2009
		Further develop exchange and cooperation with key target groups	% increase in exchange and cooperation: no. of joint activities?	2009. Set target to define 'further'
		Target groups' satisfaction level	Extent that Eurofound is meeting the needs of its target groups including accuracy, relevance and timeliness of outputs	We have to define the targets for the next four years
		Influence the policy debate through the use of Eurofound material in policy and legislative documents	No. of positive acknowledgements from key EU level stakeholders	
		Reports' backlog	Aggregate no. of weeks backlog on all late reports	

Annex 3: Monitoring and evaluation**Corporate/strategic level and data sources**

Eurofound has established the Eurofound Performance Monitoring System (EPMS), a Balanced Scorecard linked to five longer term strategic goals. A total of 27 performance indicators have been defined to monitor Eurofound's performance. This comprehensive strategic performance monitoring system serves to collect a broad performance data basis: how Eurofound achieves its strategic goals (equivalent to overall objectives).

This indicator framework is designed to span the current and the new work programme period, by incorporating a small set of specific key performance indicators relating to specific objectives into its overall indicator framework.

In addition, the Brussels Liaison Office of Eurofound maintains an ‘impact tracking system’ of a large number of result and impact indicators and measures, which provide a rich data basis.

Programme level and data sources

Linked to the specific objectives (see section 2), a number of performance indicators are being defined at programme level. It is envisaged to integrate these indicators specific to the four-year work programme monitoring into the EPMS framework and data collection system. (See also section 3).

Implementation of the work programme is carried out through a series of annual work programmes under the overall umbrella of the four-year multiannual work programme. Each annual work programme consists of a number of projects (annual and multi-annual) and ongoing activities.

Operational objectives are defined in each annual work programme, alongside with a set of indicators to monitor their attainment, on an annual basis.

Project level and data sources

At a yet lower level of operations, the four-year work programme is implemented through a series of projects (annual and multiannual).

Ongoing project progress monitoring

The progress on projects is monitored through data provided by Eurofound’s project management system **Projex**. The entire project lifecycle (planning, implementation, monitoring and completion) is facilitated and monitored through Projex. Project progress according to defined milestones is monitored monthly through Projex milestone snapshot reports. Deviations of actual progress versus planned implementation is tracked and documented in Projex, and the project progress reports are taken as the basis for managerial interventions and decision-making at monthly Management Committee (MAC) Meetings.

Mid-end of year

On completion of a project, a project closure phase is provided/enforced through Projex, including an internal self-evaluation by the project leader, and project team (‘after action review’). Project ‘lessons learnt’ are recorded, and used to inform organisational learning and continuous improvements of project and programme implementation.

The progress of implementation of the programme will be reported on at the end of each year through the monitoring and evaluation chapter in the Annual Activity Report, with reference to the defined programme indicators.

Interim programme evaluation

In line with Eurofound’s evaluation policy (reflected in chapter 8 of the four-year programme), a number of inter-related evaluation activities will be performed throughout the programming period, including:

- thematic evaluation of specific projects/activities annually;
- intermediate evaluation (mid-term of programme implementation).
- A detailed set of indicators at programme and project levels will be used as evidence base for such evaluations (see also section 3).

- Audits on the implementation will be carried out on a regular basis as part of the monitoring and evaluation programme (which is integral part to the new programme).
- According to the proposed evaluation programme, an interim evaluation will be carried out at the end of 2010/start of 2011. This evaluation will assess the programme effectiveness and efficiency, review its implementation, will formulate recommendations, etc.
- An ex-post evaluation will be carried out at the end of the programme (in 2013), which will focus on the impact of the actions under the programme, and other relevant ex-post evaluation criteria.
- The interim and final evaluations will be carried out by a combination of internal personnel (interim), and/or independent firms (ex-post).

Annex 4: Proposed quality criteria for ex-ante evaluation of Four-year work programme 2009 – 2012

(Based on implementation rules of Financial Regulation, 25.10.2006), Chapter 6, Article 21 (pp 13-14)

The following requirements set out by the implementation rules can be used as quality criteria, to assess the quality of the ex-ante evaluation carried out by the internal ex-ante evaluation team.

These quality criteria are based on the points a) to i) set out in paragraph (1) of article 21 of the implementation rules, which concerns Evaluation (article 27 of Financial Regulation).

The table below provides a mapping from the stipulated ex-ante evaluation requirements, to the proposed ex-ante report structure.

The quality assessment of the ex-ante evaluation will be carried out internally (self-assessment) by the ex-ante evaluation team itself, and can also be used as a template for assessment by other relevant parties in assessing the quality of this process and document:

- Eurofound senior management
- Staff
- Auditors
- European Commission evaluation units.

The purpose of such a quality assessment is largely of a formative nature:

- To assist the ex-ante project team during the completion of the ex-ante evaluation itself, to ensure that the final output meets the legal and practical requirements, and expectations of stakeholders;
- To provide a basis for organisational learning, and as input to future ex-ante evaluation processes that will be carried out under the evaluation programme in future.

