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Final Report

Study Supporting the Evaluation of the Innovation and Networks Executive Agency (INEA) 2014-16

5 February 2019



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Executive Summary

1. Resume – Study Objectives

The objectives of this assignment were defined as follows:

- The main objective of this evaluation was to assess INEA's implementation of the delegated parts of the specific programmes that have been entrusted to it¹.
- The fundamental question to be addressed is what has been achieved in terms of financial savings, improved services and other efficiency gains by delegating operational tasks to INEA.
- A number of more specific questions were highlighted in the terms of reference relating to INEA's effectiveness, efficiency and the coherence of the delegation of the programme management (both in terms of the delineation of responsibilities between INEA and the Parent DGs, and in terms of its place within the overall Executive Agency framework).

The evaluation covered the 3-year period from 1 January 2014 when INEA started functioning to 31 December 2016. However, throughout the evaluation, in order for the study to report on the most updated information, data concerning 2017 has been analysed when available.

Overall, the purpose of the evaluation was to help the Commission services assess whether the creation of the Agency has yielded the expected positive results as compared with the assumptions underlying the programme delegation and what could be done in the future to improve further the situation. The operational achievements of these programmes, in particular the results of the projects co-funded under the programmes, are not covered by the evaluation because they have been covered by the respective mid-term or ex-post evaluations.

2. Methodological Approach

The evaluation was carried out during the period April-December 2018 and involved a combination of desk research, 59 interviews with key stakeholders (Commission, INEA personnel, project applicants and beneficiaries, external experts, programme committee members, and CEF Transport Advisory Group members) and a survey that elicited a total of 1,878 responses (project applicants and beneficiaries -1,404; external experts – 382; programme Committee members -79; and CEF Transport Advisory Group members -13). An interim report was submitted in July 2018 with the final report following in October 2018.

3. Key Findings, Conclusions and Recommendations

Overall, the evaluation is positive and confirms that INEA has been performing well as an agency. Parent DGs and other DGs that have been consulted for the evaluation hold the Agency in high regard. Feedback from applicants and beneficiaries of the programme that are administered by INEA, and other stakeholders such as Programme Committee members and experts, is also favourable. As such, bearing this and the results of the retrospective CBA for this evaluation in mind, INEA's performance in the period under review justifies the decision to delegate the programmes to the Agency in terms of added value and cost-savings. The evaluation suggests that INEA's

¹ Parts of CEF (transport, energy and telecoms) and Horizon 2020 (transport and energy), and the TEN-T and Marco Polo II legacy programmes.

organisation and governance, and its operating procedures and practices, are sound. But there is scope for improvements to some specific aspects of its modus operandi.

Below we summarise the key conclusions and recommendations in relation to the specific issues set out in the Commission's terms of reference for the evaluation.

3.1 Effectiveness

Following its launch in 2014, INEA successfully tackled the challenges of the start-up phase and it is now well-established as an organisation. The challenges it has faced included managing two legacy programmes and taking on new programmes and sectors (the CEF Energy and Telecommunications sectors as well as parts of two societal challenges of the Horizon 2020 programme). This has entailed a rapid expansion with the Agency almost doubling in size since 2014. As explained in Section 3, INEA has faced staff recruitment and retention challenges that it has taken steps to deal with. It has also had to develop new management structures and procedures, IT systems and support services to underpin its expansion. The Agency has successfully delivered programmes and largely achieved the targets set out in the KPIs. These investments in developing INEA's capabilities have been achieved at a cost that has been below expectations judging by the retrospective CBA.

In terms of INEA's performance against its KPIs, the results for the 2014-16 period are very positive with the only under-performing KPIs being the missed rate of execution of commitment appropriations in 2014 for the TEN-T and Marco Polo II programmes and with regard to the net time to pay for the TEN-T programme in 2015 which was slightly exceeded by one day. In the period covered by this evaluation, there was often an over-performance against the KPIs for the CEF and Horizon 2020, particularly with regard to the net time to pay. This result reflects the feedback from beneficiaries and INEA staff that procedures for payments have been improved and simplified. However, as noted in Section 3 of the report, beneficiaries' feedback in relation to H2020 suggests that INEA could be faster in awarding grants, as some projects can become outdated if the whole application, selection and award process takes too long. That said, the feedback also highlights an alternative view and many beneficiaries' experience of INEA's award procedures led them to argue that they are faster than those of other EU bodies. Moreover, there was an acknowledgement that it is important that INEA maintains its high standards for professionalism and that in the long run it is better to take longer to award grants if this means that a better job is done.

The research suggests that INEA has contributed to a significant improvement in the implementation of the delegated programmes and helped to develop better services for the Agency's stakeholders and beneficiaries. In this report we comment on the way in which INEA generates information on its activities that contribute to Commission policymaking, and the fact that it has been proactive in this respect. Similarly, the feedback obtained from beneficiaries suggests that it is providing a very professional service to them in terms of managing project selection and award procedures, contract management and other procedures, with 89.6% of beneficiaries assessing these procedures as efficient. In terms of the overall efficiency and effectiveness of INEA's performance, a similar proportion (87.3%) of beneficiaries assessed the Agency as efficient and effective.

Recommendation 1: Looking ahead, consideration should be given to adopting more ambitious targets and KPIs where these are in the remit of INEA. As argued in Section 3.1, INEA has consistently achieved most of its KPIs and key tasks outlined in work programmes have generally been delivered on time, as reflected in the Annual Activity Reports. Bearing this in mind, and the fact that there has been over-performance against some KPIs, consideration should be given to an upwards revision of targets (and/or the introduction of different, INEA-specific targets, for example based on beneficiary satisfaction ratings with INEA services) to help ensure that there is an incentive to go on improving INEA's performance. However, it has to be noted that the KPIs

currently used by agencies are largely the same although performance against the targets can of course vary. It could be argued that INEA's KPIs should be benchmarked against those of other Agencies and targets set accordingly but we do not recommend this because of the differing nature of their activities which makes comparisons difficult to make.

Recommendation 2: INEA should review the feedback provided in this report from applicants and beneficiaries to identify actions that can be adopted to address issues that have been raised.

Whilst the stakeholder feedback on INEA's performance is generally very positive, in the report we highlight feedback from beneficiaries and applicants suggesting scope for improvements. Such suggestions are by their very nature likely to have negative connotations and this needs to be borne in mind given the otherwise positive evaluation findings. Suggestions from applicants and beneficiaries for possible improvements are summarised on page 43 of this report. The survey data does not make it possible to distinguish between the feedback provided by CEF and H2020 programme applicants and beneficiaries. However, examples of the more general feedback include ideas such as: establishing a "hotline" for National Contact Points/Committee members to get instant information and advice on application procedures; more of a focus on "co-creation" with INEA working together with applicants on similar projects; improving the feedback to the rejected proposals; organising local information meetings and making them accessible online; more flexibility in reporting both regarding how to submit and save documentation (paper vs digital) and more use of electronic signatures; improving the participant portal (especially to remove bugs) and developing an online platform where INEA can showcase important developments across different programme areas, and more workshops to update on progress of the programmes; guidance on how to better manage project risks.

This recommendation also applies to the issues raised by external evaluation experts (summarised on page 50 of the report). Again in most cases it is not possible to identify which programmes are being referred to but examples of the experts' feedback include: reducing the high workload for the comprehensive evaluation of high number of applications per day and an unlimited volume of documentation per applicant; focusing more on the most important aspects of the evaluation criteria (such as the scientific value, excellence (in relation to H2020 projects) and impact) and less on other issues such as dissemination, communication, gender aspects, etc; and improving the feedback from INEA and experts on experts' effectiveness.

Not all the suggestions made by applicants and beneficiaries, and experts, will of course be relevant or possible to adopt but this is for INEA to decide in carrying out a review of the feedback.

3.2 Efficiency

The strong performance of INEA reflects the fact that it is a well-run organisation. The previous evaluation indicated that the Agency was organised to be efficient from the start, adopting a well-functioning structure that did not need significant modification in the period covered by this evaluation, together with a number of strong control of procedures. One of the key drivers of success has been employee performance and specialisation, as well as the greater use of Contract Agents by INEA than the Commission. Overall, the current evaluation suggests that INEA's organisational structure is closely aligned with the tasks entrusted to the Agency by the parent DGs. There is a clear logic in combining Energy, Transport and Telecommunications in one agency as these are areas which involve large-scale infrastructure development at the EU-wide, cross-border and the national levels.

The specific stages of the project life-cycle seem to be very well managed by INEA although there are some aspects that could be improved. The planning of calls and subsequent assessment of proposals also involves differing procedures reflecting practices in the parent DGs, and agreed with INEA. In the case of CEF, call planning is decided during the preparation of the work programmes and there is a coordination meeting involving the three DGs and INEA every 2-3 months. The process could, however, benefit from some more coordination with a view to improvement. The appointment of experts to help assess project proposals is INEA's responsibility but it has been suggested that there should be more flexibility, for example with largest projects, for the Commission to influence appointments if it wishes to do so.

Recommendation 3: Steps should be taken to improve further the coordination between the different Parent DGs with regard to calls.

While cooperation with individual Parent DGs regarding call planning has generally been well managed, there is scope for some improvements. One potential recommendation is that calls should be better spaced out with coordination meetings between INEA and the Parent DGs during the development of the INEA annual work programmes, in order to relieve pressure on human resources and the evaluation and finance sectors to organise the evaluations and process the payments. This applies where the evaluation of proposals is undertaken partly remotely (individual assessment) and partly in-situ by external experts selected by INEA (consensus meetings). Consideration might also be given to reducing the number of calls by examining how many calls are required during the planning stage and seeing if any of the calls can be combined – this is an area the that Agency has proactively discussed with different Parent DGs, leading to a reduction in the total number of calls in 2018. However, if reducing the number of calls meant having more proposals for each, this would not necessarily be efficient as it would risk accentuating peaks in workload.

The recruitment and retention of suitably qualified personnel has been and remains a key priority for INEA. Within the evaluation period, this can in part be attributed to the high level of growth required of the Agency, which has put significant pressure on its HR management. The difficulty to attract suitable staff is foremost related to the specific profiles required by INEA. There are, however, practical differences between the staff selection procedures in the Agency: Temporary Agents (TAs) do not have to pass the central tests organised by the inter-institutional European Personnel Selection Office (EPSO) but can be tested and selected by the Agency itself; this is not the case with Contract Agents (CAs) who have to pass EPSO tests before being able to be invited to a selection procedure in the agency.

Prior to INEA's establishment, there was a quite large reserve of laureates for CA positions, but in the following 4-5 years this reserve progressively diminished and the Executive Agencies were competing with each other to recruit especially project officers. This helps to explain some of the difficulties faced by INEA. Moreover, the CEF and H2020 staffing levels still largely reflect the assumptions with regard to the number of calls and projects that were made in the 2013 CBA. However, in reality, there have been divergences between the forecasts and actual trends with the result that whilst the staff needed for CEF transport projects is about right, there were shortages in the telecommunications field with only about half the number of staff that are required being actually in place while an opposite situation has existed with some other areas such as CEF Energy.

A related challenge is that it has not been easy for INEA to re-allocate staff within the Agency to reflect changes in priorities and the workload on different units. This is because of budgetary specifications, which means staff cannot be moved between Programmes. Nonetheless, the Agency has been proactive in reviewing annual staffing requirements against the forecasts from the 2013 CBA, and bringing any problems to the attention of the Parent DGs. This has allowed it to propose and agree a shift of staff numbers between the CEF Energy and Telecommunications units in order to better reflect workload requirements.

Looking ahead, the changing nature of the delegated programmes and the supporting funding arrangements pose challenges to INEA with regard to skills development and redefining its procedures. The nature of the new programmes introduced under CEF Telecoms (a higher number of small-scale projects with high numbers of beneficiaries and multiple stakeholders) has required a different type of project management to the larger infrastructure projects which the Agency has traditionally dealt with.

The impending roll-out of Wifi4EU will present further challenges, in terms of the size and number of grants to be managed. The 2021-2027 EU programmes and the transition towards using centralised IT tools will bring a need for training within the Agency to accommodate the new requirements and an adaptation to more centralised support services. Amongst other things, these developments should release staff time for core tasks. There is also a need to ensure that INEA is appropriately resourced to better feed into the Commission's policy-making process. Another example of the new skills that may be required is that an increasing proportion of INEA's CEF Transport projects involve 'blending', i.e. a combination of grants provided via INEA and private financing such as loans and guarantees of the EIB, EFSI, National Promotional Banks or conventional banks. The wider point is to ensure that skills development is suited to the future demands which the INEA is likely to face and reflects the evolving nature of the programme environment the Agency operates within..

Recommendation 4: Although recruiting appropriately-skilled personnel remains a priority building on its existing strategy, and as highlighted in Section 3 of the report, the key priority should be to retain INEA staff. The research indicates that the level of INEA staff turnover, especially with some of INEA's support functions, is now a greater problem than staff recruitment. Again, there are constraints on what INEA can do given the rules under which it operates. However, assuming the agency continues to grow, there may be increased opportunities for career development which should help to promote staff retention if career mobility within the organisation is encouraged. Staff mobility within INEA is also important to enable human resources to be allocated in a way that reflects changes in priorities and the workload on different units. Putting more emphasis on consultation directly with INEA staff (and not just via the Commission's overall staff survey) which is already foreseen by the staff retention policy could also be a way of identifying issues where action could be taken to help retain staff.

3.3 Coherence

The programme portfolio managed by INEA is generally coherent, both in terms of thematic content and project management. The Transport and Energy sectors of the CEF programme in particular share similarities, in that they support large infrastructure projects with similar project management requirements. It was expected that by including Horizon 2020 research projects alongside CEF infrastructure projects within one agency, there might be some interaction and synergies between the two programmes. There has been limited success in this regard, for which two reasons have been put forward by those interviewed within the Agency and Parent DGs: one is that, by their nature, CEF and Horizon 2020 programmes do not naturally align; a second issue raised regards timescales – it was suggested by some of the staff interviewed in the Parent DGs and the Agency that synergies may indeed appear, but in order to reach the technology readiness levels required by CEF, this may take a little more time. If this explanation is correct, more concrete results should emerge within the next evaluation period.

Recommendation 5: Looking ahead, the parent DGs/INEA should consider how synergies can be further improved between delegated programmes at the stage of work programme design. As noted in Section 3, attempts have been made by the Agency to promote synergies between the project portfolios. This has involved launching one joint call (i.e. the 2016 CEF Synergy call, which looked for joint projects in the fields of energy and transport) and through working to identify complementarities, specifically between Horizon 2020 and CEF projects in the same transport portfolio. The same exercise is underway for the energy portfolio. The 2016 CEF Synergy Call was not very successful but this is due to the regulatory context rather than an implementation issue so cannot be directly attributed to the Agency. Efforts to promote synergies should be maintained. One way to do this could be via the creation of an internal working group, bringing together staff working on CEF and H2020 portfolios, to update on current projects, upcoming calls and innovations/research outputs in relevant areas which could feed into future projects.

Feedback from the research suggests that INEA has a good relationship with the Commission parent DGs. INEA is generally seen as performing well in dealing with the delegated programmes with staff who have a high degree of expertise and knowledge of the parent DGs programmes and policies. One reason why INEA staff knows the work of the parent DGs very well is the fact that the Agency's managers are seconded Commission officials and a good portion of INEA staff have previously worked in one of the parent DGs. Whilst not sufficient in itself, this is likely to help promote a closer relationship. INEA has also proved to be versatile and able to adapt to the changing needs of the parent DGs.

INEA has been praised by Parent DGs for its proactive approach towards providing information and feedback to the Commission with regard to how the programmes and projects are functioning and how they could be improved. This began in the DG MOVE field with the Agency having responsibility for drafting calls for proposals. Providing feedback to policymakers has been identified by both INEA staff and parent DGs as an area where there is scope for INEA to further develop its role.

Recommendation 6: INEA should further develop its role in drawing on its knowledge of programmes and projects to inform Commission policy-making. Whilst INEA is good at providing monitoring information on projects, and now also produces country reports, and is considering the development of 'corridor' reports, the evaluation suggests that it could do more to use its knowledge of different 'sectors' to help inform Commission policy-making. Within Horizon 2020, for example, feedback is provided across the entire programme using a dedicated set of IT tools which are managed by the centralised common support centre. While this provides useful quantitative data on issues such as dissemination and benchmark activities against milestones and other project-level indicators, there is scope to provide more feedback which can contribute to the development of longer-term policymaking. At the same time, developing its role in this way means that INEA staff need to be given the time alongside their other responsibilities to focus on developing and transferring knowledge and that effective communication channels are in place and being used.

3.4 Cost Benefit Analysis

The total operational budget earmarked for INEA for the MFF 2014-20 is EUR 33.8 billion, of which EUR 28.5 billion is accounted for by the CEF and EUR 5.3 billion by Horizon 2020. This means that INEA handles the largest budget of all the Executive Agencies in the current financial period of 2014-20.

The results of the current 2014-16 retrospective CBA show that the actual costs of the executive agency scenario were below the SFS estimations. The overall actual costs of the executive agency scenario² constituted EUR 60.824 million over 2014-2016. In order to evaluate to what extent the actual costs have corresponded to the initial SFS estimates it is important to follow the same assumptions that have led to such SFS estimates. The SFS estimations (EUR 64.915 million over 2014-2016) were based on the EU contribution, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million over 2014-2016) to manage additional operational budget. Consequently, **based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 60.424 million, which means that the actual savings amounted to EUR 4.491 million and accounted for 7% of the SFS estimates.** Significant cost savings occurred in Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget. Title I "Staff related expenditure" was higher than estimated in the SFS, which related to higher average staff costs. Higher staff expenditure may become an important issue in subsequent years since the average staff cost estimations remain constant in the SFS during 2014-20 period, while the actual average staff costs might rise further due to salary indexation, promotions and/or increasing staff seniority.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. In 2014-16, the actual cost savings deriving from cost difference of the executive agency scenario and the in-house scenario constituted EUR 24.4 million (or 29% of the estimated costs under the in-house scenario). Comparing the savings initially estimated in the CBA and SFS with the actual savings from the delegation of tasks to INEA, our research suggests that the actual savings during 2014-2016 period were higher than initial estimations (EUR 24.4 million compared to EUR 16.1 million CBA and EUR 22.8 million SFS estimates). As forecasted in the SFS and the ex-ante CBA, savings of the executive agency scenario primarily resulted from a higher share of lower cost contract staff (CAs) employed within the executive agency and lower overall number of staff.

The workload analysis revealed that while the operational budget actually executed by INEA was lower than initially estimated in the CBA/SFS, **the actual number of projects managed by INEA, which constitutes the main workload driver for the Agency, in 2015-2016 largely corresponded to the CBA estimates.** At the same time, many parameters of the delegated programmes significantly deviated from the initial CBA estimations (e.g. higher than estimated operational budget of the CEF-Telecom programme and much lower average project size, reflux of funds following cancellation of projects and cost savings into new calls, lower than anticipated number of projects related to CEF Energy - studies, reallocation of CEF/H2020 funds to EFSI, etc.). The actual execution of payment appropriations was slower, which indicates that increase in the projects' management workload will unfold later than anticipated in the SFS and CBA.

² Including cost of coordination and monitoring by the Commission and costs of INEA covered from EFTA and third country contributions.

1. Introduction

This document contains the final report for the assignment ‘Study supporting the Evaluation of the Innovation and Networks Executive Agency (INEA) 2014-16’ (Specific Contract under DG GROW's Framework Contract 575/PP/2016/FC for the procurement of economic studies and analyses related to impact assessments and evaluations).

1.1 Resume – Study Objectives

The objectives of this assignment can be summarised as follows:

- The main objective of this evaluation was to assess INEA's implementation of the delegated parts of the specific programmes that have been entrusted to it.
- The fundamental question to be addressed was what has been achieved in terms of financial savings, improved services and other efficiency gains by delegating operational tasks to INEA.
- A number of more specific questions were highlighted in the terms of reference relating to INEA's effectiveness, efficiency and the coherence of the delegation of the programme management (both in terms of the delineation of responsibilities between INEA and the Parent DGs, and in terms of its place within the overall Executive Agency framework).

The evaluation covers the 3-year period from 1 January 2014 when INEA started functioning to 31 December 2016. However, throughout the evaluation, in order for the study to report on the most updated information, data concerning 2017 has been analysed when available.

Overall, the purpose of the evaluation was to help the Commission services assess whether the creation of the Agency has yielded the expected positive results as compared with the assumptions underlying the programme delegation and what could be done in the future to improve further the situation. The operational achievements of these programmes, in particular the results of the projects co-funded under the programmes, was not covered by the evaluation because they have been covered by the respective mid-term or ex-post evaluations.

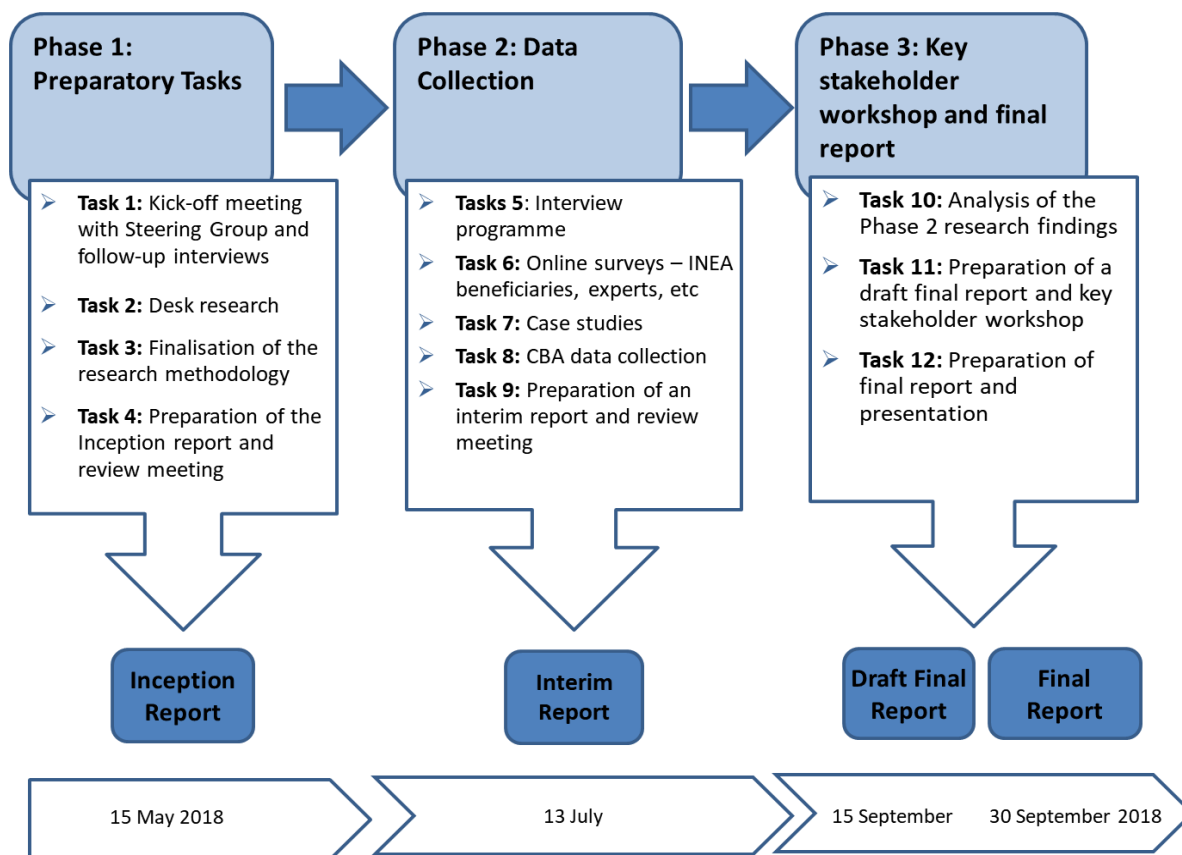
1.2 Methodological Approach

The evaluation of INEA was carried out in three phases:

- **Phase 1: Preparatory tasks** – a kick-off meeting with the Steering Group and follow-up interviews, desk research, finalisation of the methodological approach, and an inception report (29 March 2018).
- **Phase 2: Data collection** – data collection for the CBA, an interview programme, online survey and case studies, followed by preparation of the interim report (13 July 2018). Following a review meeting with the Commission on 7 September, a revised version of the report was submitted (24 September).
- **Phase 3: Final report:** detailed analysis of the evaluation findings and preparation of the (draft) final report (15 October).

The following diagram from the CSES tender provides an overview of the proposed research plan for the assignment and an indication of the timing of the different phases. We describe each of the three phases in further detail in the subsequent sub-sections.

Figure 1.1: Overview of research plan



Phase 1 – Preparatory tasks

Following the signature of the contract between DG MOVE and CSES, a kick-off meeting was held on 17 April at DG MOVE's offices in Brussels to discuss the approach to evaluating INEA put forward in the tender. In parallel with the kick-off meeting, preliminary desk research was begun to identify and review key documents which have relevance to the evaluation. A number of documents were provided by DG MOVE and an assessment of these was included in the inception report. Last but not least, first drafts of the research tools were prepared, namely interview checklists and online survey questions. An inception report was submitted on 15 May 2018. Feedback was provided by the Commission's inter-service group on 1 June with a revised version of the inception report being returned to the Commission on 22 June 2018.

Phase 2: Data Collection

Phase 2 of the research plan, which involved various data collection activities. In addition to an interview programme with Commission DGs, INEA personnel, project beneficiaries, H2020 and CEF Programme Committee members, and other stakeholders, several online surveys were undertaken: a survey of applicants and beneficiaries; a survey of Programme Committee members; external experts; and a survey of the CEF Transport Advisory Group members. The survey was run twice – in August and then again towards the end of September 2018. Other elements of the Phase 2 research included an analysis of INEA documentation and the CBA. A summary of the survey work and interviews is provided below:

Table 1.1: Summary – Survey work and interviews

Key stakeholders	Survey Responses	Interviews	Total
Parent DGs	0	20	20
INEA personnel	0	19	19
Project applicants and beneficiaries	1,404	18	1,422
External experts	382	2	384
Programme Committee members	79	0	79
CEF Transport Advisory Group	13	0	13
Total	1,878	59	1,943

Table 1.2: Characteristics of the survey samples

Applicants and beneficiaries	External experts
<p>A total of 1,404 INEA applicants and beneficiaries participated in the survey work. Of those:</p> <ul style="list-style-type: none"> 84.6% had received funding from the Agency (10.0% had had their applications rejected and the remaining 5.4% were in the process of applying for funding). Just over two-thirds (68.1%) of those who had received funding were final beneficiaries as opposed to coordinators. Most (73.4%) had benefited from Horizon 2020 funding (and 33.3% from the Connecting Europe Facility and a further 7.5% from legacy programmes). Some beneficiaries obtained funding from more than one programme. <p>In the analysis of the survey data we use the term 'beneficiary' to describe respondents although in relation to certain questions, applicants whose request for funding was rejected are also included in the analysis.</p>	<p>A total of 382 external experts completed the survey questionnaire. It should be noted that there were some overlaps with experts involved in multiple roles:</p> <ul style="list-style-type: none"> 81.3% indicated they were experts in relation to Horizon 2020. There was some overlap with several experts also working on other policy areas (35.1% in the case of the CEF and 15.9% on the legacy programmes). Most all the experts had a role in the evaluation of proposals (98.9%) but some also got involved in reviews or other activities (26.9% of the respondents). Over half the experts (55.9%) worked on transport with just under half (49.9%) working on energy or telecoms (7.9%) or other fields (e.g. gender equality, ethnic minority issues, education and culture, SMEs (7.7%)).
Programme Committee members	CEF Transport Advisory Group
<p>In addition, a total of 79 responses were obtained from Programme committee members. Approaching half (41.2%) of responses were from members of the CEF Transport Committee with the others quite evenly spread across the four other committees (CEF and H2020).</p>	<p>There were a further 13 respondents to the survey of the CEF Transport Advisory Group. Most (76.7%) were representing national administrations with the remainder bring infrastructure managers.</p>

There was a very representative response rate from different countries with questionnaires being completed by applicants and beneficiaries from all EU28 Member States (respondents to the other surveys were not asked to indicate which country they came from).

1.3 Structure of the final report

The final report is structured as follows:

- **Section 2: Background and Evaluation Framework** – this section provides an introduction to INEA and sets out the evaluation framework. We also review the wider context relating to the EU's Executive Agencies and previous research.
- **Section 3: Assessment of Key Research Questions** – here we provide feedback from the research so far on the key research questions - INEA's regulatory framework, mission and governance (Task 1 of the terms of reference), Assessment of INEA's Performance 2014-16 (Task 2) and Cost-benefit analysis (Task 3). Each sub-section is structured around the questions from the Commission's terms of reference.
- **Section 4: Conclusions and recommendations** – the final section sets out the overall conclusions and recommendations of the evaluation.

There are several appendices including a list of interviews that have been undertaken for the evaluation (Appendix A), a summary of the assessment criteria for the evaluation (Appendix B), and a full analysis of the survey data (Appendix C).

2. Background & Evaluation Framework

In this section, we provide an overview of INEA and the wider Executive Agency context and previous research that is relevant to this study. We then summarise the framework for the evaluation of the Agency.

2.1 INEA's Role and Mandate

The Innovation and Network Executive Agency (INEA) was set up as an autonomous legal entity on 1 January 2014. It is responsible for managing parts of the Connecting Europe Facility (CEF), Horizon 2020, as well as the legacy of TEN-T and the Marco Polo programmes. INEA's current mandate lasts until December 2024 (11 years).

Table 2.1: Timeline of INEA's key developments

Date	Key development
December 2002	Council Regulation 58/2003 formalises the legal basis for executive agencies, which were entrusted with certain management tasks of the European Community programmes
October 2006	The Trans-European Transport Network Executive Agency (TEN-T EA) is officially established to manage parts of the TEN-T programme.
July 2008	The TEN-T EA mandate was due to end in 2008. However, its mandate was extended until December 2015. Its tasks and responsibilities were redefined for the TEN-T budget linked to the 2007-2013 Financial Perspective
October 2008	Commission Decision 2008/5538 modified and extended the act of delegation of powers to the TEN-T EA to take account of its new tasks. TEN-T EA became fully responsible for the management of all open TEN-T projects from both the 2000-2006 and 2007-2013 Financial Perspectives
January 2014	TEN-T EA officially became INEA

2.1.1 INEA's Origins and the Predecessor Agency

INEA's predecessor was the Trans-European Transport Network Executive Agency (TEN-T EA) which was created in 2006 under Commission Decision 2007/60/EC. TEN-T EA was responsible for managing the technical and financial implementation of its TEN-T programme, but more generally, its role was to manage Community actions in the field of the trans-European transport network from 2006 until 31 December 2008. Tasks included managing the remaining open TEN-T projects and financing decisions under the Multi-Annual Financial Framework (MFF) 2000-2006. TEN-T EA's project portfolio consisted of 411 projects³, with 100 employees and a budget to manage EUR 0.8 billion during the TEN-T Programme 2000-2006 and EUR 7.8 billion from 2007-2013.

In 2008, the Commission extended the operation of TEN-T EA until 31 December 2015 through Decision 2008/593/EC, as well as redefining its objectives by expanding some of its tasks. Subsequently, TEN-T EA underwent two dedicated evaluations and, following a general cost-benefit

³ During the 2007-2013 programming period
https://ec.europa.eu/inea/sites/inea/files/download/publications/tenea_numbers_201306_final.pdf

analysis of executive agencies in 2013, it was decided to extend the responsibilities of TEN-T EA in terms of the programmes it managed, its budget and staffing. As of 1 January 2014, TEN-T EA officially became INEA and its responsibilities were extended to include the management of parts of the CEF programme (transport, energy and telecoms) and of Horizon 2020 (transport and energy) as well as the legacies of the TEN-T and Marco Polo programmes.

The decision to expand and continue outsourcing management tasks to INEA was based on the experience gained by TEN-T EA, which set a solid foundation in terms of programme and project management. In fact, a Mid-term Evaluation of the Agency finalised in July 2012⁴ examined the first three years of operation during the Agency's extended and full mandate (April 2008-April 2011) and found that TEN-T EA "demonstrated to be a very well-organised agency which performed its mandated tasks in an effective and efficient manner"⁵. The interim evaluation showed that the Agency had sound productivity indicators and that its efficient project management had successfully contributed to the implementation of the trans-European transport network programme and led to an increase in stakeholders' satisfaction with the quality of services. The interim evaluation of the TEN-T EA also revealed that it had allowed the Commission to focus on improving the management of its policies and institutional tasks. The CBA carried out as part of the evaluation concluded that using an agency to manage TEN-T projects was the most cost-effective option and that the delegation of tasks to TEN-T EA had led to savings estimated at some EUR 8.6 million (in 2012 prices) in the period between 2008 and 2011.

