

## „EVALUATION AND OPTIMALIZATION OF THE PROJECT ASSESSMENT SYSTEM SET-UP WITHIN OPERATIONAL PROGRAMMES FOR THE PROGRAMMING PERIOD 2007 – 2013“

(Management summary)

### **PROJECT TARGET**

Based on the analysis of assessment and selection procedure of projects in operational programmes for the programming period 2007 – 2013, to identify the key problems arising in them and to suggest measurements leading to elimination or mitigation of these problems. Project targeted at three main areas:

- Assessment criteria
- Processes of project assessment and selection
- Arbitration assessment problems

The scope of the project was very wide, the project included all operational programmes within the Czech National Strategic Reference Framework, excluding Operational Programme Technical Assistance (i.e. 16 programmes).

### **PROJECT METHODOLOGY**

Project methodology was based mainly on an analysis of written documents created for management and implementation of operational programmes (OPs). Primary method in use was therefore the desk research, which the key conclusions of the project are as well grounded on. Operational manuals (OMs) of all programmes were analyzed as well as further relevant connected documentation, such as guidelines for assessors or methodological procedures for assessment of specific criteria etc.

On-site research represented an additional source of information and included:

- Moderated discussions at all MA (mainly methodists and project managers)
- Questionnaire survey among assessors (OP EI, IOP, OP R&DfI, OP PA, OP HRE, OP EC, ROPs)

#### *Analysis of Project Assessment and Selection Process*

For each operational programme the project assessment and selection process was divided into partial activities. Within their frame the problems and bottlenecks increasing the risk of non-transparency or project assessment and selection mistakes were identified. Partial activities were monitored and their risks evaluated on the scale of 1-5, from two points of view:

- a) Accuracy and completeness of activity description
- b) Accuracy of roles and competencies distribution

The whole process description, as it is in the operational manual and in thereafter following documentation (guidelines for assessors etc.) was evaluated.

#### *Analysis of Selection Criteria*

First part of the analysis of selection criteria was concentrated on so called sectional topics, into which the criteria were split. The aim was to found out whether OPs approach to selection criteria in individual sectional thematic areas differs or not. We included formal criteria, acceptability criteria as well as substantive criteria. Sorting of selection criteria was done on the basis of the criterion definition/description in the OM/guideline for assessors. Therefore, sorting was done in connection with the content of the criterion, not only on the basis of its name. For substantive criteria, 10 section topics were defined in total. They were thereafter grouped into 4 groupes:

- i. Project realization assuring
- ii. Effectivity and efficiency
- iii. Project benefits

#### iv. Horizontal priorities

The weight of individual groups of criteria (section topics) in the project assessment system was determined in connection with the weight of individual criteria.

Second part of the analysis of selection criteria focused on risk identification of the criteria set-up, which is for the reason to assure objectivity, transparency, low mistake rate and comparability of project assessments. Criteria were evaluated on the given scale (1-5) according to three risks:

- a) Accuracy and comprehensibility of the description of criterion definition (the risk concerned the description of criterion definition)
- b) Degree of generality (the risk concerned the content of a criterion)
- c) Quantifiability (the risk reflected set-up/description of the method of points assignment).

#### *Analysis of Arbitration Assessments*

Analysis of arbitration assessments was done on a sample of projects in operational programmes which contain high ratio of projects being advanced into the next – arbitration assessment due to difference in the primary assessment (OP PA, OP HRE, OP EC, IOP). The aim was to find the causes leading to the high ratio of arbitration assessments. The analysis therefore concentrated on criteria identification where the primary assessments differ the most and which are thus the cause for advancing the project into arbitration assessment.

#### **PROJECT OUTCOMES**

Two documents „Evaluation of project assessment and selection processes“ and „Evaluation of selection criteria“ were elaborated for each operational programme. These documents are based on the working overview „maps“ of processes and criteria (xls format). Also the mentioned „Analysis of arbitration assessments“ was prepared for chosen programmes. Specific risks and recommendations for the given programme are defined on the level of operational programmes.

The final report on the level of NSRF which sums the key problems and risks observed on the level of individual operational programmes up is the other outcome of this project. The outcome includes description of overall recommendations for individual stated risks and bottlenecks as well.