It is recommended that the ex-ante evaluation team uses this document during the ex-ante evaluation process, as a checklist to guide its work, and to ensure it is result-oriented, and to populate the table below after the completion of the ex-ante evaluation report, to conclude the evaluation process itself, and provide an input into reflective learning about ex-ante evaluation processes. It can also be used for sharing experience and learning with others.

Annex 5: Checklist: are the following requirements addressed in the ex-ante evaluation?

Reference to implementation rules	Issue to be addressed in ex-ante evaluation (as set out in implementation rules)	How and where is it addressed in ex-ante evaluation? (reference to section)
(a)	'The need to be addressed in the short- or long term'	Section 2 'Problem analysis and needs assessment' section; • intervention logic
(b)	'The added value of Eurofound involvement'	• Section 2. 'Problem analysis and needs assessment'
(c)	'The objectives to be achieved'	Section 3. 'Objectives and indicators'
(d)	'The policy options available, including the risks associated with them'	Section 4. 'Alternative approaches and risk assessment', approach and alternatives), risks, alternatives and trade-offs
(e)	'The results and impacts expected, in particular economic, social and environmental impacts, and the indicators and evaluation arrangements needed to measure them'	Results, and indicators: Section 3: Objectives and indicators: what are the intended outcomes (results) of the programme? • objectives • indicators. Impact: partially addressed in section 2 (problem analysis and needs assessment; section 7 Monitoring and evaluation
(f)	'the most appropriate method of implementation for the preferred option(s)'	Section 4
(g)	'The internal coherence of the proposed programme, and its relation to other instruments'	Internal coherence: Section 2: 'problem analysis and needs assessment' Other instruments: Eurofound's position (vis-à-vis other actors, factors and actors influencing the problem
(h)	'The volume of appropriations, human resources and other administrative expenditure to be allocated with due regard for the cost-effectiveness principle'	Section 5
(i)	'The lessons learned from similar experiences in the past'	Section 8: lessons learnt from the past

Annex 6: Glossary of key evaluation terms used in this document

Evaluation term	Definition
Intervention	Public intervention aimed at redressing the effects of 'market failures', or societal problems. Any action or operation carried out by public authorities regardless of its nature (policy, programme, measure or project).
Intervention logic	The underlying 'logic' (mechanism, tools) governing an intervention. For example: chain of causality showing the relationship between needs, objectives, inputs, outputs, results/outcomes, impacts.
Ex-ante evaluation	Ex-ante evaluation is a process that supports the preparation of proposals for new or renewed interventions. Its purpose is to gather information and carry out analyses that help to define objectives, to ensure that these objectives can be met, that the instruments used are cost-effective and that reliable later evaluation will be possible.
Formative evaluation	Evaluation which is intended primarily for managers and direct protagonists, in order to help them improve their action by providing feedback. Usually carried out internally in an organisation, in close contact with managers of the evaluated intervention. Focuses on implementation procedures and their effectiveness and relevance.

Annex 6: Glossary of key evaluation terms used in this document (cont'd)

Evaluation term	Definition
Inputs	The resources that contribute to the production and delivery of an output. Commonly includes factors such as labour, physical resources, administrative resources, etc.
Outputs	Deliverables produced by the organisation (products or services). Outputs are delivered to an external party (usually to the public either individually or collectively) and comprise the majority of day-to-day interaction between people and government. Outputs include things such as providing policy advice, reports, events, etc.
Outcomes / Results	Outcomes are the consequences for the community of the activities of the public sector organisation. Outcomes reflect the intended and unintended results from public sector actions and provide the rationale for government interventions. Example for an outcome: improving the health status of the population.
Impact	A measure of the wider socio-economic effects of an intervention.
Value for Money (VFM)	Assessment of the economy, effectiveness, efficiency of an intervention (i.e. a comparison of the input costs against the value of the outputs and a qualitative and quantitative judgment over the way in which the resources involved have been utilised and managed)
Economy	Price paid for what goes into providing a service.
Cost efficiency	A measure of productivity. Efficiency concerns the rate of inputs to outputs.
Cost effectiveness	Cost Effectiveness is a measure of the results achieved in either quantitative or qualitative terms. It is a comparison of results against inputs and then benchmarked against a comparable intervention.
European Added Value (EAV)	Value resulting from EU support of activities which is additional to the value that would have been resulted from activities funded at regional and national levels by both public authorities and the private sector.

Annex 7: List of documents consulted during desk research

- All drafts of the four-year work programme development cycle (2007 and 2008);
- Documentation about the stakeholder consultation process;
- Minutes of Governing Board and Bureau meetings concerning the four-year work programme;
- Financial information;
- Previous work programmes;
- Available evaluation reports (particularly ex-post evaluation for 2001-2004 completed in 2007);
- Relevant EU documentation;
- Relevant European policy documents;
- Relevant internal documentation.