Subsequently, an evaluation of the next three years of operation (2011-2013) of the TEN-T Executive Agency was completed in September 2015.⁶ The 2015 evaluation covered the remaining period of the TEN-T EA agency, i.e. April 2011 to December 2013. The overall conclusion of the study was that during the period under review the TEN-T Executive Agency performed well in delivering the tasks and functions delegated to it by the Commission. The agency delivered its mandated tasks efficiently and effectively over that period. A key conclusion was that "There is no doubt that the Agency significantly contributed to the operational enhancement and visibility of the Commission's action in TEN-T across Europe. There is clear evidence that the level of service offered by the Agency has improved compared to what it had been before the Agency was created. It received overwhelmingly positive feedback on its performance from all stakeholders concerned." It was argued that the Agency allowed DG MOVE to focus on policy and institutional tasks and very transparent cooperation between both entities ensured that there was no overlap in activities. It was estimated that the existence of the TEN-T EA agency had led to savings of EUR 8.8 million of European budget between 2011 and 2013 compared to having the Programme implemented in-house. For the sake of comparison, the overall budget for TEN-T programme implementation for the 2007-13 financial perspective stood at EUR 8 billion. These are findings that should be compared with those relating to INEA.

Looking ahead, the evaluation argued that one of the key drivers of the success of the Agency was the efficient use of its staff. It was therefore recommended that INEA should continue to use the efficient recruitment procedures developed by the Agency, as well as the methods used to maintain a high level of motivation among their staff. This particularly related to ensuring INEA maintains its "family feeling" and customer orientated spirit even as the agency continues to grow. Other recommendations included: developing the role of project officers; promoting communication

⁴ Mid-term Evaluation of the TEN-T Executive Agency, COWI, July 2012.

https://ec.europa.eu/transport/sites/transport/files/facts-fundings/evaluations/doc/tenea_midterm_evaluation_.pdf

⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D0801&from=EN>

⁶ Evaluation of the three years of operation (2011-2013) of the TEN-T Executive Agency, Steer Davies Gleave, September 2015. <https://ec.europa.eu/transport/sites/transport/files/facts-fundings/evaluations/doc/2015-09-eval-3-yrs-ops-2011-2013-ten-t-ea.pdf>

between project officers and external stakeholders; minimising the administrative burden on beneficiaries and examining whether economies of scale or streamlining of the processes could be introduced; identifying stakeholders, particularly first time bidders, who may be disadvantaged in the bidding process; ensuring the reliability of IT tools that are used for programme management; and maintaining good communications between the Agency and parent DGs.

In addition, a cost-benefit analysis conducted in 2013 found that delegating certain tasks to INEA would be more cost-effective than if the Commission proceeded in implementing the programmes in-house. The delegation of such tasks is expected to deliver efficiency gains of approximately EUR 54 million over the 2014-2020 MFF period⁷. The Establishment Act estimated that “the alignment of more coherent programme portfolios with the Agency’s core competences and its brand identity would bring qualitative benefits”. The evaluation also found that assembling the management of different EU programmes would bring synergies, simplification and economies of scale. The analysis also showed that returning the Trans-European Transport Network and the Marco Polo programmes to in-house management would be disruptive and result in efficiency losses.

2.1.2 INEA’s Mandate and Role

As an Executive Agency, INEA’s remit is defined by Council Regulation 58/2003 of 19 December 2003 which lays down the tasks for these entities. Executive Agencies assist in the implementation of all or a part of EU programmes on behalf and under the responsibility of the Commission. The lifetime of the agencies is linked to the duration of the programmes that they are implementing. The legal basis of INEA is set out in Council Regulation on Executive Agencies (58/2003) and three Commission Decisions: Commission Implementing Decision 2013/801/EU that established INEA, Commission Decision C (2013) 9235 that delegated powers to INEA, and Commission Decision C (2014) 520 that established its Steering Committee.

Under its parent DGs, INEA is responsible for implementing parts of the following programmes: **Connecting Europe Facility** (transport, energy and telecommunications); **Horizon 2020** (transport and energy research (Part III Societal challenges of the Specific Programmes)); and several legacy programmes – the **TEN-T programme** and the **Marco Polo II programme**. According to the Commission Implementing Decision 2013/801/EU, INEA is responsible for the following tasks relating to the implementation of the parts of the EU’s programmes:

- Managing some stages of programme implementation and some phases in the lifetime of specific projects on the basis of the relevant work programmes adopted by the Commission, where the Commission has empowered it to do so in the instrument of delegation;
- Adopting the instruments of budget execution for revenue and expenditure and carrying out all the operations necessary for the management of the programme, where the Commission has empowered it to do so in the instrument of delegation;
- Providing support in programme implementation where the Commission has empowered it to do so in the instrument of delegation.

It should be noted that the Delegation Decision was amended / updated several times since its adoption, notably in February 2018 to provide for the delegation to INEA of the new Wifi4EU programme under CEF Telecoms.⁸ A further update in October 2018 added a reference to the

⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D0801&from=EN>

⁸ Commission Decision C(2018)1281 of 27.2.2018

respective budget line of 2017 in order to eliminate any ambiguity (the 2018 call was supplied partly with budget appropriations of 2017.⁹

INEA has four parent Directorates-General (DGs) - DG Mobility and Transport (DG MOVE), DG Energy (DG ENER), DG Communication Networks, Content and Technology (DG CNECT) and DG Research and Innovation (DG RTD). The Steering Committee is chaired by the Director-General of DG MOVE, with the participation of the other parent DGs as well as DG HR, DG REGIO, DG ENV and the European Investment Bank as observers. A **Memorandum of Understanding (MoU)** which governs the working relationship between INEA and its parents DGs was signed on 1 October 2014. It is formed of a horizontal part laying out a general division of responsibilities between the Agency and the Commission, and specific provisions for the implementation of CEF and Horizon 2020. The horizontal and Horizon 2020 parts were updated in 2016 to take into account the lessons-learned of the first years of programme implementation as well as administrative developments in the Commission. The CEF part was updated in July 2018 notably to reflect the delegation of the Wifi4EU programme to INEA. The tasks assigned to INEA and the managing relationship between the INEA and its parent DGs are also outlined in the Delegation Act.

2.2 Wider Context – the Role of Executive Agencies

The EU's executive agencies were established following the reform of the Commission that took place in 2000. To refocus its resources on its core functions, the Commission created six executive agencies whose main objective is to help implement EU programmes and whose mandate is usually limited to a specified time frame.

2.2.1 Institutional framework

Council Regulation (EC) No 58/2003 of 19 December 2002¹⁰ defined the institutional framework for the executive agencies. According to this Regulation, the executive agencies perform managerial tasks with no discretionary power to make political choices, leaving the policy role to the Commission. The Regulation also laid out the statute for all the executive agencies, regulating their tasks, structure, operation, budget system, staff, supervision and responsibility. The Regulation lays down that to successfully achieve their main objective - implementation of one or more EU programmes - the following key tasks should be entrusted to the executive agencies:

- **Managing some or all of the phases in the programme lifecycle**, in relation to specific individual projects, in the context of implementing a Community programme and carrying out the necessary checks to that end, by adopting the relevant decisions using the powers delegated to them by the Commission;
- **Adopting the instruments of budget implementation** for the revenue and expenditure and carrying out all activities required to implement a Community programme on the basis of the power delegated by the Commission, in particular activities linked to the awarding of contracts and grants;
- **Gathering, analysing and transmitting to the Commission all the information** needed to guide the implementation of a Community programme.

⁹ Commission decision C(2018)6366 of 04.10.2018

¹⁰ Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (2002). <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:011:0001:0008:EN:PDF>.

The executive agencies are a specific type of EU agency with their own legal personality and some autonomy, but they operate according to the rules determined by the Commission and are supervised by its parent DGs. The fundamental features of these agencies are autonomy and dependence.¹¹ Agency governance is defined in the legal framework applicable to the executive agencies and the guidelines for the establishment and operation of executive agencies financed by the general budget of the Union.¹²

2.2.2 Previous Evaluations of Executive Agencies

According to the Council Regulation (EC) No 58/2003, an external evaluation of an executive agency has to be carried out every three years and submitted to the steering committee of the executive agency, the European Parliament, the Council and the Court of Auditors. A number of evaluation reports have been produced providing valuable information on the overall performance of the Commission's executive agencies. A Cost-Benefit Analysis (CBA) has been an important aspect of these evaluations.¹³ These reports have generally indicated that the application of the executive agency model in the Commission has brought many financial and non-financial benefits. They have also provided some specific recommendations as to how some of the existing weaknesses in the operation of the executive agencies could be reduced.

The previous evaluations of the operation of the Commission's executive agencies have found the implementation of EU programmes under the executive agency scenario to be more cost-effective than the 'in-house' scenario. For instance, it was estimated that the actual savings of the executive agency scenario during the 2012-15 period were EUR 53.4 million in the case of the REA and EUR 46.5 million in the case of the ERCEA. The estimated cost savings of this scenario for EACEA constituted EUR 41.8 million in 2012-2014 and between EUR 27-36 million for EACI over the period 2011-2013. For TEN T EA, the cost-savings estimated for the 2011-2013 period were €8.8 million, compared to the in-house scenario.¹⁴ For the sake of comparison, the overall budget for TEN-T programme implementation for the 2007-13 financial perspective stood at approximately EUR 8 billion, of which EUR 7.4 billion was for grants implemented by the Agency. **The establishment of the executive agency framework clearly separated responsibilities between the Commission, in charge of policy-making, and the executive agencies, implementing the programmes** delegated to them. The previous evaluations of the executive agencies have revealed that their specialisation in programme implementation and project management have brought benefits in terms of more efficient business processes, closer proximity to applicants and beneficiaries and good results in terms of most of their key performance indicators (KPIs).

As a result of greater task delegation to the executive agencies, the Commission has also been able to devote more time to its core functions of policy-making. The specialisation of the Commission and its executive agencies, as well as their cooperation, has also brought substantial improvements to the content of EU programmes.

¹¹ Commission Decision of 2.12.2014 establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union (2014). < <http://ec.europa.eu/transparency/regdoc/rep/3/2014/EN/3-2014-9109-FN-F1-1.PDF>>

¹² Commission Decision C(2014)9109 of 2.12.2014.

¹³ The role of CBA is defined as being to assess 'the costs of coordination and checks, the impact on human resources, possible savings within the general budgetary framework of the European Union, efficiency and flexibility in the implementation of outsourced tasks, simplification of the procedures used, proximity of outsourced activities to final beneficiaries, visibility of the Community as promoter of the Community programme concerned and the need to maintain an adequate level of know-how inside the Commission'.

¹⁴ European Commission (2015), Evaluation of the three years of operation (2011-2013) of the TENT Executive Agency.

Table 2.2: The strengths and weaknesses of the executive agency model

Strengths	Weaknesses
<ul style="list-style-type: none"> • Cost-effectiveness of the executive agency scenario in terms of cost savings; • Improvements in programme implementation and project management due to the specialisation of the executive agencies and closer cooperation with stakeholders; • Greater focus of the Commission on policy making; • Improvements in the content of EU programmes delegated to the executive agencies. 	<ul style="list-style-type: none"> • Possible decrease in the know-how of relevant Commission units on programme implementation and project management; • Insufficient communication and cooperation between the Commission and its executive agencies in some instances; • Lower levels of staff satisfaction in some of the executive agencies.

In terms of weaknesses, the expansion of the executive agencies was sometimes associated with a decrease in the know-how of some Commission units. For example, the evaluation of the EACEA found that the level of know-how retained inside the Commission on the management of the programmes delegated to the Agency was mixed with substantial differences across the parent DGs. It is possible, however, to improve the level of shared knowledge on managing the delegated programmes through the application of the Agency's governance and coordination instruments, close cooperation with the Agency, the mobility of seconded officials and other relevant instruments of knowledge sharing.

In some cases, communication and cooperation between the executive agencies and their parent DGs had to be strengthened. The evaluations of the REA and ERCEA underlined that the Commission and both Agencies should establish a structured dialogue to better feed project related information into policy-making. The evaluation of the EACEA suggested improving the monitoring systems and tools in DG EAC and the Agency to better exploit programme results during policy-making in the Commission. The evaluation of TEN-T EA, on the other hand, recommended to maintain the good level of communication between this Agency and its parent DGs, in particular DG MOVE, but also noted that some consideration had to be given to ensure adequate communication directly between TEN-T EA and the parent DGs, so that information transfers at all reporting levels would happen as effectively as with DG MOVE.

Some of the Commission's executive agencies tend to demonstrate weaker results in terms of staff satisfaction compared to the average within the Commission. For instance, in 2014, only 48% of EACEA's staff felt that the Agency was a modern and attractive workplace, which was the lowest score for this indicator among all the executive agencies of the Commission (total average index for the Commission was 65.4%). In 2016, the level of staff engagement¹⁵ in the CHAFEA was found to be the lowest (55%) among the Commission's DGs, services and executive agencies (total average index of 64.3%). By contrast, 2016 results from INEA showed a more positive attitude. 62% of INEA staff felt the agency was a modern and attractive workplace, 6% higher than the average index. Although this represented a 1% decline compared with 2014, other responses to questions showed an

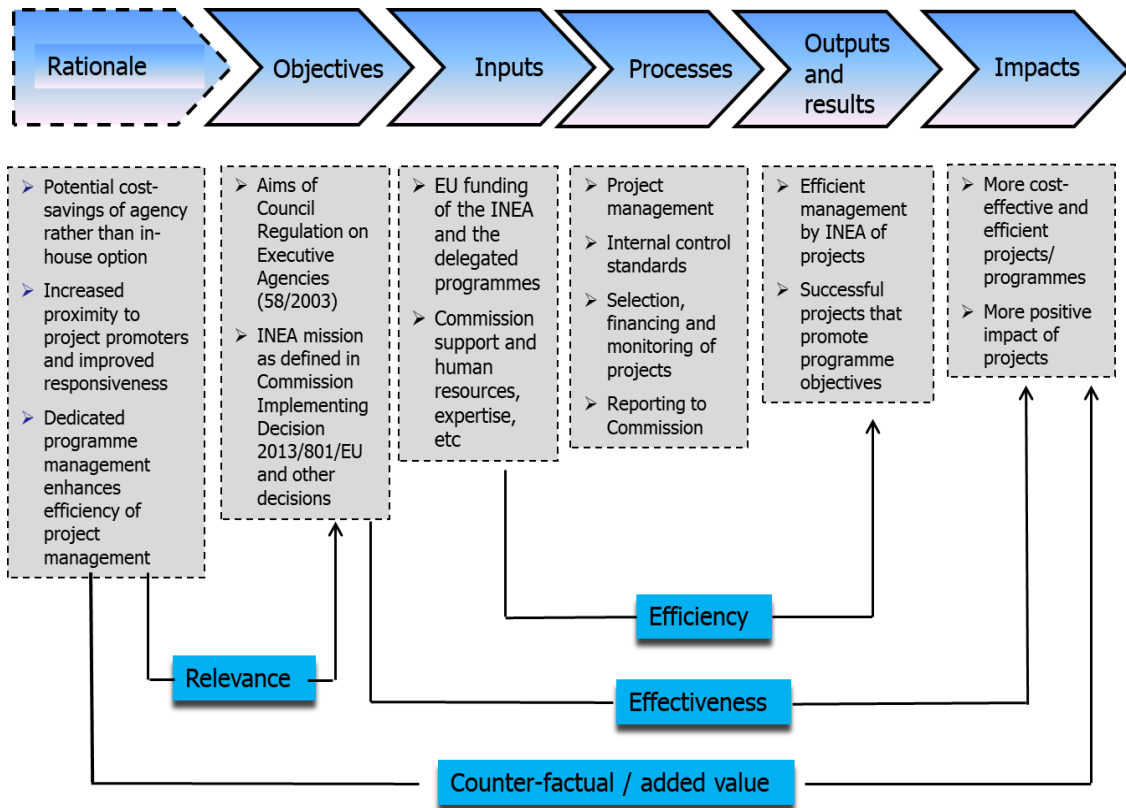
¹⁵ This is a composite indicator composed of the combined answers to 7 survey questions including the following: "I have a good understanding of what is expected of me at work", "I feel that my opinion is valued", "my line manager helps me identify my training and career needs")
http://u4unity.eu/document3/SSS2016_en.pdf

increase over the same period of time: 95% of employees at INEA said they had a clear understanding of the agency’s purpose in 2016, a 9% increase compared with 2014.

2.3 Evaluation framework

The CSES tender set out a quite detailed framework for the evaluation of INEA which was subsequently further developed in the inception report. An outline of the overall framework for the evaluation, namely the intervention logic for INEA, is provided below:

Figure 2.1: Summary of INEA’s intervention logic



There are a number of key issues set out in the above diagram and those that are relevant to the present evaluation are defined below:

Key Evaluation Issues for the evaluation of INEA

- **Efficiency** - an assessment of efficiency involves examining the relationship between financial inputs and outputs, and asking the questions: could the same inputs produce more (and/or better) outputs or, conversely, whether the same outputs could be generated with fewer inputs?
- **Effectiveness** - an assessment of effectiveness involves determining the extent to which an organisation or programme is achieving its general and specific objectives.
- **Coherence** – how well different aspects of an intervention work together. There is a distinction to be made between internal coherence – the way in which different aspects of an organisation or intervention combine in a harmonious way and external coherence, i.e. how well the organisation or intervention as a whole interacts with other relevant organisations or interventions.

A number of more specific issues relating to efficiency, effectiveness and coherence were included in the Commission's terms of reference. These more specific issues are defined and assessed in Section 3 of this report. It should be noted that the scope of this assignment does not include assessing the operational achievements of the INEA-managed programmes or their impacts. Appendix B contains an evaluation matrix that was prepared for the inception report and which summarises the key issues and performance indicators for the evaluation of INEA.

3. Assessment of Key Evaluation Issues

In this section, we provide an assessment of the key evaluation issues set out by the European Commission in its terms of reference for the evaluation of INEA. The key evaluation issues were structured around three tasks:

- **Task 1** - INEA's regulatory framework, mission and governance;
- **Task 2** - Assessment of INEA's Performance 2014-16;
- **Task 3** - Retrospective Cost-Benefit Analysis (CBA) for INEA.

In each of the following sections we assess the more specific key evaluation issues set out in the terms of reference. Issues relating to overall effectiveness, efficiency and coherence are addressed under Tasks 2 and 3.

3.1 INEA's Regulatory framework, mission and governance (Task 1)

Task 1 of the evaluation provides an assessment of INEA's mandate, organisation and programme management functions, how the Agency has evolved over the evaluation period (2014-16), as well as its place within the Executive Agency framework. The following issues are examined:

- Regulatory framework setting up INEA;
- INEA's history, mission and governance (the Parent DGs);
- Overview of the outsourced tasks to INEA;
- INEA's role and place in the overall Executive Agencies framework (coherence);
- INEA's evolution over the evaluation period and comparison with the evaluation period 2011-13 (including statistics on number of calls launched, proposals received, grant agreements signed, number of persons employed, etc).

Due to its largely descriptive and exploratory nature, Task 1 does not answer any specific questions, but instead provides the necessary information and reference points for the rest of the assessment of INEA's performance.

3.1.1 INEA's regulatory framework

As noted in Section 2.1, INEA's remit is defined by Council Regulation 58/2003 of 19 December 2003 which lays down the tasks for Executive Agencies. This is supported by three Commission Decisions: Commission Implementing Decision 2013/801/EU that established INEA, Commission decision C (2013) 9235 that delegated powers to INEA, and Commission Decision C (2014) 520 that established its Steering Committee. As also noted in Section 2, **a Memorandum of Understanding (MoU) was signed on 1 October 2014 which regulates the working relationship between INEA and its parents DGs.** Feedback from the parent DGs confirms that INEA is fulfilling its remit as set out in the various elements of its legal basis. INEA appears to have been operating very much within its legal framework and the instrument of delegation. The delineation of responsibilities is clear, with good communication and cooperation between the Agency and the Parent DGs.

3.1.2 INEA's organisation and governance structure

INEA was launched in 2014 with 101 staff working previously in TENT-EA with plans to recruit 200 more staff, including transport, telecom and energy specialists given the extension of the mandate to include the programme Connecting Europe Facility (Transport, Energy and Telecom) and parts of

Horizon 2020 (parts of Transport and Energy societal challenges).¹⁶ In addition to being legally mandated by Article 18 of Regulation 58/2003¹⁷, the secondment of Commission personnel to the agency, especially in management functions, helped to ensure close working relationships and ensured that INEA had the expertise and programme knowledge required to carry out the tasks assigned to it.

Similarly to other executive agencies, INEA has a quite lean organisational structure with three Departments and a limited number of staff who are directly attached to its Executive Director. The Commission seconds and appoints a Commission official as Director of INEA (for a term of five years). The office of the Director includes accounting, which is responsible directly to the Director; since 2018, Department C includes five units that manage projects financed under the CEF; Department H includes two units that manage projects funded under H2020; and Department R, which has four units that provide programme support, legal advice, financial management, internal audit, and other horizontal functions.

Figure 3.1: INEA's Governance and Organisational Structure



Source: INEA

¹⁶ https://ec.europa.eu/inea/sites/inea/files/download/events/2014/may_ENER_info_day/2beckers.pdf

¹⁷ Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes

The transfer to INEA in 2014 of the CEF Transport, Energy and Telecommunications programmes, the Horizon 2020 Transport and Energy sub-programmes and the legacy of Marco Polo led to a rapid expansion of the Agency. Since 2014, INEA has almost tripled in size, although expansion has not quite matched the predicted levels. In 2016, at the end of the evaluation period, INEA had 225 staff. This number has continued to increase, with 282 staff working for the Agency as at the end of 2018. However, staff numbers still have some way to go before reaching the target of 315 staff that was deemed necessary by 2020 when forecasts were produced for personnel requirements at that stage in the Agency's development.

INEA has been proactive in implementing its expansion, providing staff with regular briefings and consulting with them in the final stages of developing the new agency. However, the increase in staff necessarily led to significant challenges not only in terms of organisation structure but also organisational culture and ways of working, especially developing collaboration and knowledge management. New levels of management (three Heads of Department) were introduced, with the original flat hierarchy (four units overseen by the Director) being expanded to eleven units organised into three Departments, with the Heads of these Departments adding a layer of hierarchy between the Heads of Unit and the Director. The Accounting and Planning and Programming tasks remained under the direct supervision of the Director. Furthermore, a number of new Head of Unit posts were created, and filled by seconded staff from the Commission, as required by the legal framework for EAs.

The creation of a more complex hierarchy has led to some issues with regard to staff satisfaction, for example in relation to internal communication and career progression and created administrative frustration. Some staff members of INEA explained in our interviews with them that in the months directly following the agency's expansion, there had been some difficulties with excessive bureaucracy due to the unnecessary increased layers of hierarchy required for decision-making in certain areas, with up to twelve sign-offs required before certain decisions could be approved. However, simplification measures were put in place and a progressive delegation of responsibilities has occurred in recent years from the Director to Heads of Department and from Heads of Department to Heads of Unit. This has helped to cut the number of sign-offs required for a decision to be approved back to 4-5 levels of hierarchy – a level which is viewed as more manageable.

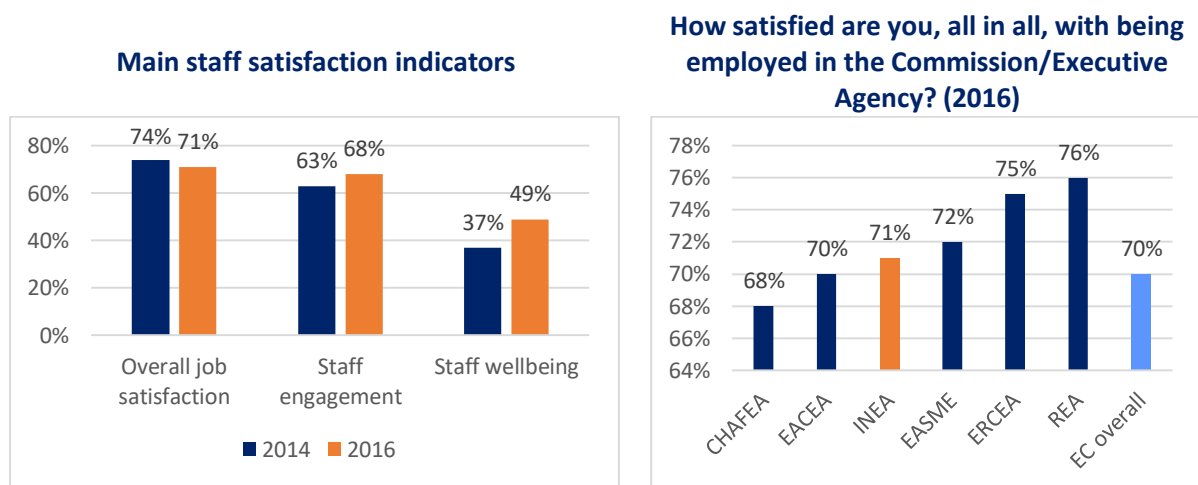
3.1.3 Human resources management and feedback from 2016 staff survey

Staff surveys are carried out across the Commission and the Executive Agencies on a periodic basis (generally every two years). The results of the most recent survey, conducted in November and December 2018, were not yet available for inclusion in this study.

The latest staff satisfaction survey, for which results are known and have been analysed, dates from 2016. It indicated an increase in INEA's staff satisfaction in 40 questions out of 51 as compared to 2014. The largest increase was on the question how managers evaluate staff performance (increase of 22%), whereas the largest decrease was on how clear was the link between the objectives of an individual job in INEA, and the overall priorities of the agency (decrease of 9% if compared to 2014).

In comparison to the Commission, the overall staff satisfaction in 2016 was slightly higher (71% in INEA compared to 70% in the Commission), though, compared to other Executive Agencies, INEA's staff satisfaction sits between REA, ERCEA and EASME (who score higher) and CHAFEA and EACEA (who score lower). Regarding the staff engagement index, INEA's score of 68% is lower than ERCEA and EASME and higher than the Commission (64%) and the other Executive Agencies (66%) average.

Figure 3.2: INEA’s staff satisfaction



Note: for staff wellbeing, the statement “16. I feel that the Commission/Executive Agency cares about my wellbeing” is used. Source: Staff satisfaction survey 2016

The 2016 survey obtained a response from 189 of INEA’s 239 staff (a 79% response rate, much better than the overall Commission/Agencies response rate of 51%). Key findings are summarised below:

Table 3.1: Key findings from the 2016 survey of INEA staff

Positive	Less Positive
<ul style="list-style-type: none"> In line with the 2014 staff survey, the managers approach to the staff are more highly rated that the other agencies and Commission average, with 10% more positive responses than the other Agencies (58%) and 9% than the Commission (59%). Another aspect which showed an improvement was training and the opportunities for staff to advance their professional development. More generally, the staff engagement index, which is an indicator that helps measure how connected the staff is to the Agency and their commitment to help it achieve its goals, had a very good score in 2016. INEA scored above average of the other Executive Agencies (66%) and the Commission (64%), with 68%. With an improvement of 5% from 2014, it clearly shows that good progress has been done in this area. 	<ul style="list-style-type: none"> Training and development of activities to improve the staff's performance in their jobs. Contrasting with the improvement (+12% compared with the 2014 survey) in the question 'line managers identify training and development needs of the staff' the score in 2016 was still relatively low at 44%; An absence of personal improvement as a result of the participation in learning and development activities, with a clear stagnation as regards the positive responses at 51% - the same as in 2014. Feedback on general mobility being encouraged in the Agency remained low at 25% and only a low percentage (21%) of staff felt that they had reasonable opportunities to move to another job that better matched their skills and competencies. Only 29% of staff said they were able to manage their career choices and their own career path - a 6% drop compared with 2014.

The action plan that INEA developed for following up on the 2016 staff survey focuses on activities to tackle some of the issues raised in the staff survey. Proposals to internally advertise vacant positions, job-shadowing opportunities, and the development of learning pathways for different job profiles clearly reflect concerns of staff about a lack of opportunities for career development.

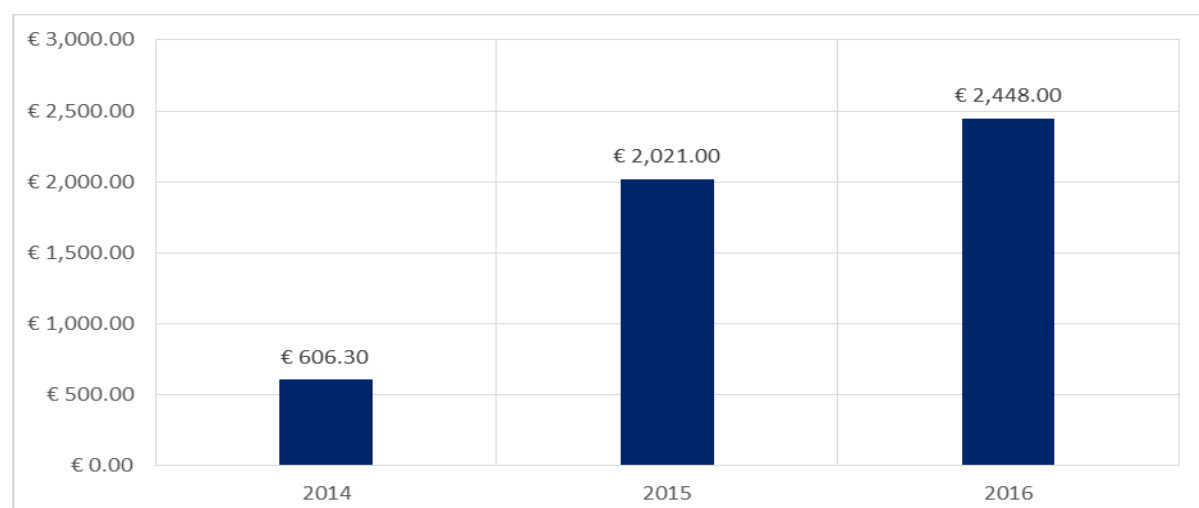
Proposals to provide more training¹⁸, to develop a library of training materials and other measures are designed to address staff concerns about a lack of personal development and skills training. Actions to enhance the well-being of staff and opportunities to engage in physical activities are also comprehensively addressed. Proposals to coordinate with DGs to better spread out calls and to introduce an internal consultation to identify more streamlined work procedures and daily tasks, and flexible working arrangements such as teleworking could potentially help to address concerns about workload and flexibility in working arrangements. The agency's action plan also addressed the perceived lack of two-way communication from Senior Management, for example through the 'Coffee with the Director' initiative. In terms of actions to address the fact that staff who have been at INEA longer (3 – 5 years) often gave more negative responses, especially on issues of workload and the Agency's approach to well-being, the new retention policy aims to respond to such concerns.

The results of the staff survey in the fourth quarter of 2018 should provide a useful measure of to what extent, in INEA's staff's perception, the Action Plan has successfully addressed the concerns raised. The results were not available at the time this report was being prepared.

3.1.4 Budgetary resources and financial performance

The total operational budget earmarked for INEA for the MFF 2014-20 is EUR 33.8 billion, of which EUR 28.5 billion is accounted for by the CEF and EUR 5.3 billion by Horizon 2020. This means that INEA handles the largest budget of all the Executive Agencies in the current financial period of 2014-20. Figure 3.3 provides an overview of INEA's total payments made from 2014 to 2016. This includes the total amount of project grants and programme support. In 2014 these projects only included the TEN-T Programmes (2000-2006 and 2007-2013) and Marco Polo II. From 2014 onwards, the programmes included TEN-T, Marco Polo, CEF and H2020.