#### **MAIN FINDINGS IN CONNECTION TO PROCESSES**

It is necessary to state at the beginning that no complex documentation concerning project assessment and selection processes for all OPs were at evaluator's disposal. E.g. some partial steps in the process might have been solved by the description of working positions as well. Some of the below stated risks might have been mitigated by other measures or factors within some OPs as well.

On the whole, the following can be stated – the description of processes in OP documentation shows a relatively high quality.

The first important bottleneck and risk which can lead to non-transparency in project selection was identified in places where some variants/alternatives or competencies of the given subject are defined in the OM just as „examples“ (e.g. „assessment or selection committee can disqualify projects **for example** from these reasons...“).

The second main bottleneck and risk which can also lead to non-transparency in project selection – is the way of projects' assigning to assessors. In case the assessors are not chosen in a transparent way (decided by lots) and only one person decides about the projects' assignment to assessors (e.g. project manager), there is a risk of a personal influence of this process.

The third bottleneck and risk was identified in the insufficient work of MA (calls organizer) with the external assessors. This was confirmed in a questionnaire survey among assessors. At the most programmes external assessors complaint about insufficient level of training and insufficient communication from calls publisher and about low feedback to their expert assessment, which could enable further improvement of their work.

#### Partial Findings in Connection to Project Assessment and Selection processes

- For some programmes, no detailed description of complex process course in project assessment and selection in the OM exists; not **all** alternatives of process course are described.
- Some formulations in OM were found out to be general (i.e. there is no information on which working position is executing the specific step).
- In more OPs, the description of project assignment to external assessors is insufficiently described. In the respective OMs, it is stated that projects are assigned to assessors e.g. „by random sampling“.
  - o In some OPs only one person can also decide on the assessor's selection.
- In an OM or thereafter following documentation competencies of assessment committee are (in some OPs) loosely stated or only examples of situations when committee can refuse to recommend projects even in the case of previous positive objective assessment are described.
- OMs or thereafter following documentation of some OPs also sets the reasons for which the selection committee (or a subject with similar competencies) can disqualify projects even in the case of existing recommendation for approval too widely. In isolated case, the committee can refuse projects also in case of insufficiently prepared project application, which, de facto, diskredits the entire previous project assessment and selection process. A project application of low quality should not gain high assessment and pass ex-ante risk analysis.
- OMs or thereafter following documentation of more OPs do not specify the way how to solve a situation when two different subjects submit in terms of one call two projects similar in their focus which could, being realized both of them, bring problems with their subsequent utilization (e.g. construction (extention) of a facility in the tourism industry in one region). This problem concerns the OPs where projects are being assessed by the external assessors independently, without thereafter following selection committee which can solve this situation.
- If it is possible in the last segment of the assessment and selection process to change minimum point threshold for project acception, along with changing the amount of allocation stated for the given call, the risk of influencing the acceptance or refusal of selected projects exists.
- Generally insufficient quality of work with assessors was found out:
  - o Conditions for filing assessors in the database are often very approximate (moderate): 3-5 years of practice, college or high school education, knowledge of the Czech language etc..
  - o Evaluation of assessors' quality is often not systematic, the database of assessors is not being updated.
  - o Assessors are not satisfied with the quality of trainings, they would welcome more practically oriented trainings, e.g. on the basis of sample application assessment. They would also like to see higher mutual interaction and communication.

- If the project assessment is done internally in a narrow circle of people (project managers), the risk of ongoing consultations on the expert opinions and mutual influencing of them is here, even though two expert opinions are made. A system when the assessments are done independently from each other and following that the sum up assessment is prepared presenting the joint outcome – e.g. „agreement report“ – seems to be more convenient.

Some of identified risks are mitigated or possibly entirely eliminated by „learnt procedures“. In such cases it would be advisable to incorporate these actual procedures into the managed documentation.

### **MAIN FINDINGS IN CONNECTION WITH THE CRITERIA**

The quality of criteria differs among OPs, it however differs also within one programme. Within operational programmes there are several thousands of criteria defined in total. Below you will find the key finding concerning logically the criteria.

As a summary we can however note that too much weight is often given to the project description assessment to harm of the assessment of the real quality and extent of project outcomes and effectivity. To a larger extent, criteria insufficiently determined or with missing or vaguely stated scales (points assignment) were identified.