Figure 3.3: Operational budget (EUR m)

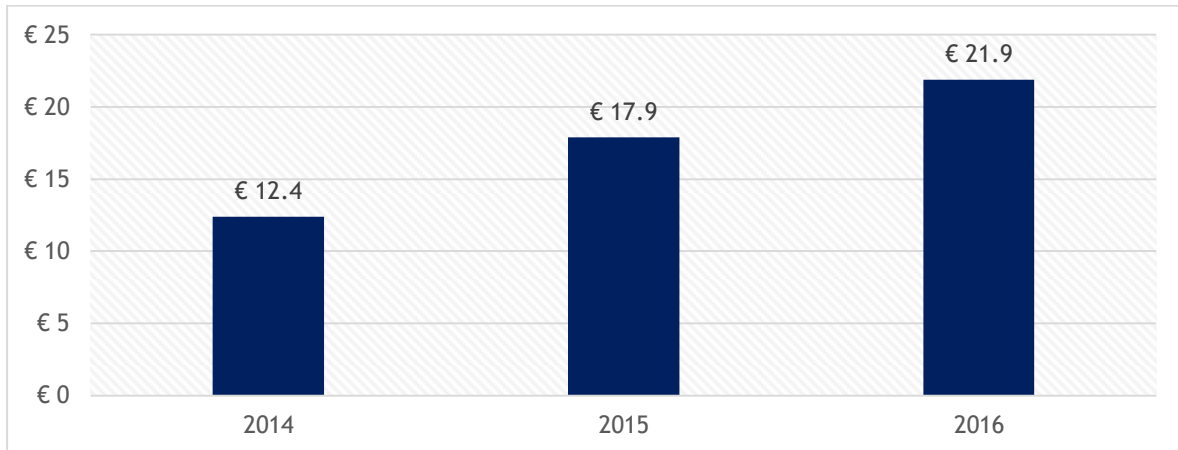


Source: Annual Activity Reports (2014, 2015, 2016), INEA

¹⁸ For instance through the European Commission's Learning & Development courses.

Figure 3.4 provides an overview of the total payments made by INEA (amounts in EUR million) in terms of its operating budget from 2014 to 2016. This includes staff expenditure, infrastructure and operating expenditure and technical and administrative support expenditure. In parallel to increasing its performance and budget, INEA has steadily increased its administrative budget. There has been consistent underspending on staff expenditure. For instance, in 2016, the budget set aside €17.2m for staff expenditure, whilst the annual accounts had actual staff expenditure at €15.6m. This is consistent with the annual work programs and interview feedback, which highlighted the challenges faced by the Agency in recruiting staff, particularly technical staff with specialist profiles.

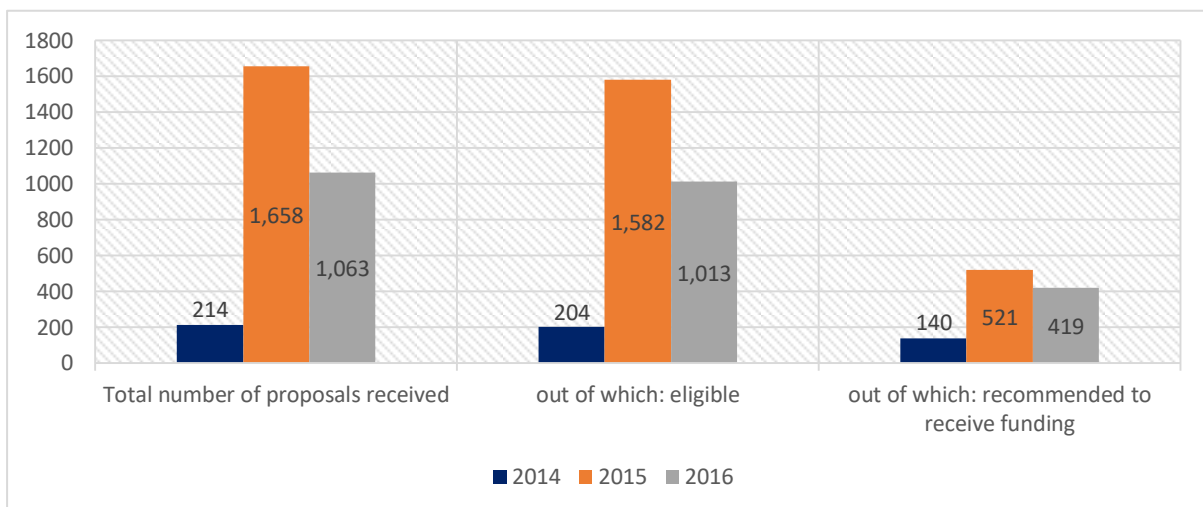
Figure 3.4: Operating budget (EUR m)



Source: Annual Activity Reports (2014, 2015, 2016), INEA

Figure 3.5 shows the results of the evaluations for calls for proposals organised by INEA from 2014 to 2016. In the year 2014, the figures only include calls for proposals under the TEN-T and CEF-Energy programme since they were organised by INEA. As such, the figures exclude the sub-calls/topics that were handed over to INEA under Horizon 2020 programmes. These figures also exclude the CEF-Transport and CEF-Telecom calls that were started in 2014 but were only evaluated in 2015.

Figure 3.5: Results for calls for proposals organised by INEA

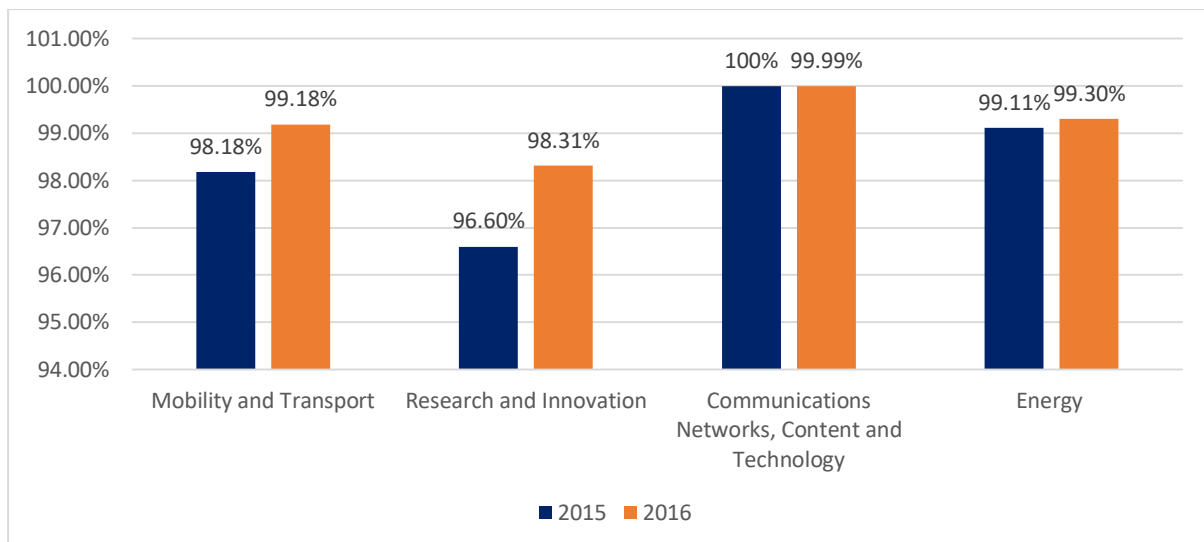


Source: Annual Activity Reports (2014, 2015, 2016), INEA

Figure 3.6 provides an overview of the share of its operational budget effectively committed in 2015 and 2016. The data represents the total percentage of commitments made based on the

funding authorised in a given year. Overall, the total percentage of commitments made by INEA improved or remained the same in some cases. The chart does not include data for the year 2014 since these annexes are not publicly available. This includes the total amount in project grants and programme support. In 2014 these projects only included the TEN-T Programmes (2000-2006 and 2007-2013) and Marco Polo II. From 2015 onwards, the programmes included TEN-T, Marco Polo, CEF and H2020. These data show the increased performance of INEA following the transitional phase in 2014, when it expanded the scope of its research and expertise.

Figure 3.6: Outturn on commitment appropriations 2015-16



Source: Annual Activity Reports (2014, 2015, 2016), INEA

Interviews with Agency staff highlighted concerns related to the frontloading of various projects, most notably CEF-Transport, which implies that most of the dedicated budget was committed at the beginning of the programme when INEA was yet to have sufficient staff in place to handle the increased workload associated downstream with projects. However, it was also noted that this frontloading was necessary in order for the programme – which is made up of complex, long-term infrastructure projects - to be completed in a timely manner¹⁹. More broadly, concerns were raised regarding limited coordination between parent DGs managing the different programmes when preparing the Agency’s different Work Programmes, as well as limited consultation of the Agency which resulted in the publication of more or less simultaneous calls in different Departments (as well as within the same Department) at the same time with concurrent evaluation periods. This put pressure on staff involved in the evaluations and grant agreement preparation exercises. There has been a significant amount of work from both the Agency and the Parent DGs to reduce this pressure. In CEF, for example, there are regular coordination meetings between parent DGs and INEA. In addition, call planning is decided during the preparation of the WPs. The call timeline is always agreed with INEA before submitting the text to the MSs for opinion.

One potential recommendation for the future is that calls should be better spaced out, with coordination meetings between the Agency and the parent DGs during the development of the INEA annual work programmes, in order to relieve pressure on human resources and the evaluation and finance sectors to organise the evaluations and process the payments. It is worth noting that

¹⁹ It should be noted that for CEF Transport there was also a DG MOVE wish to fulfil a commitment towards the 15 Cohesion Member States to launch as many calls in the first 3 years of the programme (2014-2016) as necessary for them to use their entire national envelopes.

calls in 2018 have been more spaced out and a greater coordination between different programmes has occurred, suggesting that the next evaluation will find a marked improvement in this area. It may also be possible to reduce the number of calls required, by considering how many calls are required during the planning stage and seeing if any of the proposed calls can be combined – this is an area that the Agency has proactively discussed with different Parent DGs, leading to a reduction in the total number of calls in 2019. A reduction in number of calls is also a predictable consequence of the consumption of the budget over time.

It should also be noted that in 2015 and 2016 the implementation of the operating budget led to a comment by the Court of Auditors on the level of carry over in the budget for committed appropriations that exceeded the recommended ceiling of 30%. The higher carry-over was explained by IT and audit contracts, whose implementation could not start and finish within the same financial year. The amount carried over either corresponded to services provided during the last quarter of year N and invoiced in early N+1, or to audit contracts where the final payment could only be released to the audit company once the final audit report was accepted. The duration of the audit contradictory procedure with the auditee was out of INEA's control. The auditors agreed that the carry-overs in both 2015 and 2016 were fully justified. It should also be noted that this issue was not raised in the audit of the 2017 operating budget and accounts.

3.1.5 Review of the tasks outsourced to INEA

INEA is responsible for implementing parts of the following programmes:

- **Connecting Europe Facility** (transport, energy and telecommunications);
- **Horizon 2020** transport and energy research (Part III Societal challenges of the Specific Programmes)²⁰;
- Legacy of the **TEN-T programme** and the **Marco Polo II**²¹ programme.

It should be noted that the purpose of this study is not to evaluate the programmes themselves but rather INEA's performance in implementing them. Nevertheless, to provide context, we summarise the results of recent programme evaluations where these are relevant to the evaluation of the Agency.

3.1.5.1 Connecting Europe Facility

The Connecting Europe Facility (CEF) is an EU funding instrument that aims to promote growth, jobs and competitiveness through targeted infrastructure investment at the European level. CEF helps with the development of interconnected trans-European networks in the field of transport, energy and telecommunications. The programme includes large and complex infrastructure projects with complicated factors such as technical specificities in three different sectors, public procurement in various Member States, long durations, large budgets, and in some cases major political implications and sensitivities. Since January 2014, INEA has become the key gateway to accessing funding under CEF which provides financial support through grants. INEA implements most of the CEF programme budget (EUR 28.3 billion out of EUR 30.4 billion²²).

²⁰ The full budget of societal challenges has not been transferred to INEA. Some parts stayed with the Commission. The SME instrument for Energy and Transport, which accounts for a very large part of the budget, is also managed by EASME.

²¹ From EACI, now EASME

²² <https://ec.europa.eu/inea/en/connecting-europe-facility>

A mid-term evaluation of the CEF was published in early 2018.²³ Its key conclusion was that: “three and a half years after its launch, the type of projects co-financed by CEF strictly matches the EU’s ambition to: (i) increase connectivity at European scale for the three sectors; and (ii) concentrate the support on public goods of a European dimension. CEF contributes to the Commission’s priorities on jobs, growth and investment, the internal market, Energy Union and climate and the Digital Single Market, strengthening the global competitiveness of the EU.” The evaluation argued that the amount of investment needed to meet connectivity goals is very high in all of the three sectors covered by the programme and that there was evidence of market failure in meeting these financing needs.²⁴ Amongst the highlighted problems were failures that can happen when the costs occur at national and/or local levels whereas the benefits are realised on a European scale, or when the costs and benefits of projects involving several Member States are distributed asymmetrically among them. It was argued that the added value of CEF resides in its capacity to steer public and private finance towards EU policy objectives, enable key investments where the costs are borne at national/local level whereas the benefits are tangible on a European scale, and to accelerate the shift to a low-emission and digital society.

In relation to the programme’s implementation, the report argued that the direct management of CEF grants by INEA has proved very efficient, with a strong project pipeline and a competitive selection process, a focus on EU policy objectives, coordinated implementation and the full involvement of Member States. The INEA executive agency was seen as having a very good track record on the financial management of the CEF and on optimising the budget, particularly thanks to its flexibility in quickly re-directing money unspent by certain actions to financing new ones. This has been enabled by its strong team of project managers and procedures that have been implemented to simplify the process.

The evaluation also concludes that “Stakeholders appear to have a uniform appreciation for the role that INEA plays in ensuring the efficiency and well-functioning of the CEF Programme.” According to the report, 34% of respondents to a survey undertaken as part of the evaluation said that the application and selection process managed by INEA was handled very efficiently, and another 42% said it was handled “somewhat efficiently.” Additionally, INEA was perceived as being responsive to the needs of project promoters and Member States. Feedback from the research also highlighted the smooth operation of INEA in relation to being able to conclude grant agreements in the set deadline of nine months in 99% of cases, with most delays coming from the beneficiaries’ side. The majority of stakeholders also agreed that INEA has enabled a major simplification of the processes and procedures, particularly in the energy and telecommunications sector which did not use its forerunner, the TEN-T Executive Agency.

The evaluation of CEF argued that the Agency had a strong relationship with DG MOVE, DG CNECT and DG ENER with a ‘team-like approach’ between them. INEA was seen to be providing invaluable support to the Commission and parent DGs. Stakeholders agreed that the costs associated with INEA were ‘minimal’ providing for an efficient implementation of the CEF programme. Despite highlighting the effectiveness of INEA’s information days and other communication activities in disseminating information to stakeholders some shortcomings were, however, observed in relation to communication and dissemination of information to the general public about INEA’s work.

²³ Mid-term Evaluation of the Connecting Europe Facility (CEF), European Commission, February 2018, COM(2018) 66 final

²⁴ According to the report, for transport, recent estimations by the Commission confirmed in the work plans of the Core Network Corridor Coordinators suggested that investment needs in the TEN-T core network amount to EUR 750 billion by 2030 alone, and about three times this amount including the comprehensive network and other transport investments such as urban transport, digitalization and maintenance. In energy, the investment needs for projects that can be classified as PCIs were estimated to be EUR 179 billion over the 2021-2030 period. In telecommunications, approximately EUR 500 billion worth of investments were estimated to be required to meet strategic objectives on gigabit connectivity up to 2025.

3.1.5.2 Horizon 2020

Horizon 2020 is a EUR 77 billion research and innovation programme for the 2014-20 period. INEA runs parts of the Horizon 2020 programme in the areas of transport and energy. INEA manages the proposal evaluation, funding and follow-up of research and innovation projects under the Horizon 2020 societal challenges.

An interim evaluation of Horizon 2020 was also completed in early 2018.²⁵ This concluded that the Horizon 2020 programme was performing well. One finding that is particularly relevant to the current evaluation of INEA is that more than half of Horizon 2020 participants were ‘newcomers’ compared to the previous Framework Programme 7 (FP7). In relation to INEA, this means that it may have had to deal with a large number of relatively inexperienced applicants for funding, with a consequent need to be able to provide advice on procedures, answer queries, etc. INEA has handled the simplification of those parts of Horizon it has been managing. The simplification measures have included the introduction of a single set of rules, electronic signature of grant agreements, the Participant Portal as the one-stop-shop for interactions with participants, single reimbursement rate, flat rate for indirect costs, etc. Many of these simplification measures have been implemented by INEA in their management of Horizon 2020, as outlined in INEA’s annual work programmes and activity reports. The evaluation concluded that these measures had greatly reduced the overall administrative burden and costs, leading to a decrease in ‘time to grant’ (110 days faster than in FP7). It was nevertheless argued that there should be further simplification.

Feedback from staff within INEA working on Horizon 2020 and staff within the Parent DGs suggests that cooperation on Horizon 2020 has in general worked well. The project management and reporting requirements of Horizon 2020 required some adjustment from INEA staff in the early stages. Nonetheless, there has been a positive interaction between the Agency and the Parent DGs, leading to a smooth cooperation between the Agency and the Commission on this programme.

3.1.5.3 Legacy of the TEN-T and Marco Polo II programmes

The TEN-T programme was established to support the upgrade and construction of transport infrastructure across the EU. In line with the overarching goal of European competitiveness, job creation and cohesion, the TEN-T programme provided financial support for important transport projects for all transport modes (air, rail, road and maritime/inland waterway). The aim of the **Marco Polo II** programme is to ease road congestion and the pollution it causes by promoting a switch to greener transport modes for European freight traffic. INEA took over the management of the Marco Polo legacy 2007-13 programme from the former EACI, now EASME (Executive Agency for SMEs). Companies were able to turn to Marco Polo for financial support in order to fund viable projects to shift freight from roads to greener modes of transport.

The sound execution of INEA’s planned outputs for 2017 contributed to achieving the parent DG’s specific objectives. In addition, the Agency’s objectives for 2017 related to implementing new activities creating and maximising synergies. As such, INEA continued to implement the legacies of the TEN-T and Marco Polo II programmes with the transport parts of the CEF and the legacy programmes. This contributed directly to DG MOVE’s specific objective “A modern European transport infrastructure: Ensure the effective implementation of funding for the Trans-European Transport Network under the Connecting Europe Facility and under the innovative financial instruments (EFSI)”²⁶.

²⁵ Interim Evaluation of Horizon 2020, European Commission, January 2018, COM(2018) 2 final.

²⁶ https://ec.europa.eu/info/sites/info/files/annual-work-program-inea-2017_en.pdf

During the period under review, there has been a significant improvement and simplification of procedures and processes particularly regarding e-submissions of proposals, and the monitoring of projects and financial payments. Feedback from project beneficiaries supports this conclusion (we examine this feedback in more detail later in the report). Looking ahead, further improvements and simplification should be encouraged. As the Agency's work has increased in scale and complexity, almost all KPIs have been met and or been delivered on time – as reflected in the Annual Activity Reports (see Section 3.2). This appears to be borne out by the quantitative evidence, with KPIs in 2014 showing the time to grant for the TEN-T and Marco Polo II projects being substantially reduced in comparison to previous years. For the Marco Polo II and TEN-T programme more broadly the current evaluation period indicates there has been an improvement or no change on the KPIs. There are two exceptions. Firstly, the execution of commitment appropriations for the TEN-T and Marco Polo II programmes in 2014, both of which were well below the target of 100%²⁷, although this target was subsequently met in 2015 and 2016. The other exception was the net time to pay for the TEN-T programme in 2015 (the average time was 31 days, compared to a target of 30 days).

3.2 Assessment of INEA's Performance 2014-16 (Task 2)

Task 2 from the Commission's terms of reference involves examining how well INEA has performed in relation to effectiveness, efficiency and coherence.

3.2.1 Effectiveness – Is INEA achieving its objectives?

Effectiveness can be defined as the extent to which an organisation or programme achieves its specific and general objectives. In the context of INEA, the general objectives are defined in the Agency's legal framework while the specific objectives are set out in annual work programmes with a number of Key Performance Indicators (KPIs) being used to measure outcomes. In this section we evaluate the operations of INEA and the extent to which they are in line with the Commission Decisions establishing INEA and delegating tasks.

To what extent has the INEA been operating according to the legal framework establishing it?

The research suggests that INEA has been operating very much in accordance with its legal framework. The regulatory and operational frameworks are key factors that influence the overall success of the Agency in execution of its tasks. As indicated in previous sections, INEA is responsible for programme implementation and policy support, while programme management and policy-making tasks involving a large discretion in making political choices are reserved for the Commission. The Agency's operation should correspond to its mandate and it should be closely supervised by the Commission. At the same time, the Agency should also be responsive to changing policy needs and have sufficient flexibility during the implementation of the delegated tasks.

Key findings and conclusions from the previous evaluation (2011-13)²⁸ suggested that the responsibilities of TEN-T EA were clearly defined, which resulted in clear division of tasks and responsibilities between the Agency and its parent DG. The previous evaluation found that the cooperation and coordination between the Commission and Agency worked well. However, a small number of stakeholders argued that there may have been some limited overlaps in responsibilities across DG MOVE and the Agency. In the 2014-16 period, INEA also appears to have been operating

²⁷ As explained in INEA Annual Activity Report, this was largely due to a lower than expected response to the 2013 Call for proposals

²⁸ Source: Prepared by the Consortium based on: Steer Davies Gleave, Evaluation of the three years of operation (2011-2013) of the TEN-T Executive Agency. Final Report, September 2015. Commissioned by the European Commission.

very much within its legal framework and the instrument of delegation. The delineation of responsibilities is clear, with good communication and cooperation between the Agency and the parent DGs.

- **To what extent has the INEA achieved its objectives?**
- **How well is INEA's internal strategy and planning undertaken and how closely is its performance aligned with the plans with the management plans of the parent DGs?**

As noted earlier, INEA's mission, tasks and objectives were set out in its Commission Decisions and Delegation Acts. Priorities for the year, objectives, description of activities and the expected results are outlined in the work programmes and plans of the delegated programmes. According to the previous evaluation (2011-13), the Agency managed to achieve all the objectives it was required to fulfil over the period and added value to the management and implementation of the TEN-T Programme by being efficient, adopting a well-functioning structure and strong control procedures. Below we assess the extent to which the objectives of the Agency and the indicators (including KPIs) set out in the work programmes and plans of its programmes have been achieved in the subsequent 2014-18 period covered by this evaluation. We also assess whether the Agency's performance plans and activities are aligned to the parent DGs Management Plan and Strategic Plans.

3.2.2 Assessment of INEA's 2014-16 Work Programmes

At an operational level, INEA's objectives are set out in annual work programmes with annual activity reports providing an account of the extent to which the objectives have been achieved. INEA's objectives and KPIs for the period 2014-16, as laid out in the annual work programmes, are summarised in Table 3.2 below.

Table 3.2: INEA Objectives and KPIs 2014-2016

2014	2015	2016
INEA Specific Operational Objectives		
Support for the development and implementation of a performing Trans-European Transport Network, through the effective and efficient technical and financial management of the TEN-T Programme 2007-2013 legacy – continuing the added value and expertise of the Agency.	Support for the development and implementation of a well performing Trans-European Transport Network, through the effective and efficient technical and financial management of the TEN-T Programme 2007-2013 legacy.	Support for the development and implementation of a well performing Trans European Transport Network, through the effective and efficient technical and financial management of the TEN-T Programme 2007-2013 legacy.
Promote greater use of low-carbon transport modes and promote multi-modality via the efficient and effective technical and financial management of the Marco Polo legacy programme and projects.	Promote greater use of low-carbon transport modes and promote multimodality via the efficient and effective technical and financial management of the Marco Polo legacy programme and projects.	Promote greater use of low-carbon transport modes and promote multimodality via the efficient and effective technical and financial management of the Marco Polo legacy programme and projects.

2014	2015	2016
Support to the development of a core European Transport network by 2030, through the effective and efficient technical and financial management of CEF Transport and projects - demonstrating the added value and expertise of INEA	Support to the development of a core European Transport network by 2030, through the effective and efficient technical and financial management of the CEF Transport Programme and projects.	Support to the development of a core European Transport network by 2030, through the effective and efficient technical and financial management of the CEF Transport Programme and projects.
Support for the strengthening of EU energy infrastructure, through the effective and efficient technical and financial management of the CEF Energy Programme.	Support for the strengthening of EU energy infrastructure, through the effective and efficient technical and financial management of the CEF Energy Programme.	Support for the strengthening of EU energy infrastructure, through the effective and efficient technical and financial management of the CEF Energy, the contribution to monitoring all Projects of Common Interest (PCI).
Support for the deployment and promotion of interconnected and interoperable national public services on-line through the effective and efficient technical and financial management of the CEF Telecoms Programme - demonstrating the added value and expertise of the Agency.	Support for the deployment and promotion of interconnected and interoperable national public services on-line through the effective and efficient technical and financial management of the part of the CEF Telecoms Programme related to generic services.	Support for the deployment and promotion of interconnected and interoperable European Digital services through the effective and efficient technical and financial management of the part of the CEF Telecoms Programme related to generic services.
Support for secure, clean and efficiency energy by the effective and efficient implementation of the H2020 Specific Programme Societal challenge related to energy demonstrating the added value and expertise of the Agency.	Support for secure, clean and efficient energy by the effective and efficient implementation of the Horizon 2020 Specific Programme Societal challenge related to energy - including its digital technology aspects.	Support for secure, clean and efficient energy by the effective and efficient implementation of the Horizon 2020 Specific Programme Societal challenge related to energy - including its digital technology aspects.
Support for smart, green and integrated transport through the effective and efficient implementation of the H2020 Specific Programme Societal challenge related to transport demonstrating the added value and expertise of the Agency.	Support for smart, green and integrated transport through the effective and efficient implementation of the Horizon 2020 Specific Programme Societal challenge related to transport - including its digital technology aspects.	Support for smart, green and integrated transport through the effective and efficient implementation of the Horizon 2020 Specific Programme Societal challenge related to transport - including digital technology aspects.
INEA Horizontal Specific Objective 2014-16		
Maximise the efficiency of the Agency's resources and administrative support to help achieve its aims.		
Key Performance Indicators 2014-16		
<ul style="list-style-type: none"> • Rate of execution of commitment appropriations • Rate of execution of payment appropriations • Time to award was used in 2014 and then Time to grant in 2015/16 • Net time to pay • Error rate of payments identified at ex-post control 		

Later in this section we provide an assessment of the extent to which the KPIs have been achieved during the 2014-16 period. First, we examine the work programmes for this period and the key outcomes that were achieved.

2014 Work Programme

INEA's 2014 work programme set out the tasks that needed to be undertaken during the start-up phase of the agency. These tasks involved recruiting staff, the development of new activities associated with programme implementation roles and responsibilities and implementing new rules and procedures for the Agency's operations. The priorities highlighted in the 2014 work programme therefore focused on achieving a smooth transition from TEN-T which had a minimal impact on both new and legacy projects, whilst also further developing core functions such as the technical and financial management of the legacy projects.

The recruitment of new staff was an important task for INEA in 2014, which included the secondment of EU officials to establish the agency's management team. According to the 2014 annual activity report, efforts were made to recruit and integrate new personnel into the INEA structure. As a result of this expansion, the Agency also had to address increased office space needs. There was also a need to adapt and re-design internal procedures and working methods that were used by the predecessor agency to accommodate the new programmes. Despite these and other challenges, the Agency met its operational objectives during 2014. For both the TEN-T and Marco Polo II programmes, execution of payments reached 100% and the time to-grant-targets were met for all Programmes. The Agency also managed to successfully organise and conclude the evaluations of the first ever CEF call for proposals, in the Energy sector.

2015 Work Programme

The 2015 work programme focused on consolidating INEA's role in implementing its remit in relation to the delegated programmes, ensuring that the necessary resources and capabilities were available in-house. This necessitated close coordination with parent DGs and investment in relationship building with all key stakeholders and beneficiaries. Close cooperation with DG REGIO was also identified as a necessity to ensure an appropriate level of complementarity and consistency in the approach to the deployment of EU support through CEF and ESIF. The expansion and adaptation of CEF IT tools was also a priority in 2015. The need to build up the Agency's human resources was also identified as a key priority in 2015, as in 2014. INEA's second 2015 annual activity report confirms that 2015 was a year of consolidation, following the transitional phase of 2014. In 2015, the Agency completed the transfer of its new programmes and continued to dedicate its efforts to enhancing partnerships with its stakeholders and managing the new programmes. For the first time, the Agency had full responsibility for the management of new programmes. Notable achievements included:

Key metrics for the 2015 Work Programme

- Establishing a fully operational business process for the CEF and Horizon 2020 programmes;
- Publication of 21 Calls for Proposals and the evaluation of 19 Calls managed by INEA;
- 1,582 eligible proposals with a requested budget of EUR 38,489.7 million were evaluated;
- This included the evaluation of 681 eligible proposals under the first and largest ever CEF-Transport call for a total requested funding of EUR 32,656,6 million;
- Signing 536 Grant Agreements for the selected projects;
- The first ever CEF ICT calls were also evaluated; organising or supporting 37 different events with an average of 80.5% event satisfaction.

By the end of 2015, INEA further developed the necessary systems to support its programmes covering the legal, environmental, financial, technical and operational aspects. During the year more than 500 projects were on-going under the CEF and Horizon 2020. In order to achieve these results INEA implemented a range of new work processes, including, amongst others, the procedure of full electronic submission of proposals, including the necessary developments of the TENtec e-submission module. INEA's main challenge in 2015 was to continue with the management of the legacy programmes that were inherited from both the TEN-T Agency and EASME whilst in parallel building up the implementation of the new programmes. New activities were fully introduced into the Agency by 2015. To support this effort, throughout 2015 INEA continued with the recruitment of project and financial management professionals in order to integrate these new tasks and to ensure that the necessary specialised knowledge and tools were in place. In relation to its key performance indicators, INEA achieved all its targets except for its net time-to-pay for the TEN-T programme 2007-2013, where the target was slightly exceeded by 1 day (31 days instead of 30).

2016 Work Programme

By its third year, INEA was considered to be fully operational after two years of starting up and developing its operations. The 2016 annual activity report suggests that 2016 was a challenging year with programme implementation at new levels and new initiatives being introduced such as the launch of the first Synergy Call covering CEF Transport and Energy sectors. The Agency organised workshops for its Horizon 2020 and CEF programmes to help identify synergies and common issues. INEA also established the Horizon 2020 project review and payment workflow, since Horizon 2020's first projects unfolded and its first results were delivered by that time. This meant that the Agency was able to provide its first inputs into policy feedback to the parent DGs.

During 2016, INEA also continued to phase-out its two legacy programmes, TEN-T 2013-2017 and Marco Polo II. While from 2014 to 2015 the Agency concentrated its activities on the implementation of the new Programmes delegated to INEA, in 2016, the Agency also focused on further reinforcing its internal control systems. This included the development of a performance framework for CEF-Transport and operational, budget and HR strategies. INEA achieved all its targets in 2016. Key outcomes included:

Key metrics for the 2016 Work Programme

- 31 calls for proposals or group of topics with total volume of 1,063 submitted proposals and 1,013 eligible proposals evaluated;
- 447 Grant Agreements were signed;
- 1,215 on-going projects by December 2016;
- 146 projects closed in 2016.

The 2016 work programme marked an increasing level of consolidation and a clearer focus on delivery than the previous two years. An example of this was in the presentation of top-level KPIs for the first time across the Agency as well as individual programme level targets. The Agency-level KPIs are summarised in Table 3.3 below:

Table 3.3: INEA top-level KPIs (2016)

Indicator	Target
Rate of execution of commitment appropriations	100%
Rate of execution of payment appropriations	100%
Time to grant	CEF: 9 months (276 days) H2020: 8 months (245 days)
Net time to pay	30 days for pre-financing 60 days for further pre-financing 90 days for interim/final payment
Error rate of payments identified at ex-post control	Below 2%

Overall, an analysis of the Annual Activity Reports and Work Programmes shows that the work laid out in the work programmes was completed, usually in the timeframe specified. This was also confirmed in interviews. In instances where the timeframes were not respected, clear explanations for the delay were provided by INEA staff during the interview programme. One example of this is the Anti-Fraud strategy, which was developed six months later than expected due to a delay in the guidelines being issued by the Commission.

In terms of INEA's performance against its KPIs, the results for the 2014-16 period are very positive with the only missed KPIs being the missed rate of execution of commitment appropriations in 2014 for the TEN-T and Marco Polo programmes and the net time to pay for the TENT-T programme in 2015 (where the target was slightly exceeded by only 1 day). In 2016 for the CEF and Horizon 2020 projects, KPIs were often exceeded to a significant extent, particularly with regard to the net time to pay. This result reflects the feedback from beneficiaries and INEA staff that procedures for payments have been improved and simplified. Feedback from interviews suggest that the nature of INEA's work meant it was well suited to being assessed using the standard KPIs, although some suggested that these KPIs, which are for the most part common to other Executive Agencies, may not be the best measure of INEA's effectiveness as they do not reflect delays in projects or the complexity of what is being undertaken.

Table 3.4: Summary of the KPIs over the period 2014-16

KPI's	Targets	2014				2015				2016			
		Ten-T	Marco Polo	CEF	Horizon 2020	Ten-T	Marco Polo	CEF	Horizon 2020	Ten-T	Marco Polo	CEF	Horizon 2020
(1) Rate of execution of commitment appropriations	100%	85%	60%	100%	100%	N/A	N/A	100%	100%	N/A	N/A	100%	100%
(2) Rate of execution of payment appropriations	100%	100%	100%	N/A	N/A	100%	100%	100%	100%	100%	100%	100%	100%
(3) Time to grant (days)	276	274	271	N/A	231	N/A	N/A	242	224	N/A	N/A	254	228
(4) Net time to pay (Pre-financing) (days)	30	16.9	26.6	N/A	N/A	31	26.1	9.5	14	N/A	N/A	11	11.6
(5) Error rate of payments at ex-post control	< 2%	0.80%	1.1 - 1.8%	N/A	N/A	0.78%	0.97%	N/A	N/A	0.80%	0.37%	N/A	N/A

Source: INEA activity reports 2014, 2015, 2016

Looking ahead, consideration might be given to setting more ambitious KPIs which focus not just on efficiency (time to pay, time to grant etc) but also on the effectiveness of the Agency's project

management. One method to measure effectiveness might be looking at how well calls are publicised – by analysing, for example, analysing feedback from Info Days as well as measuring click through and download rates and other metadata from the call pages online to better understand how well information is being disseminated to different stakeholders in different member states and how successfully information on calls is being spread through formal and informal channels - or measuring beneficiary satisfaction through periodic surveys. One suggestion put forward by beneficiaries is that INEA could be faster in awarding grants²⁹, as some projects can become outdated if the whole application, selection and award process takes too long. However, this was also caveated by beneficiaries' experience of INEA's award procedures being faster than those of other EU bodies and the acknowledgement that it is important that INEA maintains its high standards for professionalism and that in the long run it is better to take longer to award grants if this means that a better job is done. A more detailed table of the KPIs can be found in Appendix C.

3.2.3 Internal planning and controls

INEA has developed strong internal control standards, including the management of financial and human resources. The Agency has developed a large number of control and reporting mechanisms that allow progress against objectives to be closely monitored and risks to its operations to be prevented and mitigated in a timely and effective way. This is reflected in assessments undertaken by the Court of Auditors in which the Agency's staff were seen as essential in delivering a robust performance even under significant pressure.

In fulfilling its role with regard to the implementation of the CEF and H2020 programmes, INEA has an overarching control strategy which is central to the internal control framework and a good risk mitigation strategy. A risk exercise is carried out annually as an input to planning the next work programme. Mid-term reviews are then carried out to check that identified risks are not developing into problems and to ensure that the proposed preventive and mitigating measures are still fit for purpose.

Some mitigation measures are taken at the Commission level but applied by INEA (e.g. the H2020 anti-fraud strategy). There are four meetings per annum of an inter-service group dealing with risk management (the Internal Control Group organised by DG BUDG) and in addition, informal networking between officials in the research area and meetings on this subject for the executive agencies. One of the benefits of such networking is that the agencies can learn from each other (e.g. cooperation between REA and INEA was important in dealing with the effects of a terrorist attack that caused disruption during the evaluation of proposals, by timely enabling the evaluations to be conducted remotely). At the same time, there are different risks to different agencies (e.g. arising from the number of parent DGs which is seven in the case of EASME but only one in the case of the ERCEA) but also in their capacity to take risk mitigation measures (e.g. CHAFEA is not large enough to be able to operate a system of staff back-ups). Within INEA, the tendency over the years to delegate more responsibility downwards from the Agency's director to the heads of departments has also helped to reduce the risks that can be associated with an over-centralised management structure.

To what extent has the INEA contributed to an improved management of the delegated programmes and better services to the stakeholders and addressees in terms of the elements assessed in the 2013 cost-benefit analysis?

These evaluation questions address two interrelated issues: the effectiveness of the management systems set by the INEA for implementation of delegated programmes and their management tasks;

²⁹This comment applies to the research projects of H2020 particularly, rather than longer-term infrastructure projects funded under CEF.

and the quality of the services provided by the Agency to potential applicants, beneficiaries and other stakeholders as compared to alternative options. Both of these aspects are related to the CBA analysis and non-budgetary impacts of delegation.

Qualitative aspects of the CBA indicated in the Commission's terms of reference (which reflect the CBA questions provided in the Article 3(1) of the Regulation (EC) No 58/2003) were integrated into the overall evaluation framework (evaluation questions addressed in Task 1 and 2) and are, therefore, not repeated under this question. This prevented duplication of work and ensured an integrated approach to the overall evaluation exercise. Information on the links between the qualitative CBA questions and the evaluation Tasks 1 and 2 as well as summary information on evaluation results of all the elements of the CBA is presented in the Section 3.3.6 of this report.

More specific issues from the Commission's terms of reference are to what extent INEA has contributed to an improved management of the programmes in terms of: proximity to addressees; effective implementation of the programmes, taking into account the interests of the addressees and those of the EU; visibility of the EU as promoter of the programmes entrusted to the Agency (e.g. compliance with the Commission's guidelines on information and visibility of programmes, instruments put in place to ensure the visibility of the EU as promoter of the programmes).

Table 3.5: Key findings and conclusions from previous evaluation (2011-2013)

- The responses from a majority of beneficiaries and Member States indicated a very positive appreciation of the Agency's work. Respondents frequently highlighted the perception that the Agency was professionally run, staff were helpful and service-oriented, services were provided in a timely and accurate manner. Among communication measures, beneficiaries and Member States appreciated visits from Agency representatives as it allowed for more in-depth project conversations. Among other communication channels, respondents spoke positively of TEN-T Info Days, the Helpdesk and the FAQ service.
- The rate of execution achieved was consistently very high, despite a challenging environment for project implementation in the Member States, particularly in 2011 which coincided with general challenges to projects following the financial crisis. Close monitoring of all potential payments, as well as Agency action to encourage and support beneficiaries in presenting their cost claims and the requested additional reports on time ensured that this objective was met. Payment performance continued to improve between 2011 and 2013 (and compared to the previous evaluation period), with an average time to pay of 11 days, well below the Commission's objective of 20 days. The detected multi-annual residual error rate resulting from ex-post analysis carried out every year remained well under the target set for the Agency at 2%.
- The previous evaluation stated that the Agency significantly contributed to the operational enhancement and visibility of the Commission's action in TEN-T across Europe. It received overwhelmingly positive feedback on its performance from all stakeholders concerned. The Agency's contributions to enhanced visibility of the Programme included but were not limited to Info-days, project management workshops, pro-active use of social media tools and good quality graphic and communication materials. Additionally, the website of the Agency contained a significant amount of material related to the TEN-T Programme: project by project information, Priority Projects, overall maps, summary of information in statistical formats. The many channels of communication used by the Agency have resulted in the enhanced visibility of the TEN-T Programme.

This research suggests that INEA has continued to contribute to a significant improvement in the management of the delegated programmes and helped to develop better services to the Agency's

stakeholders and beneficiaries. In the section on knowledge making we comment on the way in which INEA generates information on its activities that contributes to Commission policymaking, and the fact that it has been proactive in this respect. Similarly, the feedback obtained from beneficiaries suggests that it is providing a very professional service to them in terms of managing the application process and the project selection procedures, contract management and financial procedures. Overall, feedback from the interview programme suggests that beneficiaries perceive it as “less bureaucratic” comparing to its predecessor (TEN-T).

It should be noted that the improvements of procedures (e-submissions, monitoring, etc) occurred as the complexity and scale of INEA’s workload increased, including with the largest ever call for CEF-Transport (EUR 11.93 billion in 2014, followed by EUR 7.6 billion in 2015 and EUR 1.9 billion in 2016). Through the development of dedicated tools and procedures, INEA has also been better able to coordinate projects even as the number of projects being funded has increased. The KPIs have been adhered to as INEA has gone through an extensive recruitment process, from 151 staff at the end of 2014 to 225 active staff in 2016, with a further 26 vacant posts. Given this rate of expansion it should be viewed as an achievement that INEA has maintained or improved its performance against all but two KPIs, both in legacy programmes (TEN-T and Marco Polo) Both are discussed in Section 3.1.5.2 above.

In general, the time to pay and time to grant for CEF and Horizon 2020 were substantially lower than the Marco Polo II and TEN-T projects in the evaluation period 2011–2013 and for the current evaluation period (except for the CEF call in 2016), whilst the execution of commitment, payment appropriations and error rate of payment are all equivalent. This finding is supported by interviews with staff and reporting, including the work programmes and annual reports, all of which have emphasised the extensive efforts and initiatives that have been undertaken to simplify the procedures for CEF and Horizon 2020.

During the period under review, the Agency has developed a medium and long-term vision in order to ensure the successful implementation of projects and build a stable and reliable project management capacity. The CEF mid-term evaluation also noted that direct management has allowed project management expertise at INEA to be built up allowing Agency staff to monitor projects in an efficient and consistent manner while ensuring a close control of compliance with EU standards.³⁰ This was also confirmed during the interviews with parent DGs of INEA, who acknowledge high specialisation and expertise of INEA’s staff. Separation of policy making and implementation benefits the beneficiaries as they are dealing with the project officers who are much specialised and are more interested in the technical aspects of project implementation.³¹ Having in mind the importance and size of the projects managed by INEA, close collaboration and trust between beneficiaries and project officers is especially important.

As noted earlier, the assessment of the effective implementation of the INEA-managed programmes is positive judging by the key performance indicators (timely execution of the delegated functions; effectiveness of the management and control arrangements; effectiveness of the established supervisory and control systems in ensuring the legality and regularity of the programmes; and budget execution of commitment and payment appropriations). As already detailed in this report, with the exception of TEN-T and Marco Polo II in 2014, INEA has executed its commitment and payment appropriations in line with its targets of 100% (see Table 3.4). Further evidence of effective implementation can be found in the CEF mid-term evaluation, which found

³⁰ Commission Staff Working Document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), SWD(2018) 44 final.

³¹ Interview data

that respondents to the open public consultation (OPC) technical survey assessed the application and selection process managed by INEA very positively: 76% of respondents (n=171) said that the application and selection process was managed very (34%) or somewhat efficiently (42%).³²

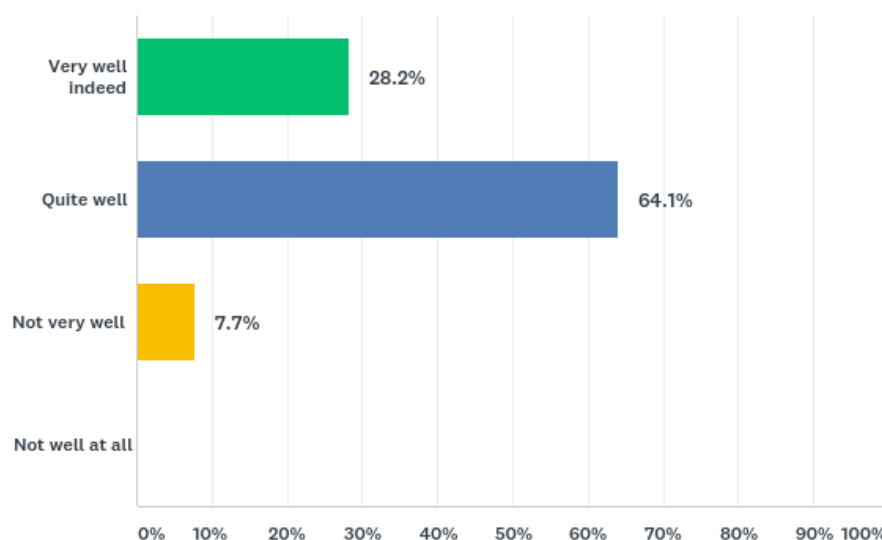
The extent of INEA's contribution to an improved management of the delegated programmes compared with the legacy programme for energy has been influenced by a number of factors in the period under review. In the case of CEF Energy, according to interviews with Agency staff, one complication is that there has tended to be a lack of mature projects that have reached the stage of being viable and therefore eligible for support. The CEF Transport has not experienced such problems, except in relation to the elements involving Cohesion funding where there have been implementation delays. In the case of H2020 there has generally been a good response to calls. Here, the main costs of projects relate to the salaries of R&D personnel and these costs are easier to forecast and budget than those in fields such as energy infrastructure and transport where physical infrastructure is the main cost item and can be subject to unforeseen implementation delays.

Feedback from Programme Committee members on INEA management of delegated programmes

In the online survey for the evaluation, Programme Committee members were asked to comment on several issues relating to how INEA manages the delegated programmes.

On the question of the extent to which INEA provides the most suitable framework for managing the delegated programmes, most of those who took part in the survey responded positively with 33.3% saying to a 'great extent' and a further 26.7% saying that this was to 'some extent' their view. Approaching a third of the respondents to the survey did not know. Most Committee members that were surveyed also consider that INEA manages the programme that their Committees dealt with 'quite well' with the remainder (28.2%) mostly saying that it performed 'very well indeed' in this respect. Very few expressed negative opinions.

Figure 3.7: How well in your view does INEA manage the programme that your Committee's work relates to?



Source: Survey of Programme Committee members (N = 39)

³² Commission Staff Working Document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), SWD(2018) 44 final. Part 2/2.

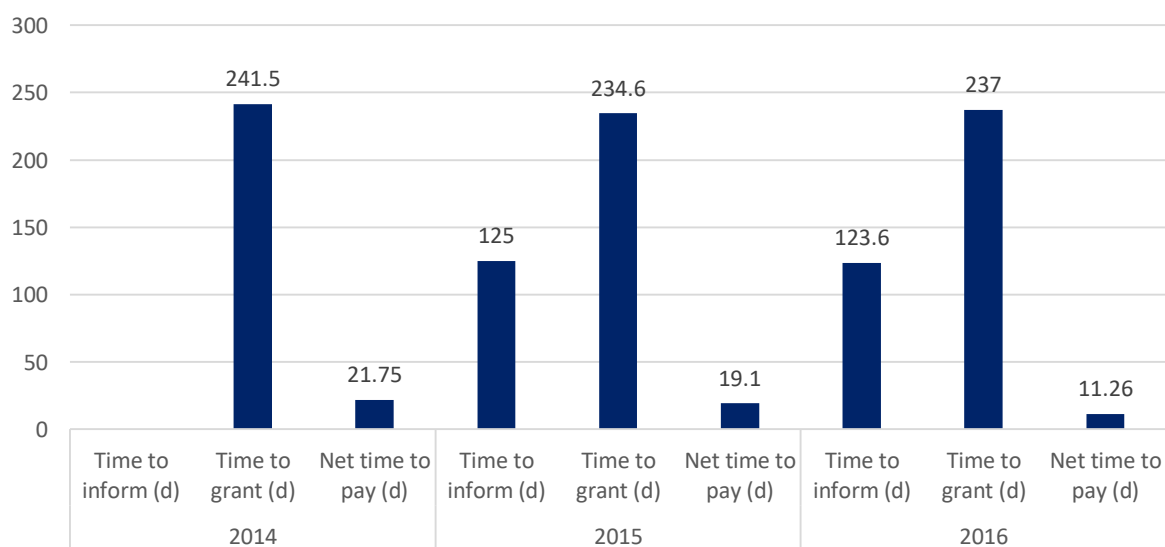
Reflecting the generally positive survey responses, one survey participant argued that: “INEA is managing all delegated programmes very efficiently; this is recognised by all clients/stakeholders.” A more critical view was that: “The Committee is too often just a formal institute for the approval of documents and much more intense work with Member States is needed. We have also taken note of unequal approaches of different INEA project managers towards similar projects. It is important to create more harmonised methodological guidance on project management and implementation and this should be done on a basis of participation with Member States.”

3.2.4 Grant application and award procedures

The research suggests that the delegation of programmes to INEA has resulted in an improved relationship with applicants and beneficiaries. There is a perceived improvement in the specialisation and professionalism of project management, praised both by parent DGs and beneficiaries. During the interviews beneficiaries also mentioned the development of long-term relationships between them and INEA staff (particularly within the CEF programme, where projects are long-term and beneficiaries are to some extent limited in terms of numbers), deep familiarity of INEA’s staff with the projects they manage, and the ability of INEA staff to provide technical support in areas such as public procurement, risk management and other areas specific to the topic of the call.

The assessment of the key INEA performance indicators related to average time to inform, time to grant and time to pay, shows that all three KPIs improved compared to the situation in 2014 (2015 for TTI) and 2016 (see below).

Figure 3.8: Average time to inform, time to grant and time to pay for all programmes



Note: TTG figures for 2014 were converted from months to days

Source: prepared by the Consortium based on: INEA, Annual Activity Reports 2014-2016.

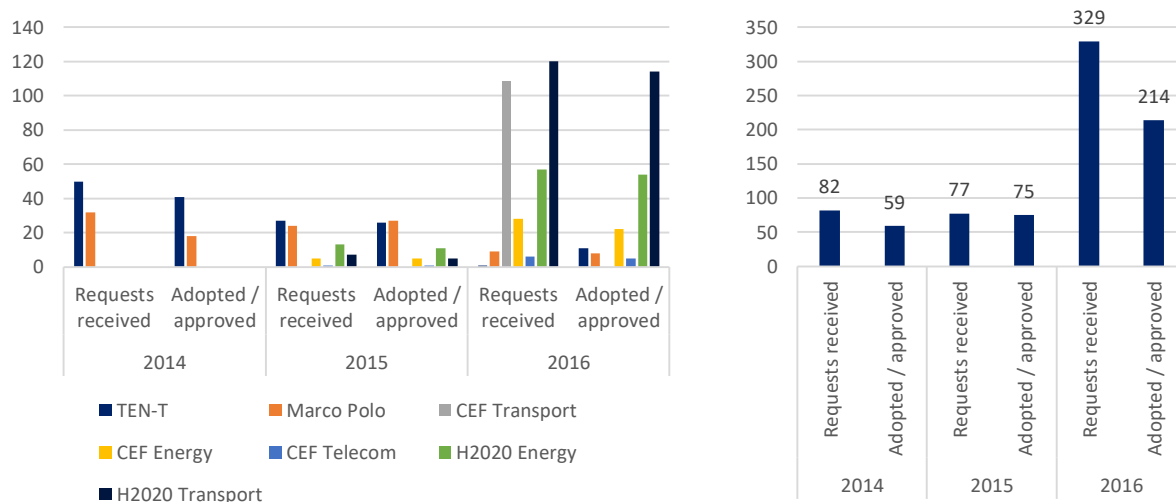
From 2014 to 2016 INEA had close contact with programme beneficiaries, which, in addition to the financial benefits, is one of the key benefits of the Agency scenario. INEA acts as a central contact point for beneficiaries. Regular contact is taking place between beneficiaries and their project officers at INEA, including participation of the project officers in the majority of the kick-off meetings organised by beneficiaries³³, ad-hoc monitoring visits and on-site visits to verify the degree of

³³ INEA, Annual Activity Report 2016

completion of the projects. During 2016, thematic workshops were also organised to identify the synergies among different projects in the same thematic field, which also allowed beneficiaries to communicate their project results.³⁴ To familiarise beneficiaries with the process of Grant Agreement preparation, dedicated ‘hands-on’ workshops and bilateral meetings were organised. INEA has also put in place a ‘reminders policy’ to inform beneficiaries about deadlines for their various obligations as they approach, especially those related to the submission of the final report and final payment request.³⁵

Another area which demonstrates INEA’s responsiveness to beneficiaries’ needs is the Agency’s effective management of grant amendment requests. In total, between 2014 and 2016, 488 requests for amendments were received, 348 of which were approved.³⁶ Most of the requests for amendments concerned such administrative aspects as payment options, change of legal representative, starting date, extension of the implementation date or suspension of the project, withdrawal or adding co-beneficiaries, decrease of maximum grant, etc.

Figure 3.9: Number of amendment requests received/approved (2014-2016), by programme/ year



Source: analysis based on: INEA, Annual Activity Report 2014-2016

Feedback from applicants and beneficiaries on application procedures

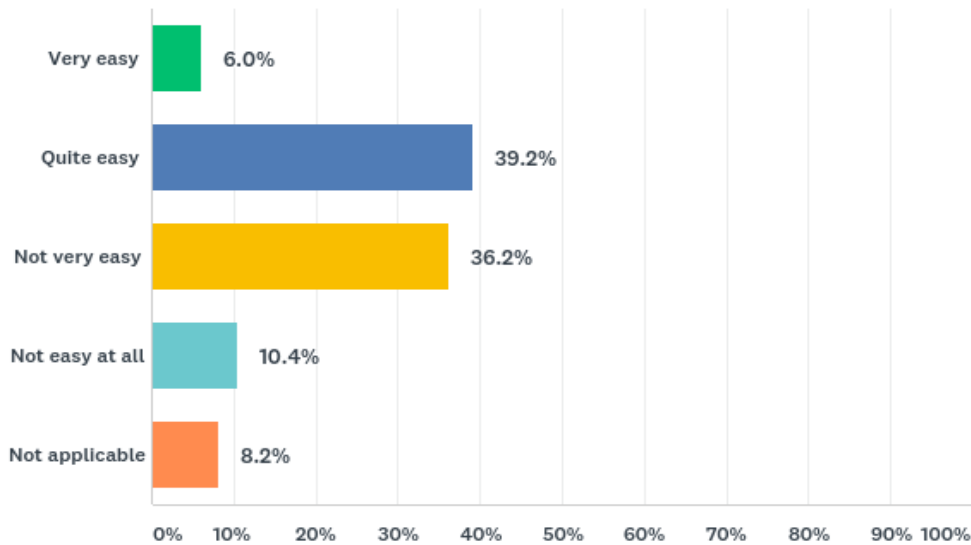
A very important perspective on how well INEA is managing the delegated programmes is of course the feedback from applicants and beneficiaries. Below we provide an analysis of the survey feedback on the application procedures and contract management.

Applicants and beneficiaries are of course a key source of information on the extent to which INEA has contributed to an improvement in the management of the delegated programmes and helped to develop better services to its stakeholders and beneficiaries. In the online survey for the evaluation we asked for views on this issue. There were very divided views on the procedure for applying for funding from INEA with beneficiaries quite evenly split between those saying the procedures are easy to deal with (45.2%) and those who held the opposite view (46.6%) with a small number indicating that the question was not relevant or who did not have an opinion.

³⁴ INEA, Annual Activity Report 2016.

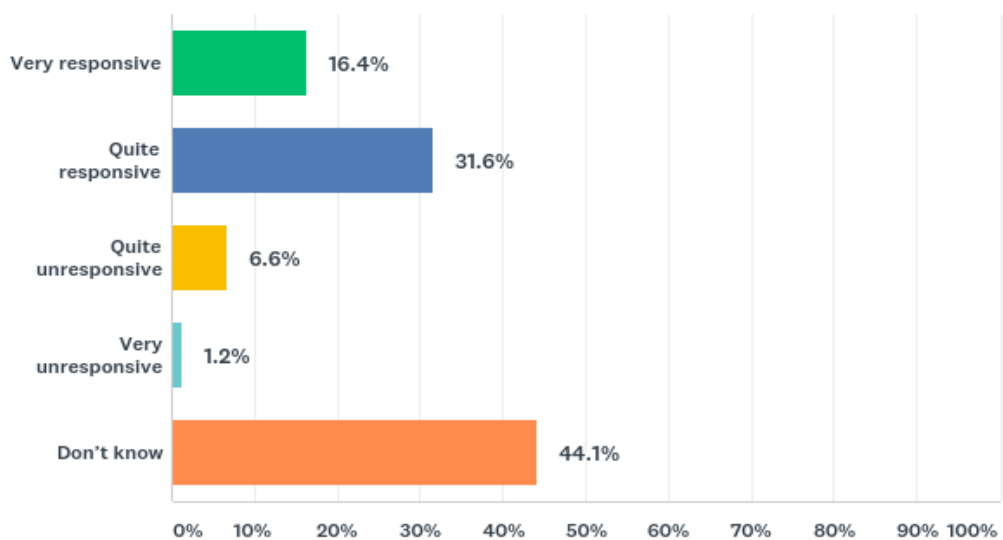
³⁵ INEA, Annual Activity Reports 2014-2016.

³⁶ The number of approved requests might be higher as some of the requests might be approved in 2017

Figure 3.10: How easy did you find it to apply to INEA for funding?

Source: Survey of INEA beneficiaries (N = 978)

Most of the beneficiaries (78.0%) said they had received enough information from INEA about the procedures. There were similarly positive responses to several more specific questions relating to information available to applicants on the calls for proposal (where, excluding 'non-applicable' responses, 88.3% found the information either 'very' or 'quite useful'), the information days (78.3% saying they were either 'very' or 'quite' useful) and the responsiveness of INEA to queries (if don't knows are excluded, 80.6% said the agency was either 'very' or 'quite' responsive).

Figure 3.11: During the application process, how responsive was INEA to queries or problems?

Source: Survey of INEA beneficiaries (N = 981)

In interviews with beneficiaries, it was explained that the procedure for applying for funding from INEA was perceived as similar or easier than applications to other EU funding sources, but very complex in comparison to national funding. Other interviewees found INEA's information points online very helpful, and others found attending events and info-days in Brussels very useful. In

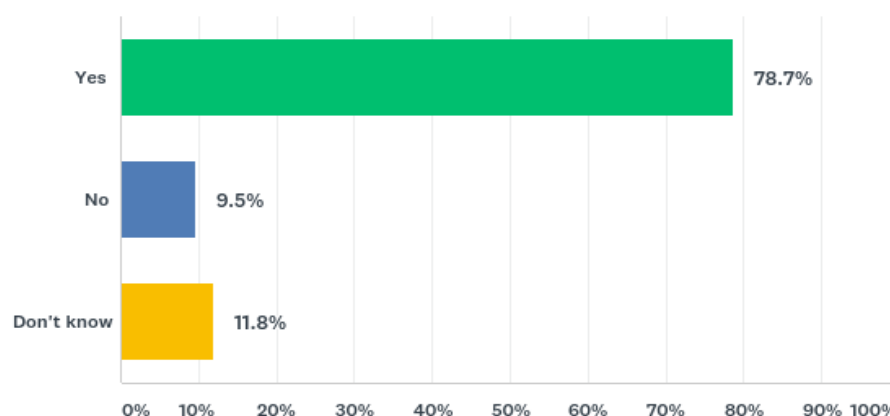
general, applicants who are familiar with applying to EU funding through other instruments found it easy to apply for funding from INEA. Conversely, those with no prior experience in applying for funding from the EU found INEA's process complicated and often did not understand the role of the agency.

INEA Programme Committee members were also asked about how successfully INEA communicates its activities concerning the application process. A significant proportion of committee members (41.1%) stated that they regarded the Agency as performing 'very successfully' in this respect with a further 53.8% saying 'quite successfully'. There were very few criticisms.

In a further survey question applicants and beneficiaries were asked if INEA provided enough feedback on applications – especially useful to those whose applications were rejected if they intended to reapply. On this question, 55.9% of those responding to the survey said they had received enough information while 14.2% said this had not been the case with the remainder saying 'don't know' (possibly because in many cases they had not asked for additional feedback). These views are consistent with the interview feedback: some respondents were happy with INEA's feedback (for H2020 the Agency provides a detailed ESR to applicants often with more than two pages of technical feedback). Others found the feedback too generic. There was a similar response from the external experts with 66.8% saying that the Agency provides adequate feedback to applicants. One expert commented that "INEA is providing good feedback to H2020 applicants - at least we prepared the material, I don't know how much is passed on to applicants. INEA feedback to experts is quite poor in terms of how they performed against what was expected of them". As concerns feedback to experts, it has to be noted that INEA is not mandated to monitor and record expert performance and currently no harmonised procedure has been put in place in Executive Agencies/parent DGs for that purpose.

INEA scored highly on the speed with which decisions are taken on applications with 78.7% saying decisions were taken in 'an acceptable timeframe' and only 9.5% saying this was not the case (the remainder did not express a view).

Figure 3.12: Was the decision on your application taken within an acceptable timeframe?



Source: Survey of INEA beneficiaries (N = 978)

The interviews with beneficiaries provided similar feedback to the survey with regard to the perceived ease of application procedures and the quality of guidance from INEA. Beneficiaries of CEF Transport commented on the significant improvement of the submission procedures since the administration was moved from DG MOVE to the Agency, especially in the past 4-5 years since the procedures were first digitalised, resulting in the current application process being very quick and

smooth-running. The fact that all information is only provided in English was highlighted by some interviewees as something of a complication. More generally, beneficiaries also stressed the importance for applicants of the European Information Days organised in Brussels and the FAQ section of the call website. The latter was thought to be a useful source of information; suggested additional improvements included extending the period for submitting questions. The service meets the deadline of 2 weeks provided in the Code of good administration: responses usually take 1-2 weeks to reach applicants. Further improvements could be made by increasing the speed of feedback further. Some interviewees felt that it was easier for the national coordinators to assist beneficiaries in obtaining feedback from INEA to queries or problems because of their already close contacts with the Agency staff.

However, less positively, the application process was also thought to have become a lot more complex in recent years and the time available to applicants from the publication of a call until submission is seen to be very tight given the amount of preparation that is needed. In fact, it was suggested that the current complexity meant that most applicants have to employ professional advisers to help them write their proposals. Some interviewees commented that the detailed evaluation fiche drafted for all proposals during the selection process provides useful feedback to help unsuccessful applicants improve their application for a later call. Several people said that they had indeed managed to improve rejected applications sufficiently to be successful subsequently. However, some interviewees argued that the feedback provided to unsuccessful applicants tends to be too “soft” with standard language being used to protect INEA’s position instead of detailed feedback on proposals.

In terms of the timescales involved in the selection process, the beneficiaries we interviewed generally found these acceptable, although the longer the evaluation period lasts, the less time is available for contract negotiations given the strict time-to-grant limit of nine months between submission and the grant agreement being ready.

The interviews with beneficiaries produced similar feedback to that found in the survey. Given the strict 9-month time limit from application to signature of the grant agreement, contract negotiations sometimes have to be carried out rather swiftly and some beneficiaries found the timescales quite tight in view of the amount of additional information required. According to the interview feedback, negotiations can be especially difficult with some of the large infrastructure projects that tend to involve large consortia from many different organisations and countries, and where responsibilities and funding percentages are arranged in complex ways.

Working out the financing can be complicated for a large consortium, especially if there are changes compared to the original proposal. Several interviewees mentioned that they found the process quite bureaucratic. Beneficiaries did nonetheless highlight the fact that at the end of the process, the first payment is usually prompt and often available within one week of signature which is much quicker than before INEA existed when the negotiation process could easily take a year, according to several interviewees. According to several beneficiaries who were interviewed, having to make changes to a grant agreement once signed was seen to be especially challenging although on large contracts with many project partners, often including public authorities, changes are not unusual, for example as a result of mergers in ministries and government departments. It was highlighted that it is impossible to predict all eventualities in advance in the contract, so some flexibility is appreciated.

Case Study: INEA's interaction with external evaluators

INEA uses numerous external experts in the evaluation of project proposals under both CEF and Horizon 2020. 376 external evaluators responded to an online survey regarding their experiences of working for INEA. The bulk of respondents (244) worked on Horizon 2020 alone, with 68 working solely on projects as part of the Connecting Europe Facility (CEF), and an additional 64 worked on both.

Overall, external experts showed high levels of satisfaction with INEA's selection and contracting process, whether they worked on Horizon 2020, the CEF, or both. 58.8% of all experts were very satisfied and an additional 32.4% were quite satisfied. Overall less than 10% were quite or very dissatisfied, or had no response. Experts working on Horizon2020 alone had the highest level of satisfaction, with only 4.1% dissatisfied in any way (an additional 4.5% did not respond or were unable to comment). By contrast, 9.4% of those working on both CEF and Horizon 2020 were dissatisfied, as were 11.8% of those working on CEF alone. Experts working on both projects were also least likely to be very satisfied (46.9%) compared to those working on Horizon 2020 (61.5%) or CEF (60.3%) alone.

One example of a very satisfied response came from a Horizon 2020 external evaluator who had registered for the European Commission's expert database in 2000, who remarked that the process selection had been made significantly more efficient by the adoption of electronic signatures. However, several external evaluators who said they were quite satisfied with the overall process voiced concerns about the contracting procedure, suggesting that it could be improved by more rapid confirmation after the first request of availability. One said that they had been asked for their availability months in advance but were only told at the last minute that they were not required for evaluation.