#### Partial Findings in Connection with the Criteria:

- Criteria not assessing the project quality were identified rather often:
  - o Criteria should primary be, if possible, focussing onto project quality assessment, not onto project description in the application (e.g. criteria should assess the quality and adequacy of the project team and not the fact whether the team is well described in the application (it is namely only one of conditions necessary for quality assessment)).
- In more OPs sets of criteria were identified where a small accent is given to the necessity and effectivity assesment and to the assessment of outcomes and results of the project in contrary to the quality of processing (description) of project application or „complementary“ factors (e.g. assessment of applicant's experience).
  - o It would be advisable to strenghten (or to introduce) ex-ante risk analysis or to move some of the criteria into acceptability instead of assigning „side“ criteria (i.e. criteria assessing the logics, quality of project description etc.) with high weight.
  - o Often, criteria not focused on indicators do not assess the extent of gained outcomes, but only whether the indicators correspond with the project content. This however should be only a condition necessary for further assessment.
  - o Then, project effectivity should be covered by points awarded criteria in an adequate way.
  - o Efficiency, i.e. realization cost minimization of the suggested solution should be solved in terms of project controls with prospective intervention into budgets. Efficiency should be ensured in 100 % for each project ..
- Criteria with missing scales for point assigning were identified. This increases the risk of assessor's subjectivity assessment (point assignment) and thereafter the risk of significantly different assessments:
  - o For criteria of 4 points and higher it is advisable to define scales.

- Defined scales must always match the criterion definition (sometimes the criterion description does not match the scale definition – mainly in case of word descriptors).
- Scales should be maximally unambiguous so that each assessor can assign points objectively. It is advisable to set up scales individually for each criterion so that they correspond with its definition.
- It is not advisable to use a scale of Yes/No type for the criteria where the quality („extent“) is assessed.
- Also criteria with over-weight in total assessment were defined. It would be advisable to split criteria with 10 and more points (out of 100) into more subcriteria.
- Problems with the overall definition (description) of some criteria were identified within OPs as well. In case of programmes where the questionnaire survey among external assessors was done this fact was also confirmed from the side of assessors. Criteria in sets are defined in a misleading or inconsistent way:
  - It is necessary to pay attention to exactly and unambiguously readable definitions when describing and defining criteria. Each criterion should be defined in a way so that the interpretation is unambiguous and each assessor can assess the same aspects of the project.
- Furtheron, too widely defined criteria were identified, which causes problems in subsequent assessment and points assignment, because each assessor can put importance onto a different aspect when assessing them:
  - Each criterion should be focused only on **one** assessment aspect. It would be convenient to split the too widely defined criteria into individual – specifically focused – subcriteria.
  - It is necessary to eliminate mutually penetrating (doubling) criteria within one set of criteria.
  - It is necessary to include as much accurate references for assessment of criteria as possible, i.e. what should the basis for assessor's assessment of a criteria be, should be stated for each criterion.

## **SUMMARY**

Project assessment and selection system is in OPs in the Czech Republic working well, however shows a number of bottlenecks which might mean a risk of lower transparency in project selection. The outcome and the main benefit of the project is in particular the comparison analysis of OPs. It shows in examples the fact that a number of procedures and questions can be solved in a satisfactory way, i.e. in a way increasing the transparency of procedures and at the same time does not unnecessarily make the project administration more difficult and provides a sufficient degree of necessary flexibility. In individual OPs, we then pointed out at the basic problematic points in project assessment and selection procedures and at the set up of selection criteria. Because the project included 16 OPs within NSRF, it was not possible to go into the highest level of detail for each OP. It can be recommended to individual MA of OPs to apply the results of the project further for their OPs and to incorporate relevant findings in order to improve their project assessment and selection system, which is both still in the current programme period as well as for the future one.

### List of acronyms:

NSRF – National Strategic Reference Framework

OM – Operational Manual

OP – Operational Programme

OP E – Operational Programme Environment

OP EC – Operational Programme Education for Competitiveness

OP HRE – Operational Programme Human Resources and Employment

OP IE – Operational Programme Industry and Enterprises

OP PA – Operational Programme Prague Adaptability

OP PC – Operational Programme Prague Competitiveness

OP EI – Operational Programme Enterprise and Innovations

OP R&DI – Operational Programme Research and Development for Innovations

OP T – Operational Programme Transport

OP TA – Operational Programme Technical Assistance

ROP– Regional Operational Programme