A second question posed to external experts was whether evaluation/review consensus meetings are run efficiently by INEA. This was overwhelmingly supported, with just 4.5% dissatisfied. However, the proportion of experts who were very satisfied is noticeably lower, at 51.6% (it is worth noting that given that experts on Horizon 2020 alone are in the overwhelming majority, they inevitably skew results). Looking at feedback from external evaluators, recommendations were to increase discussion time, creating consistent quality across moderators, and increasing the flexibility of the procedure so that the experts can have a say in setting criteria. Turning finally to perceptions of the quality of evaluation/review activities, just 2% felt that they were low quality, with 56.3% believing they were high quality across the board. Perceptions of the activities as high quality were highest for Horizon 2020 (143 respondents, 58.6%), and lowest for CEF (33, 48.5%).

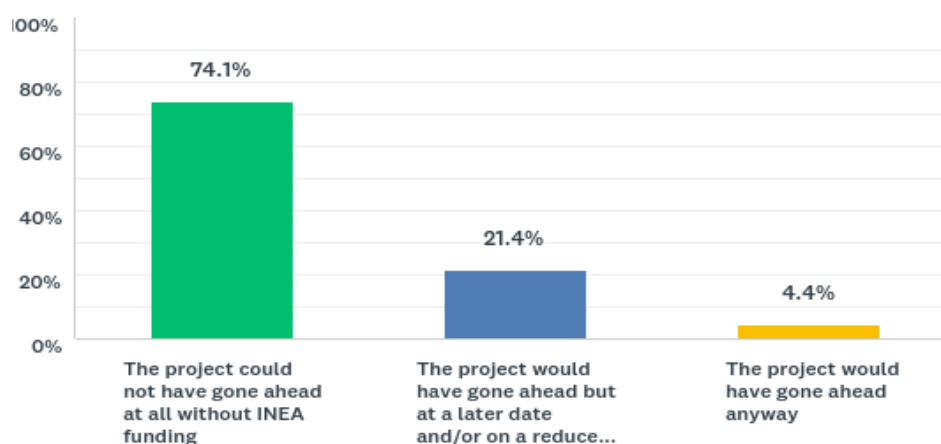
Again, although external evaluators were largely supportive of evaluation/review activities, there were some suggestions for further improvements. Pursuing in-person activities compared to remote alternatives, increasing the amount of responsibility for external evaluators to shape criteria, and ensuring that moderators did not influence decisions based on personal preferences were all suggested.

Role of the funding

An important question is how important the funding from the programmes being implemented by INEA was to enabling projects to go ahead. This question is relevant to the evaluation because it sheds light on how effective INEA (and the parent DGs) are in assessing applications and ensuring that funding is allocated to projects where it can add the most value.

On this question, the overwhelming majority of survey respondents (74.1%) said that their projects would not have gone ahead at all without the funding ('absolute additionality'). Just under a quarter (21.4%) said that without funding their projects would have gone ahead but there would have been a delay and/or the project would have had to be modified ('partial additionality'). Delays might have occurred, for example, if it was necessary to identify alternative sources of financial support. The remainder (4.5%) stated that their projects would have gone ahead exactly as planned without funding ('deadweight').

Figure 3.13: If your application was successful, how important was the EU funding in order for your project to be able to go ahead?



Source: Survey of INEA beneficiaries (N = 924)

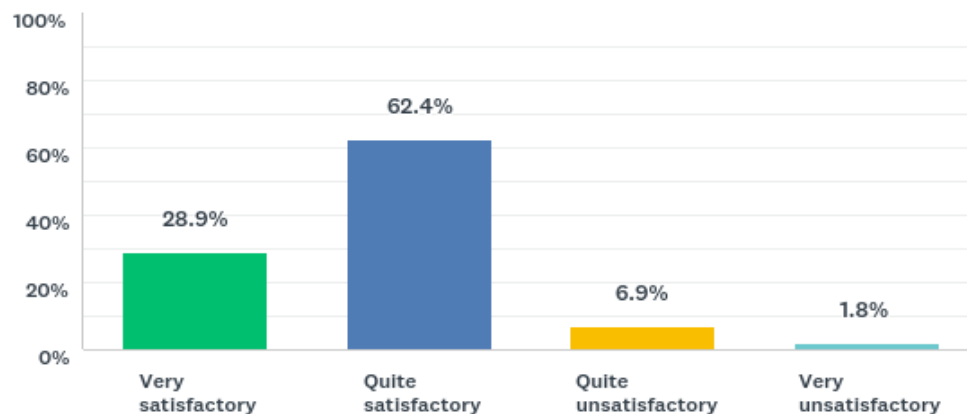
Rather than asking a hypothetical question, another way of testing additionality is to examine what actually happened with applications that were refused. In this case, almost two-thirds (63.8%) of those survey respondents whose applications were turned down said that their projects did not go ahead with most of the remainder (26.6%) stating that their project went ahead but that there were delays and/or it was necessary to modify their project design. Very few (the remaining 9.6%) said that the decision to reject their application had not made any difference to their plans. Taken together, these findings from the survey support the conclusion that INEA has been successful in ensuring that applications are appraised in a way that means funding is allocated to the most deserving projects. On the question of additionality, some of the beneficiaries we interviewed who had had their applications rejected said that rather than going ahead with the project without EU funding, they had improved their proposal and reapplied.

3.2.5 Contract management procedures

In addition to the metrics analysed earlier in this section, an important source of evidence for the evaluation with respect to the management of the delegated programmes is the feedback obtained from beneficiaries on INEA's management of projects once a grant has been awarded.

In the online survey, the overwhelming majority (91.3%) of survey respondents indicated that contract negotiations had been concluded with INEA in a satisfactory way, but opinions within this category were divided with 28.9% saying the proceedings had been 'very satisfactory' but a much higher proportion (62.4%) stating that they had only been 'quite satisfactory'. In almost all cases (95.4%), the respondents indicated that funding for projects had been made available within the agreed timescales.

Figure 3.14: If your application was successful, how satisfactory were the contract negotiations?



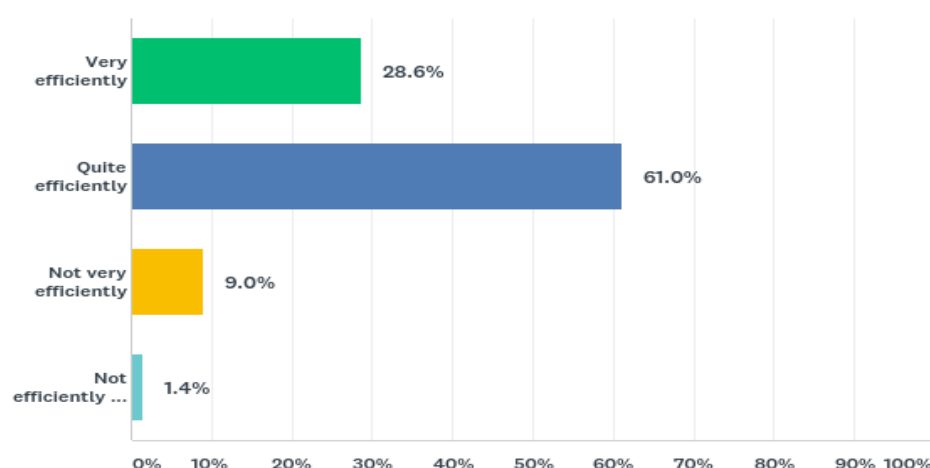
Source: Survey of INEA beneficiaries (N = 849)

Those expressing negative views on this question gave various reasons for their survey response, for instance the limited possibility of negotiating the grant agreement or long delay for processing amendment.

There was positive feedback on how responsive INEA is to questions raised by beneficiaries during the implementation of their contracts with the agency with 30.2% saying that it had been 'very responsive', 37.9% saying 'quite responsive' and only 6.2% saying that INEA was either 'quite' or 'very' unresponsive to queries (25.7% said they did not know, presumably because in many cases they had not found it necessary to contact the agency with a query). Excluding the 'don't knows', almost all of the respondents (92.0%) said they had been content with the answers given by INEA.

More generally, the majority of respondents also said that INEA had handled the administrative procedures relating to their project (applications, evaluation, contract negotiations, project monitoring, etc) either 'very' efficiently (28.6%) or 'quite' efficiently (61.0%).

Figure 3.15: How efficiently did INEA manage the procedures (applications, evaluation, contract negotiations, project monitoring etc.) in relation to your project?

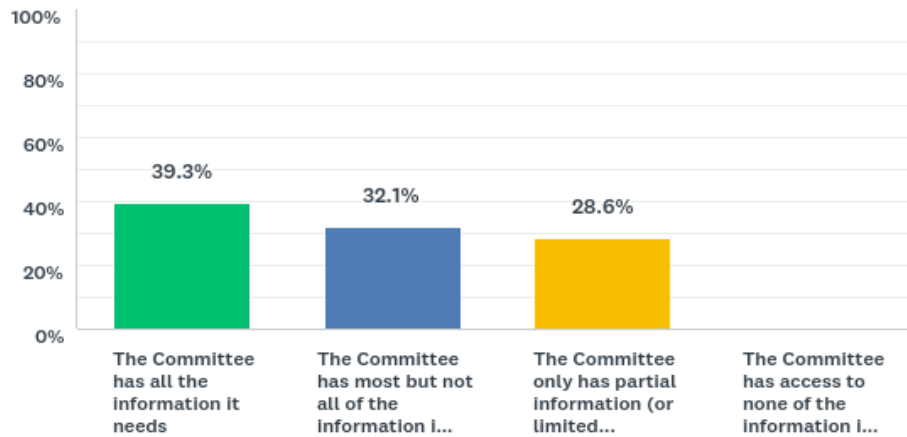


Source: Survey of INEA beneficiaries (N = 867)

Programme Committee members were also asked for their views on the extent to which they received adequate information on the programme management aspects which are the

responsibility of INEA. Most were reasonably satisfied in this regard. There were similar responses from CEF Transport Advisory Group members.

Figure 3.16: On the programme management aspects which are the responsibility of INEA, to what extent has the Committee been provided with adequate information?

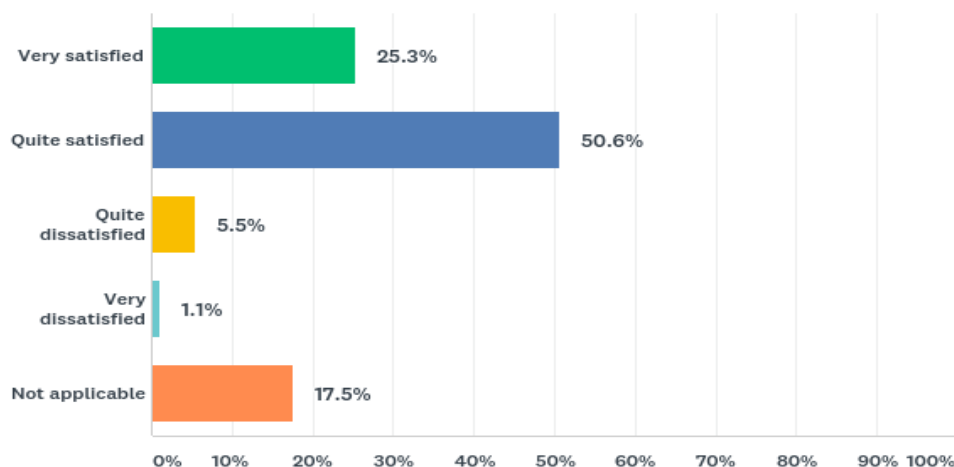


Source: Survey of Programme Committee members (N = 29)

Quite a high proportion of those responding to the survey (38.5%) had experienced difficulties meeting deadlines with their projects, either in terms of the deliverables or in relation to reporting requirements. Most survey respondents (72.5%) said that project monitoring arrangements were reasonable with only 8.5% disagreeing (19.0% answered ‘don’t know’).

Most beneficiaries were satisfied with the grant management tools (online portal, submission of deliverables, etc). A total of 17.9% said they were ‘very satisfied’ and 65.7% said they were ‘quite satisfied’. The survey responses indicate that most beneficiaries were also satisfied with their dealings with INEA (day-to-day project management, site visits, monitoring, etc). Amongst those who had their project applications accepted and were therefore in a position to comment on this question, 91.9% most said they were either ‘very’ or ‘quite’ satisfied.

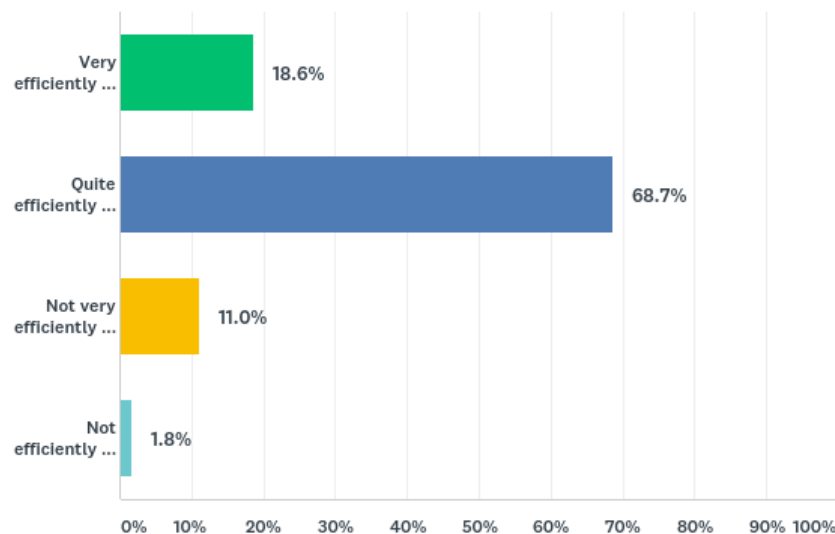
Figure 3.17: Overall, how satisfied are you concerning your contact with INEA?



Source: Survey of INEA beneficiaries (N = 892)

Overall, most beneficiaries said that they thought INEA was performing either ‘very’ or ‘quite’ efficiently and effectively (18.6% and 68.7% of respondents respectively indicated this).

Figure 3.18: Overall, how efficiently and effectively is INEA performing in your view?



Source: Survey of INEA beneficiaries (N = 900)

Those surveyed as part of the evaluation had a number of suggestions on how procedures could be improved. A total of 236 beneficiaries and 32 Programme Committee members made suggestions. Examples are provided below. It should be noted that these are direct quotations from respondents who used the open responses option to add comments. Some of the comments apply to only one programme but it is unfortunately not possible from the survey responses to identify which programme was being referred to. It should also be noted that whilst the stakeholder feedback on INEA's performance is generally very positive, the feedback from beneficiaries and applicants highlighted below suggesting scope for improvements is by its very nature likely to focus on shortcomings and this needs to be borne in mind given the otherwise positive evaluation findings.

Beneficiary feedback on possible improvements

- “Knowing in advance if/when a call for proposal will be launched.”
- “More active support in the design of proposals in an open and equal manner. Overall, the proposal phase is surrounded by discretion which for applicants with less experience may render the process of applying more complex.”
- “The most important starting point is to be inclusive from the start and devise a clear division of responsibilities between Member States and INEA and Commission Services.”
- “Establish an exclusive "hotline" for National Contact Points/Committee members to get instant information and advice on application procedures.”
- “Perhaps be more responsive to queries during the application process.”
- “Local information meetings, meaning in more than one place in EU; that the meetings are available online during and after the meeting; to look at flexibility in reporting, both regarding how to submit and save documentation (paper vs digital), and that partners with high level of accuracy in reporting gets "auditing-benefits".”
- “In amendment requests to the Grant Agreements, sometimes, INEA is not sensitive to all the arguments presented.”
- “The agency could look into detailing more the feedback to the rejected proposals authors in

order to provide sufficient elements to prepare a better proposal next time. Otherwise the agency could make clearer that applicants may request additional information.”

- “INEA should liaise with the relevant services in view of rendering the participant portal more reliable and user friendly Improvement of participant portal (too many bugs) and Cordis database.
- “INEA newsletter to coordinators and beneficiaries.”
- “Less projects per project officer to ensure more capacity for each project. More attention to content-related performance monitoring. “
- “The main cause of concern is the online portal / PPGMS. This should be thoroughly improved or even better: re-programmed.”
- “Make increase use of electronic signatures. When Member States have to validate all the national proposals initially and all the project progress reports subsequently. The vast majority is currently doing this with paper copies signed by their Director, which are then scanned and uploaded them manually.”
- “More guidelines on how to manage risks of delays. Guidance on how to manage risks and tools that can be used could be helpful.”
- “Could do more publicity of their projects which were successfully implemented. More success stories. More seminars/workshops to update on progress of programmes.”

Concerning visibility of the EU as a promoter of the programmes entrusted to INEA, the research findings suggest that there is awareness amongst stakeholders that the Agency is acting under powers delegated by the Commission. One Commission official mentioned that, although beneficiaries tend to approach INEA on technical issues, they approach the relevant DG on questions of policy or when they are hoping to provide input to the preparation of future calls. This evidence, while anecdotal, does suggest an advanced understanding of the Commission’s role as well as of the specific role of the Agency. One beneficiary during the interview also mentioned that the distinction of who does what is quite clear: “INEA is the intermediary between us and Commission – in charge of insuring the objectives of Commissions are being met.”. Whereas some other beneficiaries provided more diverse views on how well-known the brand of INEA is. Some of them emphasised that due to the small size of the area they are working in, they know all the actors pretty well, whereas some other respondents questioned this.

3.2.6 Efficiency – how well is INEA performing as an organisation?

Apart from how well processes work, efficiency considers the relationship between the resources used by an intervention and the changes generated by the intervention (which may be positive or negative). The key question is whether the outcomes being achieved are proportionate to the input of financial and human resources. Put another way, could more be achieved with the same inputs or could the same inputs produce more and/or better outcomes?

A typical efficiency analysis could include an analysis of the administrative and regulatory burden and look at aspects of simplification. Evaluation findings should pin-point areas where there is potential to reduce inefficiencies, particularly regulatory burdens and how to simplify the intervention. The specific issues from the Commission’s terms of reference are examined below:

- **Is the management and execution of the programmes by INEA cost-effective compared to the alternative options?**
- **Do the actual costs (including cost of coordination and monitoring) of INEA correspond to the estimates of the 2013 CBA?**
- **To what extent have the actual benefits corresponded to the estimates of the 2013 CBA?**

- **Has the establishment of INEA resulted in savings to the EU budget as compared to the alternative options (e.g. difference in costs between the Commission option and the Agency option)?**

The results of the CBA carried out during the previous evaluation confirmed that significant savings (in the order of EUR 2.2 to 3.4 million each year) were made to the EU budget by having the Agency in charge of implementing the TEN-T Programme, mainly as a result of lower overheads and the staff mix geared towards contract staff. The Agency was evaluated as a cost and organisationally-efficient organisation which performed very well in all expected areas. A benchmarking exercise of the TEN-T Executive Agency against the other agencies showed that the ratio of budget managed per member of staff has been excellent. Outsourcing the implementation to the Executive agency allowed to build up and retain the expertise in the TEN-T Programme, which would become more difficult compared to alternative options, such as within the Commission. Additionally, the ratio of contractual agent staff to temporary agent staff at the Agency means that the Agency has been a more cost-efficient alternative to an in-house Commission scenario where the Commission would have used a much lower ratio of contract staff. Because of its nature, the Agency has been a cost-saving instrument for DG MOVE, whilst ensuring high quality execution of the TEN-T Programme implementation.

The results of the current 2014-16 retrospective CBA show that the actual costs of the executive agency scenario were below the Specific Financial Statement (SFS) estimations.³⁷ The overall actual costs of the executive agency scenario³⁸ constituted EUR 60.824 million over 2014-2016. In order to evaluate to what extent the actual costs have corresponded to the initial SFS estimates it is important to follow the same assumptions that have led such SFS estimates. The SFS estimations (EUR 64.915 million over 2014-2016) were based on the EU contribution, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million over 2014-2016) to manage additional operational budget. Consequently, **based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 60.424 million, which means that the actual savings amounted to EUR 4.491 million and accounted for 7% of the SFS estimates.** Significant cost savings occurred in Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget. Title I "Staff related expenditure" was by 4% higher than estimated in the SFS, which related to higher average staff costs. Higher staff expenditure may become an important issue in subsequent years since the average staff cost estimations remain constant in the SFS during 2014-2020 period, while the actual average staff costs might rise further due to salary indexation, promotions and/or increasing staff seniority.

Secondly, the costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. In 2014-2016, the actual cost savings deriving from cost difference of the executive agency scenario and the in-house scenario constituted EUR 24.4 million (or 29% of the estimated costs under the in-house scenario). Comparing the savings initially estimated in the CBA and SFS with the actual savings from the delegation of tasks to INEA, our research suggests that the actual savings during the 2014-2016 period were higher than initial estimations (EUR 24.4 million compared to EUR 16.1 million CBA and EUR 22.8 million SFS estimates). As forecasted in the SFS and the ex-ante CBA, savings of the executive agency scenario primarily resulted from a higher share of

³⁷ The different scenarios for the CBA are outlined in section 3.3 below.

³⁸ Including cost of coordination and monitoring by the Commission and costs of INEA covered from EFTA and third country contributions.

lower cost external personnel (CAs) employed within the executive agency and lower overall number of staff.³⁹

Committee members who were surveyed for the evaluation were asked for their views on the extent to which INEA had brought about cost-savings (this question was not asked in the others surveys). A total of 60% of committee members who participated in the survey argued that the establishment of INEA had resulted in at least some savings to the EU budget as compared to the alternative options (10% thought there had been 'a lot' of savings while 50% argued there had been 'some' savings). The remainder argued that there had been only very limited or no savings.

To what extent has INEA contributed to improved management of the programmes in terms of simplification of the procedures and flexibility in the implementation of delegated tasks (e.g. capacity to adapt to periods of high workload)? Which further scope for simplification exists?

In our tender we defined simplification as the introduction of new and better management and implementation arrangements: simplification, streamlining and harmonisation of funding rules and procedures across different programmes and programmes' strands; a wider use of systems for electronic data management and electronic data exchange between the administration and beneficiaries, as well as user friendliness of the employed IT systems; simpler forms of grants (such as use of standard cost options – lump sums, standard scales of unit costs, flat-rate financing); and other forms of simplification.

A wider use of well-tailored simplified implementation mechanisms and procedures should contribute to the reduction of the administrative burden both to the beneficiaries and the INEA, to allow the focus to shift from projects' inputs to their results and impact of the EU programmes, as well as achieving additional efficiency gains and enhancing the capacity to adapt to periods of high workload. As a result, these benefits can contribute to the implementation of the Commission's initiative on the EU Budget Focused on Results and to ensure better performance focus in the future.

Interviews with beneficiaries support the views of INEA staff that the Agency was able to streamline and simplify their procedures during the evaluation period, especially with regard to finance. This has enabled INEA to efficiently manage the increase in budgetary resources.

In terms of flexibility of programme management, the CEF mid-term evaluation concluded that the CEF budget is optimised thanks to the capacity of INEA to quickly adapt to manage redirected money unspent by certain actions, using it instead for financing new actions. A specific example was provided by the evaluation of EUR 600 million that was re-injected in a transport call in 2016.⁴⁰ The mid-term evaluation also concluded that the monitoring done by INEA allows for delays and/or cost reduction (for instance resulting from the tendering processes) to be identified effectively, thus enabling the relevant grant agreements to be amended in a very responsive manner in order to free the corresponding budgetary commitments and re-inject them into new calls.⁴¹ A few interviewees also noted that the Agency is more flexible compared to the Commission, which is partly because of the smaller size of the Agency, its specialisation in project management and its proximity to applicants /beneficiaries. However, they noted that it is important not to lose this flexibility with the rapid expansion of the Agency.

³⁹ The number of staff in in-house scenario was not modified in SFS.

⁴⁰ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF). SWD(2018) 44 final.

⁴¹ Commission Staff Working Document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), SWD(2018) 44 final. Part 1/2.

3.2.6.1 Simplification

Simplifications and harmonisation bring a two-fold benefit: first, they allow the Agency to better cope with the high workload of the staff; second, they help to decrease the administrative burden for beneficiaries and increase their satisfaction with the programmes managed by the Agency.

The mid-term evaluation of CEF programme stated that the majority of stakeholders generally agree that INEA has enabled a major simplification of the processes and procedures, particularly in the energy and telecommunications sector which were not under the management of the TEN-T Executive Agency in the preceding programming period. The resulting grant agreements are more coherent, which reduces the need for subsequent budgetary amendments.⁴² Regarding the CEF programme specifically and concerning only the Transport sector, an Advisory Group, composed of representatives from Member States and project promoters, advises the Agency on improvements and simplifications needed.

During the evaluation period INEA continued to improve its main business processes by further introducing various simplifications, both at the organisational level and with regard to programme implementation. In 2014, the Agency merged the submission of the Strategic Action Plan (SAP) together with the Action Status Report (ASR) – previously two separate documents which had to be submitted individually. One of the main goals in 2014 regarding the CEF programme was simplification and harmonisation of the call texts that were published on INEA’s website.⁴³ INEA is also constantly improving its IT tools. For example, a new e-Submission module was developed and launched in 2014. All 2015 CEF Calls were already managed using TENtec. Additional IT tools/modules related to each (part of the) programmes have been developed internally (i.e. Marco Polo follow-up tool, TENtec evaluation module for both Energy and Transport, re-developing the Decision module in TENtec) and included in the IT strategy.⁴⁴ The evaluation module for CEF programme was further enhanced and a new one was designed for the evaluation of the Synergy call.⁴⁵ It is worth mentioning that all CEF evaluations in 2015 have been carried out via the electronic submission module developed in TENtec, in-house.⁴⁶ Following its successful testing end 2015, Speedwell has become as of 1st January 2016, the standard tool to process administrative payment paperless.

Simplification is ultimately intended to benefit those who use INEA’s services. The extent to which applicants and beneficiaries had noticed a simplification of procedures affecting them was investigated in the online survey. An analysis of the responses indicated that most beneficiaries had noticed some simplification of the procedures but responses were quite muted. Only a small proportion (10.7%) of beneficiaries said they had seen a ‘significant’ simplification of procedures with regard to applications and evaluations while almost half (46.5%) merely stated that there had been ‘some’ simplification.

⁴² Commission Staff Working Document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), SWD(2018) 44 final. Part 2/2.

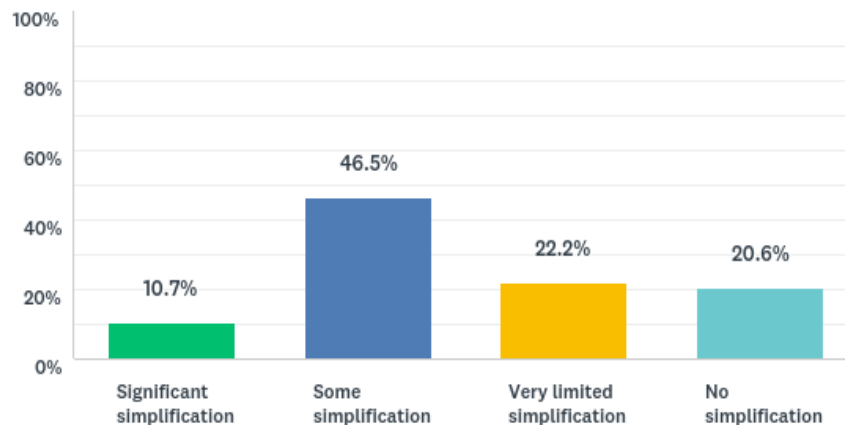
⁴³ INEA, Annual Activity Report 2014.

⁴⁴ INEA, Annual Activity Report 2014.

⁴⁵ INEA, Annual Activity Report 2016.

⁴⁶ INEA, Annual Activity Report 2015.

Figure 3.17: Since 2014, to what extent have you noticed a simplification of procedures regarding applications and evaluation?



Source: Survey of INEA beneficiaries (N = 821)

For a high proportion of respondents (22.2%) there had been ‘very limited’ simplification with many others (20.6%) saying there had been none at all. For a large majority, therefore, there had been no significant change. The survey responses with regard to contract negotiations and monitoring were similar with a combined 58.5% saying there had been either ‘significant’ or ‘some’ simplification.

Programme Committee members were also asked for their views on the simplification issue. Their responses were slightly more positive with 11.4% of respondents saying that there had been a ‘significant’ amount of simplification and a further 69.2% saying they had noticed ‘some’ simplification (compared with 46.5% of beneficiaries). Around a quarter of committee members (25.7%) said there have been very limited or no simplification, in their view. CEF Transport Advisory Group members’ responses were also positive with 27.3% arguing that INEA has been ‘very successful’ in promoting simplification and most of the remainder (54.5%) saying it has been ‘quite’ successful.

Generally, the simplification of reporting procedures is welcomed by beneficiaries who were interviewed. INEA’s responsiveness to issues raised during project implementation was also thought to be good, even though some interviewees said that project officers having joined INEA within the last few years were less ready to come up with solutions to problems. The element of project implementation that raised most concerns among beneficiaries was the ex-post audits from INEA and the ECA. These were considered to be particularly demanding and to involve a lot of work for beneficiaries. INEA is seen to be particularly strict when it comes to documenting that the EU public procurement rules have been adhered to.

Overall, the feedback from interviews with beneficiaries highlighted the significant improvement and simplification of procedures that has occurred in the period since project management was transferred to INEA. A beneficiary commented that procedures were as efficient, modern and non-bureaucratic. In terms of improvements, it was suggested that electronic signatures should be introduced to avoid the large amount of paper copies that have to be signed by Member State administrations in connection with the validation of national proposals and subsequent project reports. Another beneficiary of INEA during the interview concluded that: “The procedures have changed significantly in the 10 years [of existence of the Agency] and have become much easier to

deal with. Initially, applications were all paper-based requiring large amounts of documentation in many copies, but in the past 4-5 years submission procedures have gradually become digital which is a huge improvement. In the first years, the online system tended to crash but now it is very robust and the application process is very smooth. That said, applicants still have to produce a lot of information.”

3.2.6.2 Internal organisational procedures

During 2014 the Agency revised its Manual of Procedures, which was approved in July 2014. Furthermore, an exercise for streamlining and updating the internal procedures and guidelines for the new programmes was initiated.⁴⁷ For document management, the use of paperless workflows was extended. A specific Agency Task Force was created that proposed a concrete action plan to Management to increase paperless procedures.⁴⁸ In addition, more delegation from the Director to Heads of Departments were introduced in response to the changes in the Agency’s hierarchy (see Section 3.1.2).

What aspects/means/actors or processes render the INEA more or less efficient? What could be improved?

The previous evaluation indicated that the Agency was organised to be efficient from the start, adopting a well-functioning structure that did not need significant modification over the period under evaluation, together with a number of strong control procedures. One of the key drivers of success was employee productivity and a staff mix that was different to that at the Commission. The previous evaluation concluded that because of its nature, the Agency has been a cost-saving instrument for DG MOVE (even taking into account the cost of supervision and control from the parent DG), whilst ensuring high quality execution of the TEN-T Programme implementation. The evaluation did not have any specific recommendations on improvements for cost efficiency.

The specific stages of the project life-cycle seem to be very well managed by INEA although there are some aspects that could be improved. The planning of calls and subsequent assessment of proposals also involves differing procedures reflecting practices in the parent DGs (DGs MOVE, ENER, CNECT and RTD). In the case of CEF, there is a coordination meeting involving the three DGs and INEA every 2-3 months but often no agreement on the timing of calls is reached during these meetings.⁴⁹

For all CEF sectors, the external evaluation of proposals is undertaken partly remotely (individual assessment), partly in-situ by external experts selected by INEA (consensus meetings) and, as such, a lack of coordination with regard to calls makes it much more difficult to plan the evaluation sessions and ensure that sufficient space is available for such activities.⁵⁰ Complications such as these do not exist with H2020 because INEA is granted more responsibility in the evaluation planning activities and organisation of the evaluation of proposals (but carried out by external experts) With regard to the planning of work programmes H2020 calls are planned a year in advance, whereas in the case of the CEF, a lack of forward planning and last minute decisions regarding when calls should be launched (particularly noted within CEF transport)⁵¹, can cause difficulties to INEA when trying to allocate the Agency’s human resources in the most effective and efficient manner.

⁴⁷ INEA, Annual Activity Report 2014.

⁴⁸ INEA, Annual Activity Report 2016.

⁴⁹ The timelines for calls are typically decided during the preparation of the WPs and are always agreed with INEA before submitting the text to the Member States for opinion.

⁵⁰ The coordination of calls is part of the mandate of Department R.

⁵¹ For CEF Telecom, call planning is agreed at least 5 months in advance of the first call.

Once a call for proposals has closed, there are several stages to the project selection procedure, and the research indicates that these procedures work well. The CEF evaluation process is a single process consisting of two steps. In the first step, INEA is responsible for enabling submission of applications; providing the parent DGs, immediately after call closure, with an overview of submitted project proposals; establishing of compliance with the formal admissibility and eligibility criteria and analysis of the selection criteria; informing the parent DGs of the results of the Admissibility and Eligibility Committee (within 5 working days) and informing unsuccessful applicants (within 10 working days); selection and contracting of external experts in agreement with the responsible Parent DG; and organisation of the evaluation of submitted projects, including logistics. Prior to the evaluation, INEA organises an information session to brief the external experts on the objectives and criteria of the Work Programme and the Call texts, while the Parent DGs provide a briefing on the policy background and the expectations of the calls in line with the policy priorities.

The second stage is different depending on the Parent DG. For CEF Transport projects, an internal evaluation panel is then convened (Chaired by DG MOVE and including representation from the relevant Head of Department or Head of Unit from INEA) followed by a Selection Committee (attended by the Director of INEA) which confirms the selected proposals are in line with the overall priorities of the Commission. For CEF Energy, the second stage of the evaluation is carried out by an Evaluation Committee internal to DG ENER. For CEF Telecom, the second step of the evaluation is carried out by an evaluation committee internal to DG CNECT in which INEA participates. After this, INEA informs all applicants of the results of the evaluation of proposals, prepares the grant agreements for approved projects and organises kick-off meetings. H2020 calls, on the other hand, function on the basis of a numbered ranking with no internal panel. Each proposal has an ESR with a score and comments fed back to rejected candidates. Meetings of an 'Admissibility and Eligibility Review Committee' or an 'Evaluation Review Committee' are only called in the event of a complaint.

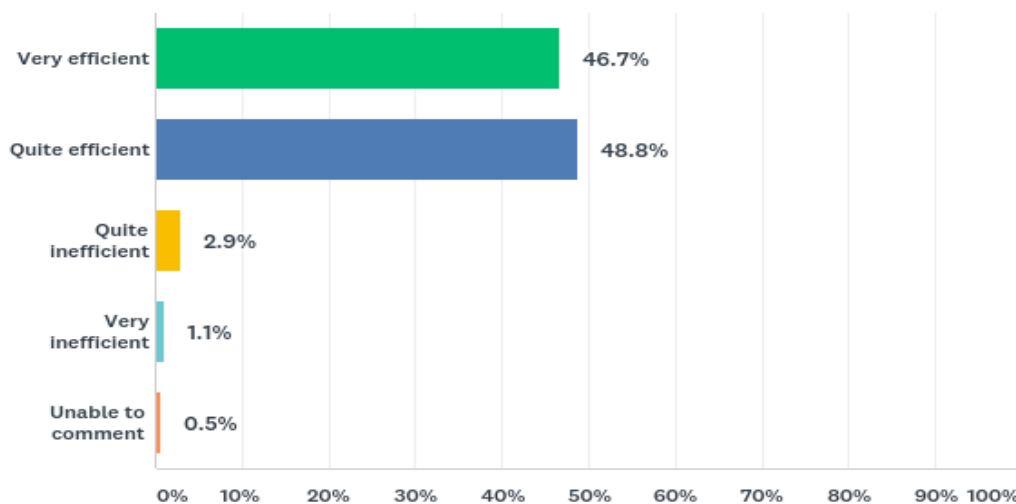
INEA provides the secretariat function for the project selection process and it was suggested that it should simply make proposals available to all DGs associated with the evaluation once the first stage of the selection procedure involving the external experts has been completed. It was also argued that the proposals could be made available to all interested DGs once the call is closed as the results of the experts' review is only ready some time later anyway.

The appointment of experts is one of INEA's responsibilities and typically around 3 are recruited per project or around 5-7 for larger projects to ensure all aspects can be fully appraised. In addition to having the necessary technical knowledge, a key requirement is to ensure geographical and gender in view of ensuring a diversity of panels and contributing to dynamic discussions. The Commission is consulted on pre-selected list of experts made by INEA and has the right to provide comments and object (e.g. to point out to an expert who might have a conflict of interests). Clearly, the procedure could become very bureaucratic if the appointment of each individual expert were to become the subject of lengthy deliberations between INEA and the Commission but it was suggested in one of the interviews with a parent DG that there should be more flexibility, for example with larger projects, for the Commission to influence appointments if it wishes to do so. Others pointed out that the Commission is already in a position of providing sufficient input during the selection of experts, therefore ensuring the selection of adequate experts for the evaluations of project proposals.

Feedback from the external experts on their role and INEA procedures

As part of the online survey work, external experts were asked for their views on how well INEA performs. In general, feedback from the external experts was positive. In relation to the evaluation/review process, the experts' opinion was divided between those who said the procedures were 'very efficient' (46.7%) and those who argued that the procedures were only 'quite efficient'.

Figure 3.18: How would you rate the overall efficiency of the evaluation/review process?



Source: Survey of INEA external experts (N = 377)

The experts had a large number of suggestions on how evaluation/review procedures could be improved. Examples are provided below. It should be noted that these are direct quotations from respondents who used the open responses option to add comments. As mentioned earlier, the stakeholder feedback on INEA's performance is generally very positive and this needs to be borne in mind given that suggestions on possible improvements are likely to point to shortcomings.

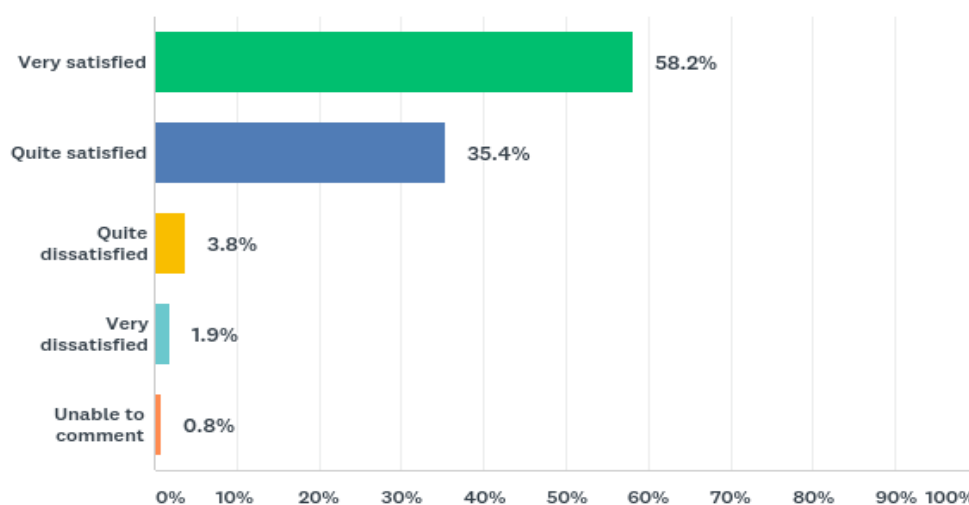
How would you rate the overall efficiency of the evaluation/review process?

- "Time contracted for evaluation of proposal does not reflect amount of effort really needed for evaluation (which usually takes longer than contracted)."
- "It has become more efficient over the times I have been involved. Still the specific tasks have sometimes been a bit vague, as compared to the general statements on scope, impact etc."
- "Lots of messages back and forth to clarify issues. Disparity between reviewers not well handled."
- "The time pressure for the remote evaluations is not always a positive factor. In one case we were even asked to read and evaluate the proposals in a particular order and this was not helpful as it is better to have time to read all the proposals first in order to establish what the standard within each group of proposals actually is. Perhaps it is possible to distribute fewer proposals amongst a larger number of evaluators and to have consensus meetings only for the top few proposals that are actually in the running for getting the grant".
- "High workload for the comprehensive evaluation of high number of applicants per day and an unlimited volume of documentation per applicant."
- "Quite efficient but I would focus more on the most important aspects of the evaluation criteria (such as the scientific value, excellence, impact) and less on other issues such as dissemination, communication, gender aspects etc".
- "Feedback between INEA and experts about INEA evaluation of experts' effectiveness could be improved."
- "The rapporteur should also act as a judge. I mean, if there is no consensus in the review meeting he should be the one that keeps track of the time and get the consensus. Sometimes there are no rapporteurs in the meetings and the project officer doesn't take part at all."

Almost all the experts (92.4%) commented that the mandate given to them by the Agency was clear. The external experts' perceptions as to the quality of evaluation/review activities are generally positive with 58.5% saying these activities are of 'high quality', 39.3% stating they were of 'reasonable quality' and only 1.7% saying the evaluation/review activities were of 'low quality'. Almost two-thirds (61.2%) indicated that the relevance of the expertise of the panels of experts was 'very high'. Almost all the others said that the relevance is 'reasonable'. Perhaps not surprisingly, almost all the external experts thought their own contribution to the evaluation/review activities was relevant and met the Agency's expectations.

There were generally positive views amongst the experts on INEA's overall evaluation/review process with most experts being satisfied – albeit to varying degrees – with the approach.

Figure 3.18: How satisfied are you with INEA's overall evaluation/review process?



Source: Survey of INEA external experts (N = 373)

In the interviews with external experts, most indicated that they were satisfied with the review and evaluation process and its efficiency. The evaluation panels were said to present an excellent and complementary combination of professionals with deep subject expertise, effective and open two-way communication process between INEA and the experts. The two-stage selection process whereby a longlist of proposals are considered virtually, before a consensus meeting in Brussels, and the final selection, were considered to be very efficient procedures. Some experts mentioned the difficulty in choosing between proposals, saying that the generally high quality meant that sometimes good proposals were not able to be funded. That said, experts were still adamant that the best proposals were selected for funding.

To what extent is the organisational structure aligned with the tasks entrusted to the Agency?

The key issues of organisational structure involve the extent to which it is aligned with the tasks entrusted to the Agency, the extent to which it is clearly documented, communicated and easy to understand. Another question which is closely related to CBA is the size of the organisation and its balance/adequateness in terms of operational staff and administrative support staff.

Overall, the organisational structure appears to align well with the tasks entrusted to the Agency by the parent DGs. There is a clear logic in combining Energy, Transport and Telecoms in one Agency as these are three areas which involve large-scale infrastructure development at the EU-wide as well as the national level. After some internal discussion, the decision was made to organise the structure

of the Agency per programme, with three Departments dedicated to the CEF, H2020 and Programme support and resources.

To what extent does INEA's human resources management contribute to the achievement of the Agency's objectives?

Human resource management (HRM) involves recruitment, management and development of people who work for an organisation. This encompasses all individuals employed by the organisation, including seconded Commission officials and other temporary staff. HRM is especially important issue for the INEA, as its number of staff has been expanding (and still does) very rapidly during the last years. A challenge is the high level of staff turnover, which may have a negative effect on the organisational performance of the INEA.

The general HRM question highlighted above involves five more specific questions: are the roles and responsibilities of the INEA staff clearly documented and communicated to all stakeholders? Does the INEA have efficient HR planning/allocation processes (including turnover/vacancy management) in place? Does the INEA have a competency management strategy and efficient implementation processes in place? How much has the INEA retained and/or improved the competence and efficiency of its staff as required by the new tasks and challenges? What is the level of staff engagement and satisfaction with their position at the INEA? How does the Agency follow up on the findings of the latest staff surveys?

Key findings and conclusions from previous evaluation (2011-2013)

- The recruitment procedures that were put in place by the Agency were conducive to creating a good pool of skills and motivated staff. The process was tough but transparent, with the intention of attracting only interested and adequately skilled staff to apply.
- In 2011 and 2012 staffing levels of the Agency were at 99 staff against a total planned number of 100. Additional activities for 2013 resulting from the preparations for the extension of the Agency's mandate meant a significant increase in workload for certain staff, with no additional resources. Some of the Agency's staff successfully undertook Commission competitions, which led to a high staff turnover since they would then move to work within the Commission itself (10% in 2011, 9% in 2012 and 13% in 2013). 2013 was also a year of transition where staff worked towards the future organisation and expanded mandate of the future Agency.
- Nevertheless, the Agency established good forward planning, and vacant positions were quickly covered by reserve lists. Training was offered to develop the skills necessary to achieve the objectives, and was provided by DG HR, as well as in house. Staff evaluation and development for example were prioritised as the environment and objectives of the Agency were anticipated to significantly change in the near future. The Agency felt that staff should be prepared (trained if necessary) and motivated for future needs.

The recruitment and retention of suitably qualified personnel has been and remains a key challenge faced by INEA. In 2016, at the end of the evaluation period, INEA had 224 staff with further recruitment planned (by the end of 2018, the number of staff had increased to 282). Indeed, with the level of INEA programme and project volumes forecast to go on increasing until 2020, the Agency needs to continue to recruit new staff to cope with the additional workload in years to come. The Agency's rapid growth from 2014 to 2016 put pressure on recruitment, and indeed the primary initial focus was on recruiting enough HR staff to be able to manage the recruitment of staff in other areas. The staff breakdown shows that from 2014 to 2016 the number of HR personnel at the Agency increased from 6 (in 2014) to 14 (in 2016). With a larger HR team now in place, further

recruitment can be expected to run more smoothly and the Agency will be better able to administratively manage a growing number of staff.

The time taken to recruit staff differs according to the type of post and the staff profile being recruited. Whilst Temporary Agents (TAs) can be tested and selected by the Agency itself, Contract Agents (CAs) are required to pass a European Personnel Selection Office (EPSO) test to be put on a reserve list from which all the Agencies can invite people for selection procedures. It can take 2-3 months to complete this procedure, which is longer than a procedure run internally. Furthermore, it can be difficult to find staff with the correct profile through the EPSO procedure. One example given by INEA HR is that of GIS (Geographical Information Systems) specialists. The IT test developed by EPSO is a more general test aimed at Information and Communication Technology positions, and therefore is not well tailored to such positions – indeed, such specialists may not be able to pass these IT tests as they are not correctly configured to their particular skill sets (according to INEA HR, the pass rate for this category of specialists is about 2%).

While this difficulty was evident in the evaluation period, the number of specialists required in any given case is low and since 1 January 2018, the Agency has adopted new rules on the conditions of employment of contract staff employed by the Commission under the terms of Articles 3a and 3b which enable them to organise themselves the selections for specialised posts.

Case study: The Inter-Agency Job Market

The Inter-Agency job market was introduced in 2016 for Temporary Agents and in 2018 for Contract Agents and allows for EU Agencies to offer vacant posts to staff from other Agencies before they are advertised externally. These posts are exclusively accessible to staff of the Agencies, and are reserved for staff whose grade is within the range published in the vacancy notice. Successful candidates are recruited at the grade held in their original Agency.

INEA has made significant use of the inter-Agency job market to try and find appropriately qualified staff. The HR Department find it to be a very successful alternative to external recruitment competitions, as it guarantees recruitment of staff with a deep understanding both of Commission procedures and the Agency environment. Furthermore, the recruitment process is significantly quicker than an open procedure, and applicants tend to be much closer to the profile required. INEA is working to promote this tool and view it as a useful solution to their difficulties in recruiting staff with the appropriate profile. So far, four posts have been filled through the Inter-Agency Job Market and others are ongoing.

In terms of retention, it is interesting to consider the exit interviews carried out with all staff leaving the Agency since January 2013. These identify two primary reasons for leaving the Agency: being offered a post as an official in an EU institution; and successfully applying for a vacant post with a higher grade in another Agency. Neither explanation directly relates to working conditions at INEA.

Whereas the primary HR issue INEA faced in the early stages of its development tended to focus on the recruitment of new staff, the concurrent issue of retaining personnel increased in prominence over the evaluation period. The level of INEA staff turnover is a problem, especially with some of INEA's support functions. In TEN-T EA, staff turnover was relatively low – at around 3-4% p.a. In INEA, it has increased, reaching about 11.76% in 2016 (though it has since dropped to 8% in 2018 and is hoped to fall below 3% within the next evaluation period).⁵² There are also difficulties recruiting and retaining staff with experience and expertise with regard to the type of work carried out by INEA. For example, in the earlier years there were problems recruiting and retaining suitably

⁵² The annual staff turnover for INEA from 2014-2018 is as follows: 2014: 4.9%; 2015: 8.3%; 2016: 11.76%; 2017: 11.32%; and 2018: 8%

qualified staff to work in the Operational Finance Department. As the project portfolios have increased in size, the administrative workload associated with financial management has increased too.

According to the interviews with INEA personnel, the perceived lack of opportunities for progression might have favoured the increase in staff turnover, although other factors could also have contributed to this. One factor which put also pressure on staff recruitment is the fact that a number of other Executive Agencies expanded at the same time, which led to increased competition for staff, facilitated by the creation of an effective inter-agency job market.

INEA has been proactive in trying to improve its staff satisfaction and staff retention figures. As in the other Executive Agencies, management posts and other positions of responsibility in INEA are reserved for seconded Commission officials. On the other hand, junior management roles such as Team Leaders, Senior Project Managers and Heads of Sector, are also made available to other temporary staff. The agency has also actively promoted internal mobility opportunities in order to provide opportunities for horizontal development, with new posts advertised to Agency staff before they were advertised externally, along with training if they chose to move to a new area. This allowed for a level of career progression and opportunities for learning and skills development, with 28 staff members deciding to pursue internal mobility within the Agency in the period from 2014 to end-2017. Measures on retention formed part of the HR Strategy of the Agency approved in 2016. A staff retention policy has since been approved in September 2018 to help ensure turnover does not increase further. While this falls outside of the evaluation period, it is worth noting as evidence of the Agency's commitment to improvement in this area.

Case Study: Improving Staff Retention Rates within the Agency

As highlighted in this report, staff recruitment and retention have been significant challenges faced by the Agency during the evaluation period. INEA's HR department have implemented a number of measures aimed at improving staff satisfaction and reducing the staff turnover rate. Given the difficulty in terms of linear progression faced by Agency staff, the Agency has chosen to focus on staff wellbeing and promoting sideways mobility within the Agency.

Actions taken by INEA to improve staff satisfaction levels include:

- A number of activities to ensure the integration of new staff including an Away-day, an induction day and an informal breakfast with management;
- A focus on orientation for new staff, such as providing help with organising schools, apartments, etc;
- The creation of a welcome pack, with useful information including an introduction to the existing staff, tips and tricks, and an overview of the services offered to staff;
- The introduction of a weekly slot in the calendar of both Heads of Department and the Director for staff to drop in and discuss any issues which may arise;
- The introduction of flexi-time reporting with ongoing workload analysis to see any discrepancy between forecasts and actual time spent and introduce corrective/preventive measures;
- Cooperation with medical service on information campaigns for staff to combat issues such as harassment and burnout;
- The organisation of social events for staff and their families (for example, a St Nicolas Party);
- Participation in wider initiatives organised by the European Commission, such as Vitality Week;
- A focus on internal mobility, by offering staff priority on internal jobs and training if they wish to move to a new area within the Agency.

Looking ahead, the changing nature of the delegated programmes and the supporting funding arrangements poses a challenge to INEA with regard to skills development. This is particularly the case for CEF Transport where an increasing proportion of INEA's projects involve 'blending', i.e. combining grants provided via INEA and financial instruments operated by the EIB such as loans and guarantees. Thus, at present, for the concerned projects applicants therefore often have to deal with two organisations to put together a financing package. Under the Delegation decision Financial Instruments, and thus joint working with the EIB, are an exclusive competence of the parent DGs. However, there is a strong argument for some of INEA's personnel to develop the financial instrument expertise required to be able to provide beneficiaries with a 'one-stop-shop' advisory service with EIB staff handling the more technical aspects. Furthermore, there may be a role for Agency staff to provide technical assistance to the Commission, on request.

3.2.7 Coherence – how well do different INEA activities work together?

According to the European Commission's Better Regulation Toolbox, evaluating coherence involves assessing how well or otherwise different actions work together. There are two aspects: internal coherence is about how the various internal components of an EU intervention operate together to achieve its objectives (e.g. actions under an action plan); external coherence concerns relations to other "external" interventions at different levels.⁵³

To what extent have there been overlaps/ gaps/ inconsistencies within the programme portfolio managed by INEA?

The project portfolio managed by INEA is coherent, both in terms of thematic content and project management. As noted earlier, the Agency is responsible for two main programme sectors: CEF Energy, Transport and ICT (managed by DG ENER, MOVE and CNECT respectively); Horizon 2020's smart and integrated transport; and Horizon 2020 secure, clean and efficient energy (overseen respectively by DG RTD/MOVE and RTD/ENER), as well as for the legacy programmes TEN-T and Marco Polo II (both overseen by DG MOVE). A number of attempts have been made by the Parent DGs and the Agency over the evaluation period to promote synergies between the project portfolios between programmes, and within programmes between sectors. These are detailed below.

When considered individually, the part of the CEF and H2020 programmes delegated to INEA are relatively coherent, although some minor areas can be identified for improvement.

The CEF sectors in particular share similarities, in that they support physically large infrastructure projects with similar project management requirements, although with the introduction of CEF Telecoms – which deals with a much larger quantity of smaller scale projects, the nature of the projects managed under CEF has changed somewhat.

Synergies between CEF sectors

Within CEF, the clearest attempt to promote synergies was through the launch of a joint call, which is a requirement of the CEF Regulation, (i.e. the 2016 CEF Synergy call, which looked for joint projects in the fields of energy and transport). The 2016 CEF Synergy Call resulted to the selection of only limited number of proposals and therefore non absorption of the full budget allocated to the call. The feedback from both Agency staff and the parent DGs suggests this was rather due to the restrictions in the legal basis for such a call – which imposed that projects meet the specific requirements of both CEF Energy and CEF Transport eligibility conditions- than a failing on the part of the Agency.

⁵³ In neither of the previous evaluations of INEA's predecessor agencies (EACI and TEN-T EA) was the question of coherence given much attention, although some of the points included under coherence in the terms of reference were dealt with but under different headings (for example relating to unintended consequences or knowledge management in the case of the TEN-T EA).

Coherence within the delegated parts of the CEF and H2020 programmes

The introduction of H2020 projects into INEA's portfolio required a new approach to project management, with standardised methods being used across all four Agencies (EASME, REA ERCEA and INEA) tasked with implementing elements of the programme. Adapting to this new way of working caused some challenges for INEA staff in the beginning, as it is a very different approach to that used within the CEF portfolio. Nonetheless, the Agency adapted quickly and should be well placed to manage the transition to using the new corporate IT tools (expanded and adapted from the H2020 tools) which are expected to be used to manage the CEF 2 projects.

Synergies between CEF and H2020

Including CEF and H2020 teams within the agency was one way to promote exchange between the two programmes and identify any natural synergies. It is still expected that by including Horizon 2020 research projects alongside CEF infrastructure projects, there might be some interaction between the two programmes. For example, the new technologies being researched in H2020 might be further developed or used in CEF projects once they have reached an appropriate technology readiness level. In reality, there has been limited evidence of such synergies emerging to date – although these may yet emerge over time.

Various steps have been taken to promote such synergies. In 2017 the INEA CEF transport department together with H2020 undertook the initiative firstly, to identify existing and potential synergies between the CEF and H2020 work programmes and, secondly, to discuss what measures INEA and the Commission could apply to maximise synergies between the two programmes. To do so, INEA proceeded to the examination of the CEF transport portfolio projects and the H2020 portfolio projects. The result was a working document identifying complementarities, possible project pipelines and future opportunities. The outputs of this exercise have taken the form of reports, delivered to the Parent DGs to help inform their future planning. (The same exercise is currently underway for the energy portfolio.) In addition, specific planning was made at the INEA level to promote synergies, i.e. analysis of programme priorities, stakeholders awareness (joint meeting with beneficiaries of both programmes, participation and promotion of synergies in flagship events like TRA 2018, TEN-T days), dissemination of information, publications, web-site etc. Draft WPs for H2020 are also consulted with CEF and comments are sent to DG RTD and DG MOVE.

The potential for the linear development of a project from a small-scale H2020 research project to a large-scale CEF infrastructure project has so far proved limited, although in the future there may be scope for this within the more short-term CEF Telecom projects with the technological solutions of digital applications developed under H2020 being expected to be deployed in the coming CEF transport calls. Many of the INEA staff interviewed suggested that trying to force synergies is to some extent a pointless exercise because, on the one hand, this can lead to unintended negative consequences by creating imperatives to act in ways which may not necessarily be sensible (for example laying cables alongside transport infrastructure merely to fulfil the criteria of a "joint project"), while on the other, the private sector is likely to improve their industry standard based on the outcomes of the research being carried out under Horizon 2020. Some useful synergies are expected under the upcoming CEF 2 programme, when the results of H2020 will be available for large scale implementation. One example given was automated driving, which is expected to exploit synergies between telecoms and transport activities. Other potential synergies which might be exploited in the future include using synergies between telecoms and energy to ensure cyber security in digital energy infrastructure. It will be interesting to see to what extent these thematic synergies have materialised in the next evaluation period.

While there may not be evidence of clear synergies between the outputs of the energy, telecoms and transport projects at the implementation level, there are definite similarities between the project management approaches used across the project portfolio⁵⁴. This means that having these programmes implemented at least partly by the same Agency was a sensible choice on behalf of the Commission, as it allows the effective and timely identification of potential synergies, if and where these exist, and it promotes clear efficiencies in terms of project management. The transition to using the new corporate IT tools should reinforce this.

Synergies with Cohesion Funds

In the area of Transport, CEF also supports projects with budget directly transferred from the Cohesion Envelope of DG REGIO to CEF. Alternatively, **there is still the possibility of countries and regions that are supported by the CEF (managed by INEA) to also receive support from the Cohesion Fund (i.e. directly from DG REGIO under shared management).** Within the Commission, DG MOVE and DG REGIO consult each other to ensure that interventions are coordinated to help ensure that the same projects/activities do not receive EU funding from two different sources. There is also contact between INEA personnel and DG REGIO desk officers in relation to individual projects when required.

Synergies with other programmes delegated to other executive agencies

In relation to the H2020 programmes specifically, one issue is the fact that responsibility for implementing energy programmes is split between INEA and EASME. EASME has responsibility for energy efficiency measures, while INEA has responsibility for renewable energies, smart cities and energy grids and storage. Apart from being in the same part of the H2020 work programme, the two programmes are separately administered. There is a similar situation with CEF transport and H2020 transport but these are both at least being implemented by INEA and the Agency is trying to find ways of strengthening synergies.

Looking ahead, some argue that there is a case for the various energy measures to be brought together under the responsibility of one of the two Agencies to improve efficiency and enable synergies to be fully exploited. For example, in relation to ‘Smart Cities’, research into the energy efficiency aspects of buildings is part of the EASME remit whereas responsibility for managing projects in this field lies with INEA. There is a similar split with the consumer research aspects of energy efficiency. Even if energy efficiency projects are not dealt with by one of the two Executive Agencies, there could be scope for developing shared horizontal functions in this area (e.g. for payments, with respect to legal advice on project documentation) to help maximise efficiency and to minimise costs. It could be argued that such measures are unnecessary but the test of whether this is so or not should be twofold: ensuring that there are no additional costs arising from the current set up compared with one agency having responsibility for all measures and, secondly, ensuring that the set-up is as transparent as possible to actual and potential beneficiaries.

INEA’s activity reports contain extensive evidence of work undertaken to ensure that projects do not overlap with each other. In 2014, the INEA GIS team set up a dedicated data collection tool for Marco Polo II projects. In 2015, a dedicated TEN-T and TEN-E projects viewer facility was released – enabling the possibility of comparison and detection of overlap of projects. INEA can continue to rely on these GIS mapping tools and services, to ensure the projects don’t just overlap, but also

⁵⁴ The projects all deal with national and cross-border networked infrastructures, which are primarily managed using similar financial procedures (namely grants, although other financial instruments such as project bonds and guarantees are also used). All are managed in similar ways, using similar tools. For transport and energy, the size and scale of the projects is very similar (large, long-term infrastructure projects), although this is not the case so much for telecoms, which is dealing with a larger number of small-scale projects.

complement and enhance each other. It should also be noted that for the Horizon 2020 projects it wasn't until 2016 that INEA expected to evaluate and identify synergies for their processes in handling these calls.

Is there a clear and appropriate delimitation of responsibilities and tasks between INEA and the Parent DGs? Are there overlaps or gaps?

There appears to be an appropriate division of responsibilities and tasks between INEA and the Parent DGs, with a particular effort being made to maintain the delineation of responsibilities between the Agency (administrative and project management) and the Commission (policy-making) as well as to ensure appropriate mechanisms are in place to allow feedback between the Agency and the Commission. In principle, the parent DGs are tasked with developing policy (institutional aspects), while the agency implements the programme execution. INEA was set up with this delineation in mind. The previous evaluation of the TEN-T Executive Agency found that overall, there were no uncertainties or inappropriate delineations of responsibilities and tasks between the agency and DG MOVE.

Feedback from the research suggests that INEA has a good relationship with the Commission parent DGs. INEA is generally seen as performing well in dealing with the delegated parts of the programmes with staff who have a high degree of expertise and knowledge of the parent DG programmes and policies. One reason why INEA staff knows the work of the parent DGs very well is the fact that many of the Agency's personnel is either seconded from the Commission (i.e. some 19 of its current 277 staff) or has previously worked in one of the parent DGs. The relationship with different parent DGs varies. It has been suggested that this may be due to the level of contact the different parent DGs have with the Agency. The relationship with DG MOVE is well established as it was the sole parent DG for TEN-T EA. Relationships with the new parent DGs have inevitably taken longer to develop. Feedback from Agency staff and their counterparts within the Commission suggests there is now a good working relationship with the other parent DGs.

INEA has also proved to be versatile and able to adapt to the changing needs of the parent DGs. An example of the capacity of INEA to reflect parent DG priorities was the decision earlier in 2018 to set up a separate CEF Telecommunications unit in the Agency, thereby ensuring, among others, that DG CNECT's interests have not been overshadowed by the budgetary more significant areas of Energy and Transport. Previously, CEF Telecommunications and CEF Energy were implemented by one common unit but now they are handled by two separate units, giving them a more distinct profile. Another example is INEA taking on the monitoring function for all CEF Energy projects of common interest, even those the Agency does not directly manage, in order to be able to provide a more coherent picture of the programmes to DG ENER.

At operational level, the relationship between INEA and its parent DGs relies on IT tools designed for the programmes. Each programme having a different IT tool overseen/ managed by different Parent DGs it has in some respects complicated the work of the Agency. This said, some integrations already exists, as some aspects of the H2020 IT system have now been adopted by the CEF (e.g. EMI which is used to manage contracts with the experts who are used to carry out project evaluations). Further integration is also planned in the context of an overarching policy of the European Commission to maximise the use of common IT systems.

Further scope to integrate IT tools is being investigated but a constraint on the possibilities arises from the fact that it is not just a question of integrating INEA's systems but rather is linked to the system and networks operated by a number of Commission DGs. The current H2020 IT tools are expected to be used for the management of the next generation of programmes, including the CEF programmes under CEF 2. The Agency is already preparing for this transition by engaging with DG RTD and DIGIT to ensure that the tools are adapted to the needs of the CEF programme. It is

expected that the migration to a common tool for all programmes will increase efficiency and coherence in processes. Nonetheless, learning from the evaluation of CHAFEA, which piloted many of the adaptations being made to the H2020 IT tools in the projects they are managing in preparation for rolling them out across the Horizon Europe programme, suggests that some teething problems may occur. Furthermore, survey and interview feedback from INEA beneficiaries using the current H2020 IT tools suggests that the need to be referred to a third party to resolve issues experienced when accessing the portal is a source of frustration. The CEF IT tools, which are managed in-house by INEA staff, receive more positive feedback from applicants and beneficiaries with regard to efficiency. The roll-out of common IT tools will therefore need to be carefully managed, in order to ensure that beneficiaries and applicants receive appropriate and timely support.

Case study: The Use of IT Tools in Project Management at INEA

The CEF and Horizon 2020 Programmes are each managed using different IT tools, which work in very different ways. CEF projects are managed using the TENtec database, which is managed internally by INEA, Horizon 2020 projects are managed through a centralised suite of IT tools accessed via the SyGMA portal, which is supported by the European Commission's Common Support Centre. With the new MFF, centralised IT tools are being introduced by the Commission and rolled out to all EU-funded projects. This is expected to include CEF 2, which until now has been managed using IT tools which have been developed and managed internally by INEA staff. As these IT tools will be based on those used under Horizon 2020, it is worth comparing the CEF and Horizon 2020 IT tools and analysing the experiences of applicants and beneficiaries in using them.

Horizon 2020

The idea of the Horizon 2020 IT tools is to simplify the administrative and financial management of grants by streamlining the entire grant management process (from submitting a proposal through to the final payment stage) and allowing a single point of access for applicants, beneficiaries and project officers in the online portal. The online portal allows for increased efficiency in terms of project management procedures (for example, by allowing for electronic signatures of grant agreements, and electronic communication of applications, milestones and deliverables from applicants and beneficiaries and the concomitant feedback from evaluators and project officers). The Common Support Centre allows for the centralisation of IT support, allowing for common issues experienced by different Agencies to be identified and dealt with more efficiently. Furthermore, the use of one common suite of IT tools across the different Executive Agencies has allowed for standardised indicators (for example, with regard to monitoring project-level dissemination activities) to be developed which should allow for comparable data to be gathered and analysed across all Horizon 2020 projects.

CEF

The TEN-tec portal was developed by DG MOVE to help with the management of TEN-T projects. It was adapted to the needs of CEF-Energy and CEF-Telecom and is currently used by INEA to manage the CEF projects which have been delegated to the Agency. Similarly to Horizon 2020, the use of an online database has allowed for significant efficiency gains in project management and has allowed for better monitoring of the suite of projects being funded under the CEF programme (this can be seen, for example, in the online maps which are published through the TEN-tec interactive viewer⁵⁵). TEN-tec is different to SyGMA in that it is more tailored to the specific needs of the CEF project and it is managed by staff who are closer to the beneficiaries – this has positives in terms

⁵⁵ <http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal/map/maps.html>

of INEA staff's understanding of the database and their ability to provide support to project beneficiaries, but negatives in terms of the possibilities for gathering more high-level monitoring data or applying learning at a more centralised level within the Commission.

Feedback from applicants and beneficiaries

Interviews with project beneficiaries showed that the trend towards the use of electronic project management tools was generally welcomed as being more efficient and effective. However, the move to a more centralised model of support provision in H2020 projects led to frustrations in terms of the efficiency with which help requests were dealt with and a feeling that complaints were not being dealt with as a matter of priority, due to the sheer number of users the IT support team was interacting with. Common complaints revolved around the time it took for requests to be dealt with and bugs to be fixed within the system, leading to knock-on issues with meeting of deadlines with regard to administrative requirements such as the signature of grant agreement and submission of deliverables.

An analysis of survey feedback from 1,041 respondents showed barely any difference in satisfaction rates between users of the CEF and Horizon 2020 tools, with 85% of applicants/beneficiaries declaring themselves quite or very satisfied with the tools and 15% declaring themselves quite or very dissatisfied in both cases.⁵⁶ A summary of qualitative survey feedback regarding the IT tools is provided below:

CEF: Of 27 respondents, 7 gave written feedback. Two comments did not discuss the quality of the grant management tools. Three said that they found the online portal difficult to use, particularly in contrast to an earlier paper version. A fourth suggested that whilst the submission portal was originally very weak, its current iteration is improved.

H2020: Of 406 respondents, 156 gave written feedback. Of these, four simply expressed support for the management tools, whilst an additional 20 said that they did not have enough experience with the tools to comment on them. Of the remainder, the majority found the online portal difficult to use, including complaints about its speed (seven respondents), lack of clarity and ease of use (15 respondents), and the need for more space to complete responses.

To what extent has INEA enabled the Commission to better focus on its policy related tasks?

A major advantage of the Executive Agencies is that they allow Commission officials to focus on their policy role by delegating the responsibility for programme implementation. At the same time, one of the main risks of delegation of project management is a loss of project-level knowledge, which may impact on the ability of Commission staff to successfully fulfil their policy-making role. In general, it appears that INEA has been very successful in its programme implementation and has also been proactive in working to counter any potential loss of institutional knowledge.

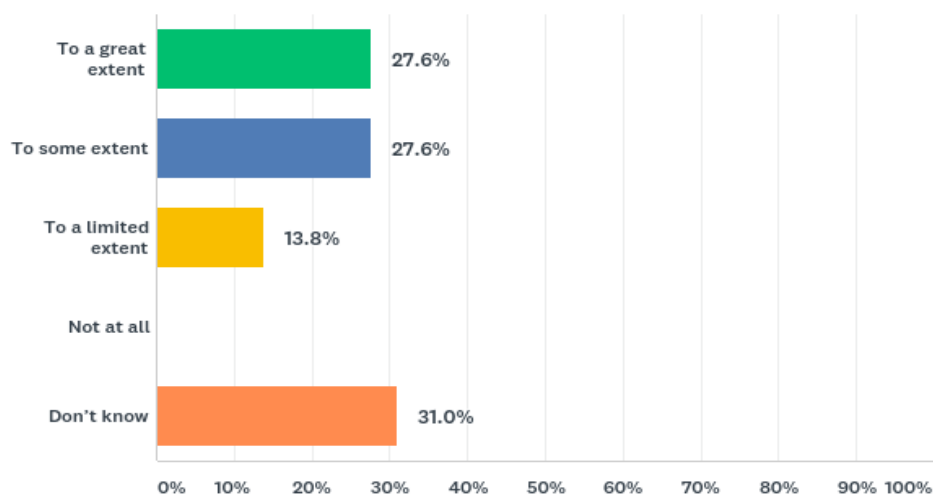
The fact that INEA has specialised personnel is seen as one of the advantages of devolving responsibility for implementing programmes to the Executive Agency. Interviews with policy officers in the Parent DGs who had previously been responsible for managing some of the delegated projects suggests that prior to this, when the programmes were directly managed by the Commission, there was a tendency for project management to be one of a number of conflicting

⁵⁶ 406 respondents identified themselves as beneficiaries/applicants of Horizon 2020, 27 respondents identified themselves as beneficiaries/applicants of CEF, 18 identified themselves as applicants/beneficiaries of both programmes, and 419 identified themselves either as beneficiaries/applicants of legacy programmes or did not identify which programme they had applied for.

priorities alongside policy work and other responsibilities. The delegation of project activities to a specialised Agency can therefore be expected to improve the experience of applicants and beneficiaries – who have access to a project officer dedicated to implementation – and Commission officials, who are able to focus their efforts on longer-term policy making. Feedback from the parent DGs suggests that they are pleased with INEA’s management of the delegated parts of the programmes and happy with the levels of formal and informal communication between the Agency and the parent DGs. This has enabled them to focus more on policy work and to feel confident that the projects are being well managed by the Agency.

INEA Programme Committee members who were surveyed were asked for their views on the extent to which INEA has enabled the European Commission to better focus on its policy-related tasks. As can be seen, there were quite divided views. A caution needs to be added that relatively few committee members answered this question.

Figure 3.19: To what extent has INEA enabled the European Commission to better focus on its policy-related tasks?



Source: Survey of committee members (N = 40)

CEF Transport Advisory Group members were more positive in their responses to this question with 30% saying that INEA has enabled the European Commission to better focus on its policy-related task ‘great extent’ and most of the others (50%) saying that this was to ‘some extent’ the case. Again, there was a quite high proportion of ‘don’t knows’ (20%).

- **To what extent have the activities of INEA resulted in unintended effects (both desirable and undesirable)? The research did not identify any unintended effects, either positive or negative.**
- **To what extent has the Commission, in the presence of INEA, been able to maintain an adequate level of know-how in relation to the programmes entrusted to the Agency? How has this been achieved? What are the feedback channels, means and methods used for this purpose? What are areas for improvement, if any?**
- **How effective is the flow of information and communication between INEA and the Commission services (in particular Parent DGs)?**
- **Have the monitoring, reporting and supervision arrangements in place enabled the Commission to benefit, in the short and medium term, from the know-how created within INEA?**

Knowledge management

A key aspect of coherence relates to **knowledge management** and the **communication channels** between INEA and parent DGs. There is, for example, a risk of a potential decrease of know-how of some Commission units if those officials have less direct contact with those involved in implementation, in particular industry, but also other stakeholders such as unions, NGOs, etc. As noted earlier (page 10), the evaluation of the TEN-T Executive Agency (2011-2013) found that communication between the agency and DG MOVE was excellent but more might be done to increase and improve communication with other parent DGs. Similarly, the evaluations of the REA and ERCEA underlined that the Commission and both Agencies should establish a structured dialogue to better feed project related information into policy-making. In the case of INEA, one way of achieving this might be for parent DGs to better define their needs in terms of feedback to policy-making and agree on a targeted reporting system with the Agency. There might also be scope for improving communication with other stakeholders.

INEA is seen by many of those we interviewed from the parent DGs as being quite proactive in providing the Commission with feedback on programmes and finding ways of improving them. This began in the DG MOVE field with CEF, where the Agency has responsibility for preparing and publishing calls for proposals texts in consultation with the DG. The Agency also produces country reports with details of projects that are being supported and TEN-T ‘corridor’ reports that span several countries where transport projects take place. More generally, INEA draws on its experience to help inform policy-making, for example by identifying shortcomings with regard to the implementation of programmes where intervention is needed.

In the case of the H2020 programmes, the majority of projects were only launched in 2015 and consequently there is still relatively little experience to draw on in providing feedback to the Commission. A shift in the Agency’s role from one that initially focused on evaluating proposals to a situation where its experience in implementing programmes and managing projects creates knowledge that can be relevant to policymaking poses a question over the future remit of the Agency and the possible blurring of the distinction between implementation and policymaking. According to the interviews with several Commission representatives, there does nonetheless appear to have been some loss of programme-level knowledge at the Commission, a loss of some of the more personal and technical aspects of project management and a transfer of expertise from the Commission to the Agency in terms of an in-depth understanding of how certain policy areas are developing “on the ground”. For example, the loss of direct contact with beneficiaries means that Commission officials do not gain the same insights to projects as they might have done before the agency structure was introduced. These effects are to some extent built into the decision to delegate responsibility for programme implementation to the Agency, and attempts have been made to mitigate this loss.

Whilst INEA is good at providing monitoring information on projects (for example, the Agency is now responsible for monitoring the full portfolio of CEF Energy projects), and now also produces country reports, and is considering the development of ‘corridor’ reports, there is a view that it could do more to use its knowledge of different ‘sectors’ to help inform Commission policy-making. Feedback to policymakers has been identified by both INEA staff and parent DGs as an area where there is scope for INEA to further develop its role, especially having in mind that the results of the projects financed during the previous years are unfolding only now. Within Horizon 2020, for example, feedback is provided across the entire programme using a dedicated set of IT tools which are managed by the centralised common support centre. While these provides useful quantitative data on areas such as dissemination and benchmark activities against milestones and other project-level indicators, there is scope to provide more feedback which can contribute to the development of longer-term policymaking. The nature of the policy feedback needed to the parent DGs also differ, which requires flexibility and adaptability from INEA: while Horizon 2020, being a very large

programme in terms of overall budget, might rely more on quantitative feedback, CEF, in contrast, requires more qualitative policy feedback and, therefore, different indicators.

At the same time, consistency is very important within H2020 as the programme is vast and spread across a range of different areas. This means that the strictures imposed by the H2020 IT tools are important in ensuring that the results from different Agencies and different programming areas are directly comparable. But this places constraints on the nature of the feedback that can be provided. DG RTD is working to create new tools which can help provide a similar level of consistency with regard to more qualitative, content-focused outputs. Within CEF Energy, INEA has been tasked with monitoring all projects of common interest (not just the ones under the Agency's direct responsibility) which enables them to provide a more holistic overview of developments and provide feedback to the parent DG. This task is viewed as an area where the Agency has been able to provide added value so that a clear overview of the project portfolio is maintained within the Commission. Any development of the Agency's role in providing inputs to Commission policy-making will have implications for INEA's human resourcing, as argued earlier.

Communications activities

Establishing a new communication strategy was one of INEA's priorities in 2014 and was done in 2015 in consultation with staff and parent DGs, with key metrics being developed based on the Commission's common KPIs for communication and used from 2016. INEA's communication strategy relies on hosting events, in particular information days, contributing to policy events, drafting or contributing to press packages, distributing publications, updating the website (which was aligned with the Commission's requirements), publishing articles in periodicals, having a presence at conferences and through social media (for which there is a specific strategy that was adopted in 2016). Table 3.6 shows a summary of the communication metrics used by INEA in their 2015 and 2016 activity reports (this data was not required in 2014), slightly amended to only include measures that were used in both 2015 and 2016. To an extent these measures will reflect INEA's work programme, so for instance the number of event participants decreased in 2016 as there were less calls in this year. Overall, the developments are extremely positive, particularly with regards to the improvement in satisfaction rates with CEF events, website visits and press actions.

Table 3.6: Summary of INEA Communication Metrics

Key indicators	2015	2016
Unique INEA website visits	175,000	442,581
Documents downloaded from website	102,000	250,180
Average website visit duration	4':11"	4':20"
Number of external events organised or supported	37	59
Estimated number of event participants	65,288	24,821
Participants in events INEA organised	8,446	3,910
CEF	4,866	1,081
Horizon 2020	3,600	2,829
Average satisfaction rate with CEF events		
Transport	90%	98%
Energy	85%	98%
Telecom	86%	98%
Average satisfaction rate with Horizon 2020 events	90%	86%
% of newcomers to Info Days with CEF events		
Energy	62%	N/A
Telecom	6%	N/A
Transport	64%	N/A
% of newcomers to Info Days with Horizon 2020 events		

Key indicators	2015	2016
Transport	58%	51%
Energy	64%	57%
Smart Grids and Storage	32%	67%
Smart Cities	27%	59%
Web streaming connections to Info Days (live+VOD)	24,457	20,911
Number of press actions	18	92
Number of publications	20	23
Twitter followers	2,700	5,028
LinkedIn followers	785	1,591
Impressions on social media	617,800	1,472,875

Source: INEA 2015 and 2016 activity reports

To summarise, in 2015 it was estimated that 240,288 people were reached through all INEA's communication activities. This included 37 events such as workshops and information days (that had an average satisfaction rate of 80.5% from 8,500 participants) and around 24,500 web streaming connections. In 2016 information days for the calls for proposals had almost 25,000 participants (including streaming connections) and 226,000 twitter impressions. Notable events included H2020 projects being exhibited and presented at the TRA2016 conference in Warsaw and the Ten-T days in Rotterdam presenting the transport infrastructure projects of TEN-T and CEF with the research and innovation transport aspects of Horizon 2020 Transport.

In 2016 it was estimated that 11,096,659 people were reached through all of INEA's communication channels, including the 59 events it organised or supported, with 24,921 participants and 21,000 web streaming connections. The average satisfaction rates for CEF information days were 98% and 86% for Horizon 2020 information days. The percentage of newcomers to these events fluctuated between 51% (for Horizon 2020 Transport) and 67% (for Horizon 2020 smart grids and storage). In 2016 INEA received 1,246,500 twitter impressions.

For the Agency's external communications, the key objectives are promoting funding opportunities, project results/successes and engaging with beneficiaries. These activities are measured through indicators such as number of twitter impressions, publications distributed, information day attendance and satisfaction levels, new attendees to information days and number of people that could find the information they wanted on the website. Many of the staff we interviewed highlighted the importance of this work, commenting that INEA should take more time to explain to the public the benefit of these investments and more broadly of how EU funding is benefiting their businesses or local communities.

Whilst the targets that were set in 2016 were all met, some of the targets have been set for the first time for 2017. One area for potential improvement that these metrics highlight is % of newcomers to events; this has been stated as a priority in the work program and these figures show a mixed picture, particularly with CEF - Telecom and the decrease in newcomers to Horizon 2020 Transport and Energy events. The 2016 activity report expanded on these metrics and indicated how these metrics aligned with their communication objectives of promoting funding opportunities, promoting project success and engaging with beneficiaries. Consideration could be given in the future as to whether the metrics chosen to measure these objectives are the most informative ones, for example, number of tweets about Information Days is a fairly superficial measure of whether INEA is engaging with beneficiaries, whereas satisfaction rates on participants in the Information Days is a far more meaningful measure. It is also the case that INEA will need to establish what metrics it will consistently track in order to establish clear trends to analyse the effectiveness of their communication activities.

Monitoring, reporting and supervision

There are strong formal and informal mechanisms for monitoring, reporting and supervising arrangements between the Agency and the Commission. In general, these appear to work well and there is clearly good communication between counterparts at all levels. Problems that arise are swiftly dealt with and the Agency has been proactive in trying to coordinate the needs and requirements of the different parent DGs. This can be seen for example in the planning of annual work programmes, where the Agency is in active discussions with the different parent DGs to try and coordinate the planning and the substance of the various calls for proposals. At the same time, beneficiaries who were interviewed commented favourably on the opportunity to communicate directly with the Commission through regular Working Groups. This is a mechanism for the Commission to benefit from know-how from both the Agency and programme beneficiaries.

Some clear examples of the added value provided by the Agency in terms of monitoring and reporting have emerged through interviews with parent DGs. Firstly, Commission staff has been able to make use of the experts selected by the Agency in evaluations of projects whose management has not been delegated to the Agency. This has enabled the Commission to save time and resource on selecting external experts, while remaining confident in the quality and consistency of their input. Secondly, within the CEF Energy programme, the Agency has been given responsibility for monitoring all Projects of Common Interest (PCIs), rather than just those for which they are directly responsible. This monitoring is being used to develop an interactive map of all PCIs, which is expected to help draw out higher level findings regarding outputs and impacts of the PCIs as a whole. Finally, the Agency has produced a document investigating complementarities between H2020 and CEF projects in the field of transport. A further document repeating the process in the field of energy is expected to be published in 2018.

Furthermore, centralisation monitoring allows the Agency to develop a holistic overview of project outputs which has helped in the development of numerous publications demonstrating the impact of the programmes. That said, the centralisation of the monitoring and evaluation function has not been universally welcomed, with some stakeholders expressing anxiety regarding the effectiveness of its approach given the particular specificities of the CEF and H2020 programmes. Given the strict delineation of budget responsibility between the CEF and H2020 programmes, it is important for Agency staff to ensure that clarity is maintained regarding the use of human resources in each programme.

To what extent would the closing down of INEA result in losing significant know-how in relation to the management of the programmes entrusted to INEA?

The previous evaluation of the TEN-T EA found that thanks to the very close working relationship between the TEN-T EA and DG MOVE (weekly meetings, monthly reports and on-going liaison, etc) the Commission was kept abreast of essential relevant know-how, but even so, the Commission was losing some skills such as those related to project management, financial management and grant management. If the agency had been closed, these skills would be lost. This finding remains applicable in the current evaluation period.

Further know-how would be lost because the specialisation brought about by the delegation of project management means the Agency is able to manage a much more significant volume of projects than was previously possible, due to efficiencies of scale and a clear focus on implementation. This specialisation also means the Agency staff tend to be much closer to beneficiaries than their counterparts at the Commission, nurturing long-term relationships (particularly in the large-scale infrastructure projects) and providing a level of technical support to both applicants and project beneficiaries which would be difficult to replicate in an in-house scenario.

The choice to centralise the monitoring and evaluation function within the Agency's R.1 unit instead of embedding it in each separate unit has enabled the Agency to develop a level of expertise which has improved its effectiveness and efficiency in this area and to apply learning from one programme area to other. One example of this is the introduction of INEA project officers not directly involved in evaluations to chair the Consensus meetings, which enables for higher levels of neutrality. This practice was brought across from the evaluation of CEF programmes into the evaluation of H2020 programmes and has been perceived as improving the quality of evaluations.

3.3 Cost-Benefit Analysis (Task 3)

According to the Article 3(1) of the Council Regulation (EC) No 58/2003, a decision on setting-up of an executive agency shall be based on a prior cost-benefit analysis (CBA).⁵⁷ Further, as a part of the interim evaluation required per Article 25, the costs and benefits of the selected delegation scenario as identified by the original CBA shall be tested again and the results of the CBA shall be updated if needed.

As in the previous analyses, the retrospective CBA carried out for this evaluation paid most attention to the comparison of the financial aspects and cost-efficiency. The effectiveness and efficiency outcomes and results (qualitative aspects of CBA) were analysed alongside the costs but were not valued in monetary terms. To avoid duplication of work and ensure an integrated approach throughout the evaluation exercise, qualitative aspects of the CBA were incorporated into the overall evaluation framework (evaluation questions addressed under Tasks 1 and 2). To ensure consistency and comprehensiveness of the retrospective CBA, qualitative aspects of the retrospective CBA are presented in the section 3.3.6 below.

3.3.1 Previous CBA

A detailed CBA of all the executive agencies (including INEA) was conducted in 2013 for the 2014-2020 Multiannual Financial Framework (MFF). The CBA compared the following four scenarios based on the varying levels of programme delegation:

- **An in-house scenario** assuming that new programmes would be managed by the Commission while EAs would remain responsible for the delivery of legacy work (2007–2013 programmes);
- **An initial scenario** for delegation defined by the Commission;
- **Two alternative scenarios** with different options for delegation.

A description of the 2014-2020 period programme portfolio of INEA under different scenarios is presented in the table below.

⁵⁷ According to the Regulation, a CBA shall cover: identification of the tasks justifying outsourcing; the costs of coordination and checks; the impact on human resources; possible savings within the general budgetary framework of the European Union; efficiency and flexibility in the implementation of outsourced tasks; simplification of the procedures used; proximity of outsourced activities to final beneficiaries; visibility of the Community as promoter of the Community programme(s) concerned; and the need to maintain an adequate level of know-how inside the Commission. The previous CBA (European Court of Auditors, 2009: Delegating implementing tasks to Executive Agencies: a successful option? Special Report No. 13) mostly focused on the first four of these items. These items also remained in the focus of the quantitative retrospective CBA as described in the ToR. The remaining items (five to nine) are important to consider as qualitative non-financial benefits of the delegation that are less straightforward to incorporate into the overall monetary valuation.

Table 3.7: Programme portfolio of the INEA (TEN-T EA) under different CBA 2013 scenarios

Initial scenario	Alternative scenario 1	Alternative scenario 2
New programmes (2014-2020) <ul style="list-style-type: none"> • CEF • Parts of Horizon 2020: Secure, clean and efficient energy (IEE III, Energy research projects) • Parts of Horizon 2020 SME instrument • Parts of Horizon 2020: Smart, green and integrated transport Legacy programmes (2007-2013) <ul style="list-style-type: none"> • TEN-T programme • Marco Polo programme 	The same as the Initial Scenario	Changes compared to the initial scenario: <ul style="list-style-type: none"> • EACI (EASME) rather than INEA (TEN-T EA) managing the successor of IEE (under H2020 societal challenge 'Secure, clean and efficient energy') • Centralised management of the entire H2020 SME Instrument in EACI (EASME)

It was concluded that overall, after aggregating the results for all EAs, the alternative Scenario 2 was the most efficient in terms of cost savings and qualitative benefits. It estimated that to manage EUR 13,267 million (an increase of 127% compared to 2013), the six agencies will need 2887 FTEs in 2020 (an increase of 71 %, i.e. additional 1200 FTEs compared to 2013).

This compares favourably to the 'in-house scenario', which would require 3,088 FTEs to manage the same programmes. The executive agencies will benefit from economies of scale as they become larger.

Table 3.8: Budget managed and human resources in INEA compared to all executive agencies in 2013 and 2020

Executive agency	Budget managed in 2013 (million EUR)	FTEs in 2013	Budget per head 2013 (million EUR)	Budget to be managed by EA in 2020 (million EUR)	Budget to be managed by EA in 2020 (million EUR) (adjusted)	Envisioned FTEs in 2020	Envisioned FTEs in 2020 (adjusted)	Budget per head in 2020 (million EUR)	Budget per head in 2020 (million EUR) (adjusted)
INEA (former TEN-T)	1 600	100	16	5 626	6 670	337	318	16.69	17.69
All EAs	5 846	1 687	3.47	13 267	14 358	2 887	2630	4.60	5.05

Source: Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC(2013)493) adapted by the Consortium.

In order to achieve further efficiency gains, the Commission proposed a few adjustments⁵⁸ stemming from an improved level of productivity and aimed at containing administrative costs through a staff reduction of 5%, also envelope to be managed by the executive agencies was revised. These adjustments increased the ratio of budget 'per head' in the case of INEA from EUR 16.69 million to EUR 20.97 million in 2020, making it about 31% higher compared to the 2013 situation. Overall, the Agency was expected to achieve efficiency gains stemming from various sources: simplification measures proposed for the 2014-2020 programmes; continuous innovation

⁵⁸ Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC(2013)493)

and learning striving for organisational excellence; and optimising the delivery of some functions. These adjusted results of the CBA were used in the Specific Financial Statement⁵⁹ (SFS) of INEA.

With regard to the forecasts for the administrative budget and the number of staff, the SFS differs from the CBA in the following aspects:

- The staff number in INEA was reduced by 18% on average for 2014-2016 under the executive agency scenario. At the same time the number of staff in the Commission for the supervision of INEA was increased almost 3 times from 8.1 to 23.4 under the executive agency scenario. The in-house scenario was not adjusted.
- The costs in the CBA were calculated in constant 2013 prices (i.e. neutralising the effect of inflation). However, in the SFS these estimations were used as current prices without any further indexation. In real terms this constituted another reduction of the administrative budget.

The table below summarises the assumptions used in the CBA and SFS for both scenarios (in-house and executive agency scenario).

Table 3.9: Assumptions used in 2013 CBA and SFS

CBA assumptions	SFS assumptions (changes compared to CBA assumptions)
In-house scenario	
<p>Implementation scenario</p> <ul style="list-style-type: none"> • INEA (TEN-T EA) would continue to manage the legacy of 2007-2013 TEN-T programme until 2015; • EASME (EACI) would continue to manage the legacy of 2007-2013 Marco Polo programme until 2015; • New programmes would be managed by the Commission. <p>Staffing Mix <u>EC</u>: EPP – 70%; External – 30%. <u>INEA and EACI</u>: TA – 25%; CA – 75%. <u>No of staff</u>: 282 (at the end of 2018)</p> <p>Average Cost Assumptions <u>European Commission</u>: Establishment plan posts – EUR 108.000; External personnel – EUR 47.000; Seconded national experts – EUR 55.000; Overheads – EUR 23.000. <u>INEA</u>: establishment plan posts – EUR 106.294; External personnel – EUR 49.672; Overheads – EUR 20.880. <u>EASME</u>: Establishment plan posts – EUR 103.250; External personnel – EUR 49.672; Overheads – EUR 20.344.</p> <p>Average cost assumptions are based on DG BUDG estimations. The costs related to the programme support⁶⁰ (Title III expenditure) have not been included in the calculations, as these are likely to be the same across all scenarios. As such, these do not affect the cost differential between the different scenarios.</p>	<p>The CBA assumptions were not modified in the SFS (except for constant vs current prices, also the executive agencies involved in the management of the 2007-2013 programmes' legacy were not specified).</p>
Executive agency scenario	

⁵⁹ SFS version of November 2017 was used for the analysis.

⁶⁰ Such costs include Experts, studies, representation and external meeting expenses; Missions and related costs; Audit expenses; Expenses of information, publications and communication; Expenses of translation; Operational related IT costs.

CBA assumptions	SFS assumptions (changes compared to CBA assumptions)
<p>Implementation scenario New and legacy programmes managed by INEA.</p> <p>Staffing Mix: <i>Same as in-house scenario</i></p> <p>No. of staff: See Table 3.11. Number of staff includes 8.1 FTEs in the Commission for the supervision and coordination with INEA.</p> <p>Average Cost Assumptions: <i>Same as in-house scenario</i></p>	<p>Implementation scenario: <i>same as in the CBA.</i></p> <p>Staffing Mix : <i>Same as in the CBA.</i></p> <p>No. of staff: See Figure 3.6 and Table 3.11 Number of staff includes 23.4 FTEs in the Commission for the supervision and coordination with INEA.</p> <p>Average Cost Assumptions: <i>Same as in the CBA.</i> Also cost estimations for Title III expenditure (Programme support expenditure) were added.</p>

Our analysis shows that many aspects related to the quality of cost estimations were already addressed in 2013 CBA (e.g. while the initial CBAs did not take into account the additional costs of supervisory functions performed in the parent DGs, these additional costs have more recently been considered in the retrospective CBAs and CBAs related to extension of EAs mandates).

The analysis of the 2013 CBA exercise also reveals that, formally, the decision on the selection of delegation scenario was primarily based on the costs of analysed different scenarios. However, the cost difference between scenarios was marginal⁶¹ and the difference between most and least expensive scenarios constituted only 0.7%. Secondly, the results of the CBA were adjusted by the Commission to achieve further efficiency gains (adjustment level significantly varied between executive agencies, in some cases specific financial statements of the executive agencies contained a number of inconsistencies, such as inconsistent application of stated average cost assumptions, etc.); moreover, the actual costs of the executive agencies deviated from the initial estimations. Combined, such deviations were significantly larger than cost differences between the scenarios analysed in the 2013 CBA. Last but not least, the cost-effectiveness gains in the case of all executive agencies primarily resulted from the same source: a higher share of lower cost personnel (CAs) employed within the executive agencies compared to the in-house scenario. Therefore, a comparison of the cost differences provides very limited information on the different delegation alternatives.

3.3.2 Actual staffing and costs of INEA

During 2014-2016, the actually implemented⁶² administrative budget of INEA (see table below) amounted to EUR 52.827 million. The SFS estimations were based on the EU contribution only, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million during 2014-2016). Based on the EU contributions, the actual administrative budget of INEA amounted to EUR 52.426 million and was 8% lower than estimated in the SFS, with savings of EUR 4.574 million.

Most savings were achieved in 2014 and 2016 and were mainly related to Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget.

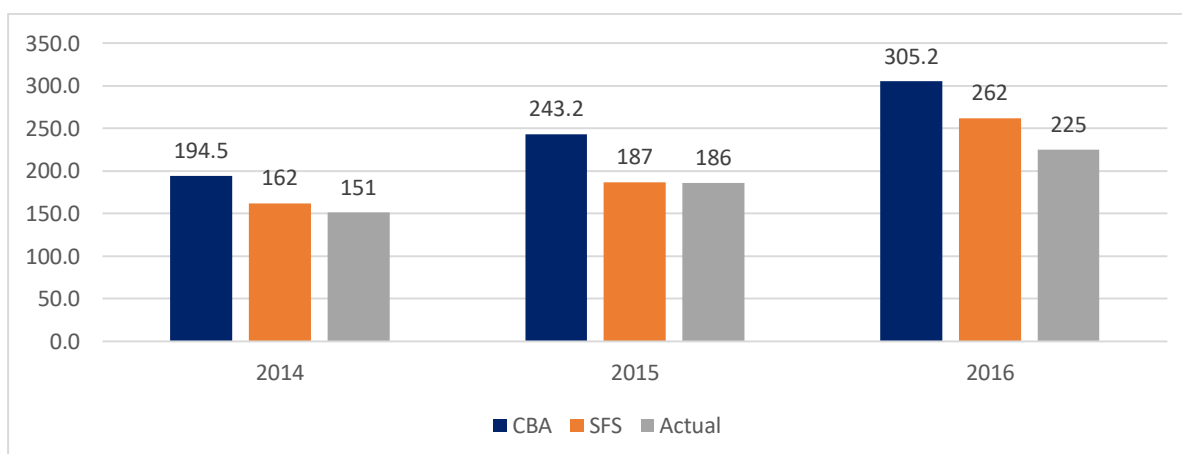
⁶¹ The cost of the initial scenario was estimated at EUR 1.613 billion, alternative scenario 1 – EUR 1.609 billion and alternative scenario 2 – EUR 1.602 billion, all estimations are expressed in present value terms

⁶² Executed commitment appropriations.

Table 3.10: INEA’s administrative budget 2014–2016, EUR million, SFS estimated and executed commitment appropriations

Administrative budget		2014	2015	2016
Title I. Staff Related Expenditure	SFS	9.493	12.460	16.751
	<i>Actual</i>	9.439	13.916	16.722
Title II. Infrastructure and Operating Expenditure	SFS	2.952	3.904	5.471
	<i>Actual</i>	3.010	3.275	3.772
Title III. Programme Support Expenditure	SFS	1.733	2.017	2.219
	<i>Actual</i>	0.671	0.983	1.039
Total:	SFS	14.178	18.381	24.441
	<i>Actual</i>	13.120	18.174	21.533
	<i>Actual (EU contribution)</i>	13.120	18.036	21.271
Savings (SFS-Actual):		1.058	0.207	2.908
Savings (SFS-Actual EU contribution):		1.058	0.345	3.170

Staff related expenditure in 2014-2016 was 4% higher than the initial SFS estimations but higher staff costs were counterbalanced by lower Title II and Title III expenditure. The actual number of staff⁶³ was by 8% lower than SFS estimations (see Figure below), whereas the composition of staff (the ratio between TAs and CAs) at the end of 2016 corresponded to the SFS estimations. The actual average staff costs in 2015 and 2016 were higher than the SFS estimations – the average actual costs for TAs amounted to EUR 119.8 thousand in 2015 and EUR 124.6 thousand in 2016 (as per SFS estimations – EUR 106.3 thousand); the actual costs for CAs were EUR 52.2 thousand in 2015 and EUR 55.6 thousand in 2016 (as per SFS estimations – EUR 49.7 thousand). Such deviation mainly related to unsustainable initial CBA/SFS assumptions: 1) as noted before, the average costs were not adjusted for inflation and 2) the average costs for TAs and CAs in INEA were based on the weighted average staff costs of all agencies disregarding the fact that actual average costs both for TAs and for CAs in INEA were higher. Despite higher average staff costs, staff related expenditure in 2014 and 2016 was within the SFS estimates, which related to lower than estimated number of staff.

Figure 3.19: Actual and estimated number of INEA’s staff between 2014 and 2016

Source: CBA, SFS, INEA’s Final Annual Accounts (2014, 2015, 2016)

⁶³ Actual number of staff at the end of 2014, 2015 and 2016.

Infrastructure and operating expenditure in 2014 corresponded to the SFS estimations, but in 2015-2016 was increasingly lower than the SFS estimates, which related to the fact that infrastructure expenditure grew slower compared to the increase in the number of staff. The actual infrastructure and operating expenditure in 2014-2016 accounted for 82% of the SFS estimations with most savings achieved in 2016. The biggest share of Title II expenditure relates to rental of buildings and associated costs. At the end of 2015 it was decided that INEA will stay in its current location for another three years, this option being significantly cost-effective compared to other options analysed, which contributed to lower Title II costs.

The actual programme support expenditure was significantly lower than that forecasted in the SFS. The actual programme support expenditure in 2014-2016 accounted for 45% of the SFS estimations.

3.3.3 Cost-effectiveness of the executive agency scenario and savings

To assess whether the conclusions of the ex-ante assessment (saving estimations provided in the CBA and SFS) are still valid when compared to the actual situation and what the overall savings are, the approach that has been adopted involves:

- Examining the actual performance of INEA (actual execution of the administrative budget, actual staffing, etc.);
- To ensure comparability and validity of results, we follow the assumptions laid down in the CBA and SFS and provide estimations of the comparable 'actual' in-house (Commission) scenario (comparator), which would best reflect the actual situation;
- Based on these estimations we assess whether the conclusions of the CBA and SFS ex-ante assessment are still valid when compared to the actual situation and what the overall possible savings are.

To deconstruct the 'actual' in-house (Commission) scenario ('comparator'), the estimations are based on the following CBA/SFS assumptions: first, the **number and composition of staff in the Commission and INEA** under in-house scenario corresponds to CBA/SFS estimations. Also, an additional four CAs were added to the estimated Commission staff number in 2016 to reflect additional staff in INEA financed from the EFTA countries' contributions to manage additional operational budget, which was not covered in the CBA/SFS resource calculation⁶⁴. Secondly, the **Commission staff costs and overheads** correspond to DG BUDG estimations used for the respective year. Consequently, the following average costs are used: for 2014-2015 TA posts – EUR 109,000, CA posts – EUR 47,000, overheads – EUR 23,000; for 2016 TA posts – EUR 111,000, CA posts – EUR 47,000, overheads – EUR 23,000; third, **INEA's average staff costs and overheads** under in-house scenario (for legacy) correspond to the actual average INEA's staff costs and overheads in the respective year; and last but not least, the **programme support expenditure** (Title III) stays the same under the Commission scenario and the executive agency scenario.

The tables below present the results of the analysis of the estimated and actual costs of the in-house (Commission) and the executive agency scenarios and corresponding CBA and SFS estimates.

⁶⁴ The SFS staff estimations are based on the staff financed from the EU budget only, however additional 4 CAs financed from the EFTA countries' contributions were authorised for INEA to manage additional operational budget, which was not covered in the CBA/SFS resource calculation. To neutralise the effect of such additional staff and to ensure comparability of the in-house and executive agency scenarios, the same number of additional staff is added to the in-house scenario.

Table 3.11: CBA estimated costs of the in-house and the executive agency scenarios, EUR

	CBA ESTIMATIONS						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
<i>In-house scenario</i>							
<i>Commission</i>							
Title I. Staff related expenditure	114.9	10 304 700	178.7	16 030 000	316.7	28 408 600	54 743 300
TA	80.4	8 683 200	125.1	13 510 800	221.7	23 943 600	46 137 600
CA	34.5	1 621 500	53.6	2 519 200	95.0	4 465 000	8 605 700
Title II. Infrastructure and operating expenditure		2 642 700		4 110 100		7 284 100	14 036 900
Total Commission cost:		12 947 400		20 140 100		35 692 700	68 780 200
<i>INEA</i>							
Title I. Staff related expenditure	79.0	5 045 204	50.0	3 191 375	0.0	0	8 236 579
TA	19.8	2 104 621	12.5	1 328 675		0	3 433 296
CA	59.2	2 940 582	37.5	1 862 700		0	4 803 282
Title II. Infrastructure and operating expenditure		1 649 520		1 044 000		0	2 693 520
Total INEA		6 694 724		4 235 375		0	10 930 099
<i>EASME</i>							
Title I. Staff related expenditure	14.0	882931	10.7	676151	0.0	0	1 559 082
TA	3.5	361 375	3	278 775			640 150
CA	10.5	521 556	8	397 376			918 932
Title II. Infrastructure and operating expenditure		284 816		217 681			502 497
Total EASME		1 167 747		893 832			2 061 579
TOTAL Titles I and II		20 809 871		25 269 307		35 692 700	81 771 877
Title III. Programme support expenditure		NA		NA		NA	NA
TOTAL COST	207.9	20 809 871	239.4	25 269 307	316.7	35 692 700	81 771 877
<i>Externalisation scenario</i>							
<i>INEA</i>							
Title I. Staff related expenditure	194.5	12 413 033	243.2	15 522 848	305.2	19 480 153	47 416 034
TA	48.6	5 165 888	60.8	6 462 675	76.3	8 110 232	19 738 796
CA	145.9	7 247 145	182.4	9 060 173	228.9	11 369 921	27 677 238
Title II. Infrastructure and operating expenditure		4 061 160		5 078 016		6 372 576	15 511 752
Total INEA		16 474 193		20 600 864		25 852 729	62 927 786
<i>Commission</i>							
Title I. Staff related expenditure	8.1	728 400	8.1	728 400	8.1	728 400	2 185 200
TA	5.7	615 600	5.7	615 600	5.7	615 600	1 846 800
CA	2.4	112 800	2.4	112 800	2.4	112 800	338 400
Title II. Infrastructure and operating expenditure		186 300		186 300		186 300	558 900
Total Commission cost:		914 700		914 700		914 700	2 744 100

	CBA ESTIMATIONS						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
TOTAL Titles I and II		17 388 893		21 515 564		26 767 429	65 671 886
Title III. Programme support expenditure		NA		NA		NA	NA
TOTAL COST	202.6	17 388 893	251.3	21 515 564	313.3	26 767 429	65 671 886
ESTIMATED SAVINGS	5	3 420 977	-12	3 753 743	3	8 925 271	16 099 991

Table 3.12: SFS estimated costs of the in-house and the executive agency scenarios, EUR

	SFS ESTIMATIONS						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
<i>In-house scenario</i>							
<i>Commission</i>							
Title I. Staff related expenditure	114.9	10 304 700	178.7	16 030 000	316.7	28 408 600	54 743 300
TA	80.4	8 683 200	125.1	13 510 800	221.7	23 943 600	46 137 600
CA	34.5	1 621 500	53.6	2 519 200	95.0	4 465 000	8 605 700
Title II. Infrastructure and operating expenditure		2 642 700		4 110 100		7 284 100	14 036 900
Total Commission cost:		12 947 400		20 140 100		35 692 700	68 780 200
<i>INEA</i>							
Title I. Staff related expenditure	93	5 928 135	60.7	3 867 526	0	0	9 795 661
TA	23.3	2 465 996.2	15.2	1 607 450	0	0	4 073 446
CA	69.7	3 462 138.4	45.5	2 260 076	0	0	5 722 214
Title II. Infrastructure and operating expenditure		1 934 336		1 261 681		0	3 196 017
Total INEA		7 862 471		5 129 207		0	12 991 677
TOTAL Titles I and II		20 809 871		25 269 307		35 692 700	81 771 877
Title III. Programme support expenditure		1 733 000		2 017 000		2 219 000	5 969 000
TOTAL COST	207.9	22 542 871	239.4	27 286 307	317	37 911 700	87 740 877
<i>Externalisation scenario</i>							
<i>INEA</i>							
Title I. Staff related expenditure	162	9 493 000	187	12 459 496	262	16 751 116	38 703 612
TA	49	4 569 063	56	5 952 464	66	7 015 404	17 536 931
CA	113	4 923 937	131	6 507 032	196	9 735 712	21 166 681
Title II. Infrastructure and operating expenditure		2 951 960		3 904 560		5 470 560	12 327 080
Total INEA		12 444 960		16 364 056		22 221 676	51 030 692
<i>Commission</i>							
Title I. Staff related expenditure	23.4	2 100 200	23.4	2 100 200	23.4	2 100 200	6 300 600
TA	16.4	1 771 200	16.4	1 771 200	16.4	1 771 200	5 313 600
CA	7.0	329 000	7.0	329 000	7.0	329 000	987 000

	SFS ESTIMATIONS						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
Title II. Infrastructure and operating expenditure		538 200		538 200		538 200	1 614 600
Total Commission cost:		2 638 400		2 638 400		2 638 400	7 915 200
TOTAL Titles I and II		15 083 360		19 002 456		24 860 076	58 945 892
Title III. Programme support expenditure		1 733 000		2 017 000		2 219 000	5 969 000
TOTAL COST	185.4	16 816 360	210.4	21 019 456	285	27 079 076	64 914 892
ESTIMATED SAVINGS	23	5 726 511	29	6 266 851	31	10 832 624	22 825 985

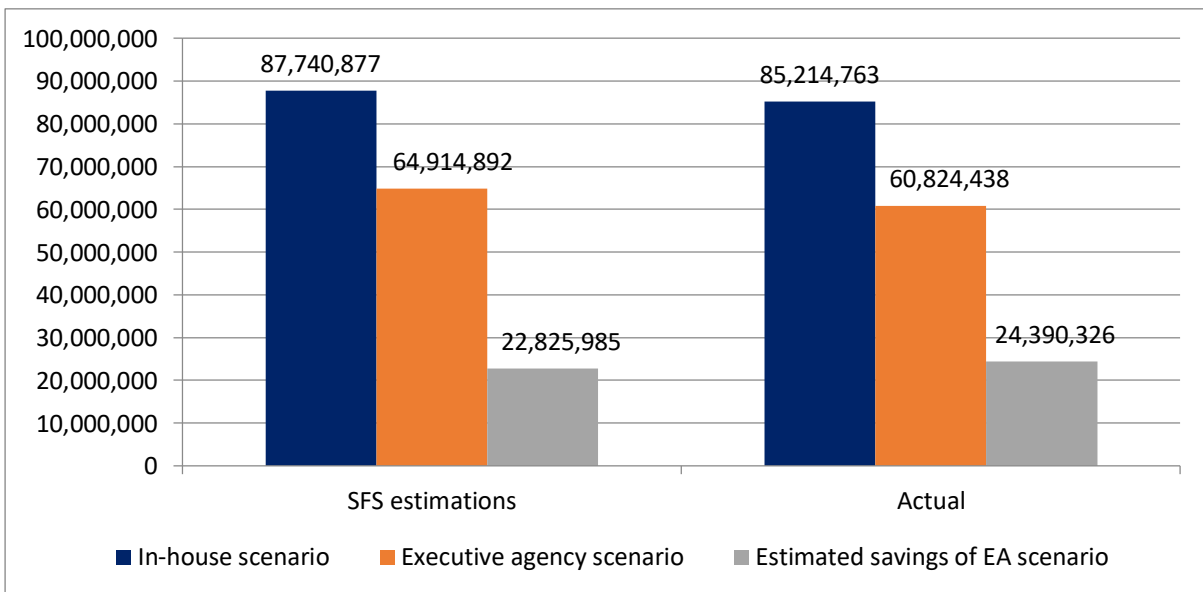
Table 3.13: Actual costs of the in-house and the executive agency scenarios, EUR

	ACTUAL						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
<i>In-house scenario</i>							
<i>Commission</i>							
Title I. Staff related expenditure	114.9	10 385 100	178.7	16 155 100	320.7	29 261 700	55 801 900
TA	80.4	8 763 600	125.1	13 635 900	221.7	24 608 700	47 008 200
CA	34.5	1 621 500	53.6	2 519 200	99.0	4 653 000	8 793 700
Title II. Infrastructure and operating expenditure		2 642 700		4 110 100		7 376 100	14 128 900
Total Commission cost:		13 027 800		20 265 200		36 637 800	69 930 800
<i>INEA</i>							
Title I. Staff related expenditure	93	5 471 573	60.7	4 196 194	0	0	9 667 767
TA	23.3	2 375 851	15.2	1 821 432	0	0	4 197 283
CA	69.7	3 095 722	45.5	2 374 762	0	0	5 470 484
Title II. Infrastructure and operating expenditure		1 853 826		1 068 832		0	2 922 658
Total INEA		7 325 399		5 265 026		0	12 590 425
TOTAL Titles I and II		20 353 199		25 530 226		36 637 800	82 521 225
Title III. Programme support expenditure		671 259		983 280		1 039 000	2 693 538
TOTAL COST	207.9	21 024 458	239.4	26 513 505	321	37 676 800	85 214 763
<i>Externalisation scenario</i>							
<i>INEA</i>							
Title I. Staff related expenditure	151	9 438 929	186	13 915 626	225	16 722 000	40 076 555
TA	44	4 312 609	56	6 473 684	57	6 863 000	17 649 293
CA	107	4 329 318	130	6 235 195	168	8 645 000	19 209 513
Interim supportive agents and trainees		199 943		420 054		277 000	896 997
Professional development and recruitment costs		597 060		786 693		937 000	2 320 752
Title II. Infrastructure and operating expenditure		3 009 975		3 275 169		3 772 000	10 057 144
Total INEA		12 448 904		17 190 795		20 494 000	50 133 699

	ACTUAL						
	2014		2015		2016		Total 2014-2016
	No.	Cost	No.	Cost	No.	Cost	
Commission							
Title I. Staff related expenditure	23.4	2 116 600	23.4	2 116 600	23.4	2 149 400	6 382 600
TA	16.4	1 787 600	16.4	1 787 600	16.4	1 820 400	5 395 600
CA	7.0	329 000	7.0	329 000	7.0	329 000	987 000
Title II. Infrastructure and operating expenditure		538 200		538 200		538 200	1 614 600
Total Commission cost:		2 654 800		2 654 800		2 687 600	7 997 200
TOTAL Titles I and II		15 103 704		19 845 595		23 181 600	58 130 899
Title III. Programme support expenditure		671 259		983 280		1 039 000	2 693 538
TOTAL COST	174.4	15 774 963	209.4	20 828 875	248	24 220 600	60 824 438
ESTIMATED SAVINGS	34	5 249 495	30	5 684 630	72	13 456 200	24 390 326

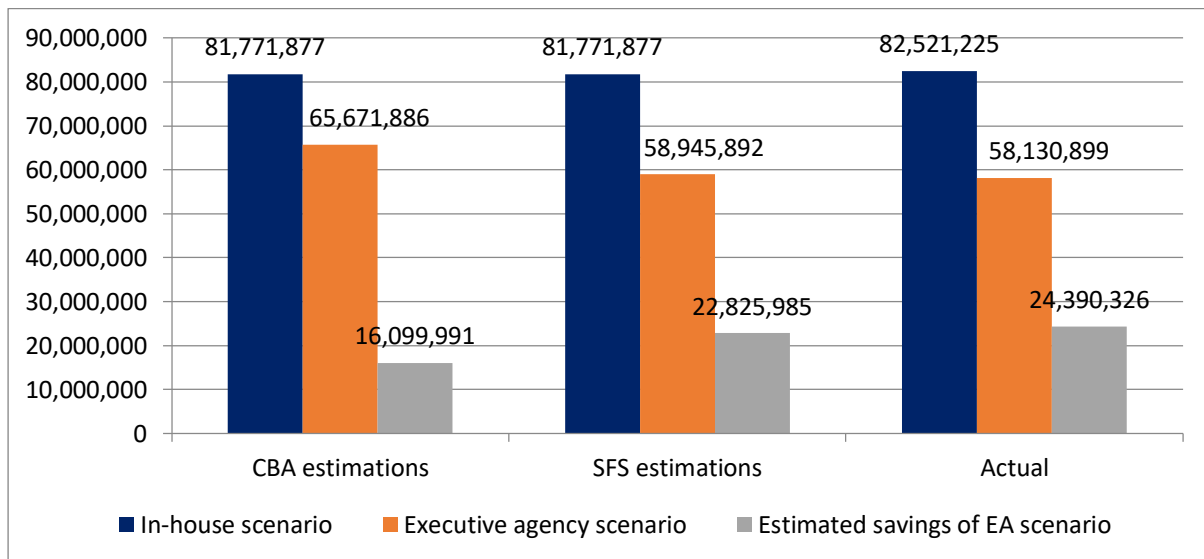
Figure 3.20 below provides a summary of the planned (as indicated in the SFS) and the actual total costs under the in-house and executive agency scenarios in 2014-2016. **Figure 3.20** provides corresponding information on Title I “Staff related expenditure” and Title II “Infrastructure and operating expenditure” and includes information on the CBA and SFS estimations and the actual costs⁶⁵.

Figure 3.20: Estimated savings of the executive agency scenario in 2014-2016, EUR



⁶⁵ Title III estimations have not been included in the CBA, therefore comparison of actual savings against CBA and SFS estimations is based only on Title I and Title II.

Figure 3.21: Estimated savings of the executive agency scenario in 2014-2016 (Title I and Title II expenditure), EUR



The results of the retrospective CBA show that:

The overall actual costs of the executive agency scenario⁶⁶ constituted EUR 60.824 million over 2014-2016. In order to evaluate to what extent the actual costs have corresponded to the initial SFS estimates it is important to follow the same assumptions that have led such SFS estimates. The SFS estimations (EUR 64.915 million over 2014-2016) were based on the EU contribution, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million over 2014-2016) to manage additional operational budget. Consequently, **based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 60.424 million, which means that the actual savings amounted to EUR 4.491 million and accounted for 7% of the SFS estimates.** Significant cost savings occurred in Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget. Title I "Staff related expenditure" was higher than estimated in the SFS, which related to higher average staff costs. Higher staff expenditure may become an important issue in subsequent years since the average staff cost estimations remain constant in the SFS during 2014-2020 period, while the actual average staff costs might rise further due to salary indexation, promotions and/or increasing staff seniority.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. **In 2014-2016, the actual cost savings deriving from cost difference of the executive agency scenario and the in-house scenario constituted EUR 24.4 million (or 29% of the estimated costs under the in-house scenario).**

Comparing the savings initially estimated in the CBA and SFS with the actual savings from the delegation of tasks to INEA, we found that the actual savings during 2014-2016 period were higher than initial estimations (EUR 24.4 million compared to EUR 16.1 million CBA and EUR 22.8 million SFS estimates). As forecasted in the SFS and the ex-ante CBA, savings of the executive agency scenario primarily resulted from a higher share of lower cost external personnel (CAs)

⁶⁶ Including cost of coordination and monitoring by the Commission and costs of INEA covered from EFTA and third country contributions.

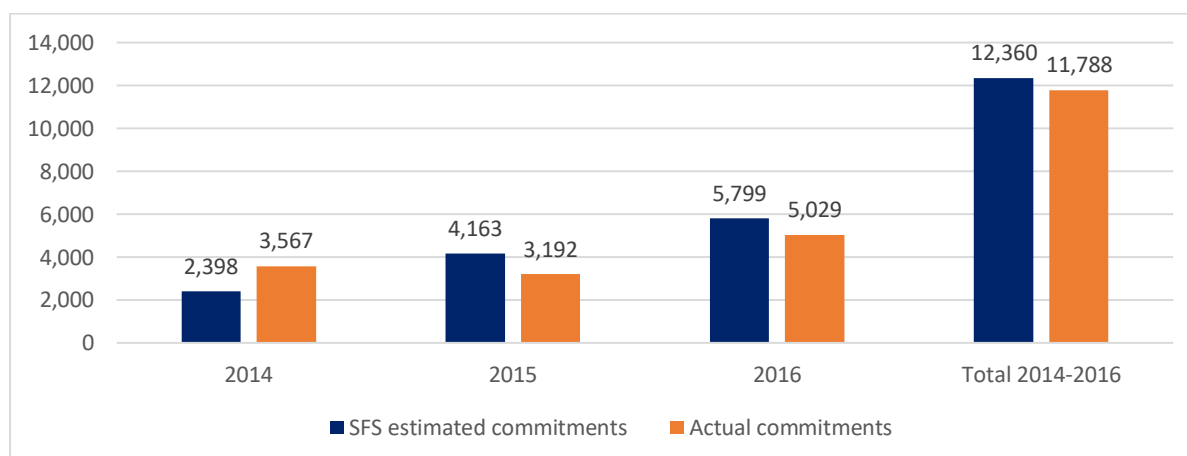
employed within the executive agency and lower overall number of staff (the number of staff in in-house scenario was not modified in the SFS).

3.3.4 Workload analysis

According to the SFS estimations, INEA's operational budget in commitment appropriations amounted to approximately EUR 2.4 billion in 2014, EUR 4.2 billion in 2015 and EUR 5.8 billion in 2016 (please see Figure below). In 2014, the actual operational budget based on the EU contributions (EUR 3.6 billion) was higher than the SFS estimations (mainly due to the higher up-front commitments for CEF Transport and other programmes), but in 2015 (EUR 3.2 billion) and 2016 (EUR 5.0 billion) the actual operational budget was lower than estimated in the SFS. As a result, the overall operational budget based on the EU contributions allocated to INEA for 2014-2016 was by some 4.6% lower than estimated in the SFS.

In addition to the EU contributions, INEA also managed additional operational budget allocated by EFTA and third countries which amounted to EUR 109.2 million over 2014-2016 (0.9 % of the overall operational budget of the Agency). Most of EFTA and third countries contributions related to H2020 (EUR 107.7 million over 2014-2016 or 4.6% of the overall H2020 operational budget of the Agency).

Figure 3.22: INEA's operational budget 2014-2016, EUR million (commitment appropriations, C1 (EU) credits)



Source: SFS and Annex 3 of Annual Activity Reports (2014, 2015, 2016), INEA

A more in-depth analysis showed that the operational budget executed by INEA was lower than the SFS estimations for most programmes in 2014-2016 (except for CEF Telecom); commitments for CEF and for H2020 were, respectively by 3% and 10% lower than the SFS estimations (see Table below).

This mainly related to transfer of funds from the programmes delegated from INEA to EFSI⁶⁷ (8.4% of CEF funds and 2.9% of H2020 funds (3.5% of H2020 funds for Energy and Transport) were transferred to EFSI), as well as operational budget changes resulting from the MFF review exercise and the annual budget review exercise. As a consequence of the different changes, the number of authorised staff in INEA was reduced in 2016 (from 262 estimated in SFS to 247⁶⁸).

⁶⁷ See Annex I of the regulation (EU) No 2015/1017 of the European Parliament and of the Council.

⁶⁸ 4 CAs financed from EEA/EFTA are not included, total number of authorized INEAs staff in 2016 was 251.

Table 3.14: INEA's operational budget 2014-2016, EUR million (commitment appropriations) by programme

Budget line	SFS estimated commitment appropriations)	2014	2015	2016	Total 2014-2016
06 02	CEF Transport	1 225.730	2 878.738	4 306.108	8 410.576
06 03	H2020 Transport	91.640	189.134	132.282	413.056
08 02	H2020 Research	549.830	465.984	576.634	1 592.448
09 03	CEF Telecommunication networks	19.492	24.218	37.338	81.048
32 02	CEF Energy	362.875	434.534	568.653	1 366.062
32 04	H2020 Energy	148.658	170.297	178.146	497.101
Total CEF including Transport Legacy		1 608.097	3 337.490	4 912.099	9 857.686
Total H2020		790.128	825.415	887.062	2 502.605
Total INEA		2 398.225	4 162.905	5 799.161	12 360.291
Budget line	Actual (executed C1 commitment appropriations) ⁶⁹	2014	2015	2016	Total 2014-2016
06 02	CEF Transport	2 314.659	2 132.358	3 748.041	8 195.058
06 03	H2020 Transport	140.847	122.706	71.279	334.832
08 02	H2020 Research	577.374	376.112	494.642	1 448.128
09 03	CEF Telecommunication networks	20.543	45.614	70.500	136.657
32 02	CEF Energy	367.458	346.663	495.132	1 209.253
32 04	H2020 Energy	146.090	168.298	149.874	464.262
CEF including Transport Legacy		2 702.660	2 524.635	4 313.673	9 540.968
H2020		864.311	667.116	715.795	2 247.222
Total INEA (EU contributions)		3 566.971	3 191.751	5 029.468	11 788.190
	EFTA and third countries' contributions	2014	2015	2016	Total 2014-2016
CEF			1.507		1.507
H2020		22.882	57.439	27.417	107.738
Total		22.882	58.946	27.417	109.245
	Overall INEA's operational budget	2014	2015	2016	Total 2014-2016
Total CEF including Transport Legacy		2 702.660	2 526.142	4 313.673	9 542.475
Total H2020		887.193	724.555	743.212	2 354.960
Total INEA		3 589.853	3 250.697	5 056.885	11 897.435

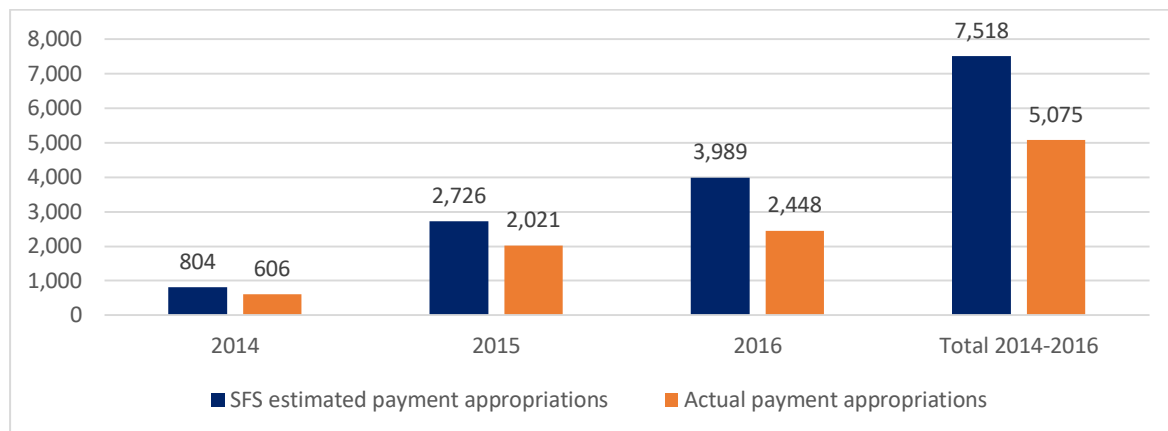
Source: SFS and data provided by INEA

The actually executed INEA's operational budget in terms of payment appropriations during 2014-2016 was by 32% lower than estimated in the SFS. This primarily related to delays in project implementation, cancelled projects (cancelled projects constituted over 6% of all adopted 2007-2013 TENT-T projects) and later than CBA estimated individualisation of global commitments. Slower

⁶⁹ Including 136 million received as internal assigned revenues

implementation of the programmes means that increase in the projects' management workload will unfold later than anticipated in the SFS and CBA.

Figure 3.23: INEA's operational budget 2014-2016, EUR million (payment appropriations)



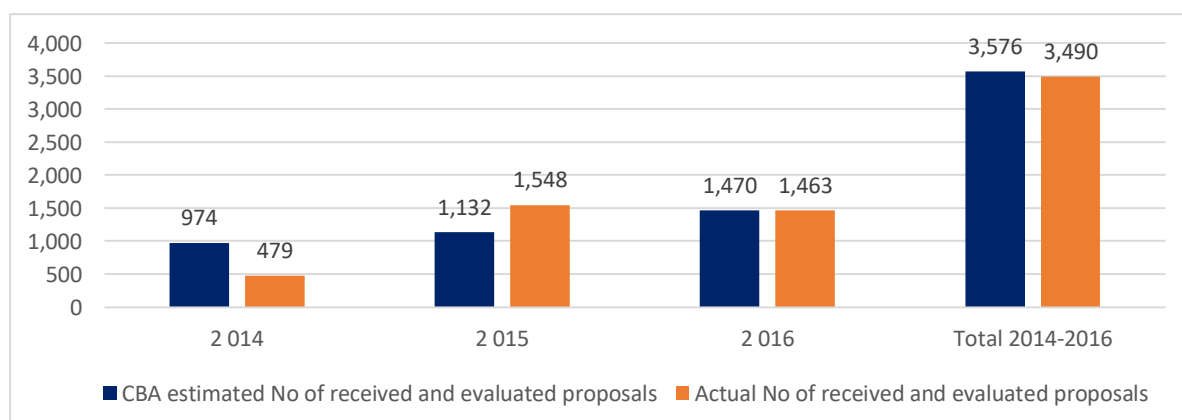
Source: SFS and Annex 3 of Annual Activity Reports (2014, 2015, 2016), INEA

The Agency's workload is closely linked with the allocated operational budget, the number of proposals received and the number of grants concluded/projects managed. Although INEA's executed operational budget in 2014-2016 was below SFS/CBA estimations, the actual numbers of received and evaluated proposals and running projects in 2015 and 2016 were very close to the CBA estimations.

Evaluation of Proposals

2014 was the initial year of implementation of 2014-2020 MFF programmes, which was characterised by a gradual transfer of new programmes' management tasks from the parent DGs to the Agency. For some 2014 calls the parent DGs decided to keep responsibility for the evaluation exercise (e.g. first 2014 CEF Telecom calls), some 2014 calls were launched at the very end of 2014 with submission deadlines in 2015. Consequently, the actual number of received and evaluated proposals in 2014 was lower than initial CBA estimations. However, already in 2015-2016 the actual number of proposals reached or surpassed CBA estimations making the total number of proposals evaluated during 2014-2016 very similar to the CBA estimations (please see Figure below).

Figure 3.24: CBA estimated and actual number of received and evaluated proposals



The number of received and evaluated applications was higher than the CBA estimations for CEF Transport and CEF Telecom and lower for CEF Energy (please see Table below).

Table 3.15: CBA estimated and actual number of received and evaluated proposals by programme

CBA estimated number of received and evaluated proposals	2014	2015	2016	Total 2014-2016
Legacy: TEN-T	-	-	-	-
New MFF: CEF Transport	109	218	536	863
New MFF: CEF Telecom	10	12	19	41
New MFF: CEF Energy - works	30	35	30	95
New MFF: CEF Energy - studies	150	135	100	385
New MFF: H2020 Energy	345	374	401	1120
New MFF: H2020 Transport	330	358	383	1071
Total	974	1 132	1 470	3 576
Actual number of received and evaluated proposals	2014	2015	2016	Total 2014-2016
Legacy: TEN-T	144			144
New MFF: CEF Transport		735 ⁷⁰	441 ⁷¹	1 176
New MFF: CEF Telecom		22 ⁷²	234 ⁷³	256
New MFF: CEF Energy	65	55	39	159
New MFF: H2020 Energy	196 ⁷⁴	315	269	780
New MFF: H2020 Transport	74 ⁷⁵	421 ⁷⁶	480 ⁷⁷	1061
Total	479	1 548	1 463	3 490

Source: CBA and Annual Activity Reports (2014, 2015, 2016)

Conclusion of grant agreements and project management

The actual number of running projects in 2014 was below the CBA estimations, which related to later than initially forecasted launch of 2014 calls and later conclusion of grant agreements; however, in 2015-2016 the actual number of running projects generally reached the CBA estimations (please see the Figure below).

⁷⁰ 2014 CEF Transport Calls

⁷¹ 2015 CEF Transport and 2016 CEF Synergy Calls

⁷² 2014 eID Call (2014-TC-2014-3)

⁷³ 2015 and 2016 CEF Telecom Calls (CEF-TC-2015-1; CEF-TC-2015-2; CEF-TC-2016-1; CEF-TC-2016-2; CEF-TC-2016-3; CEF-TC-2016-4)

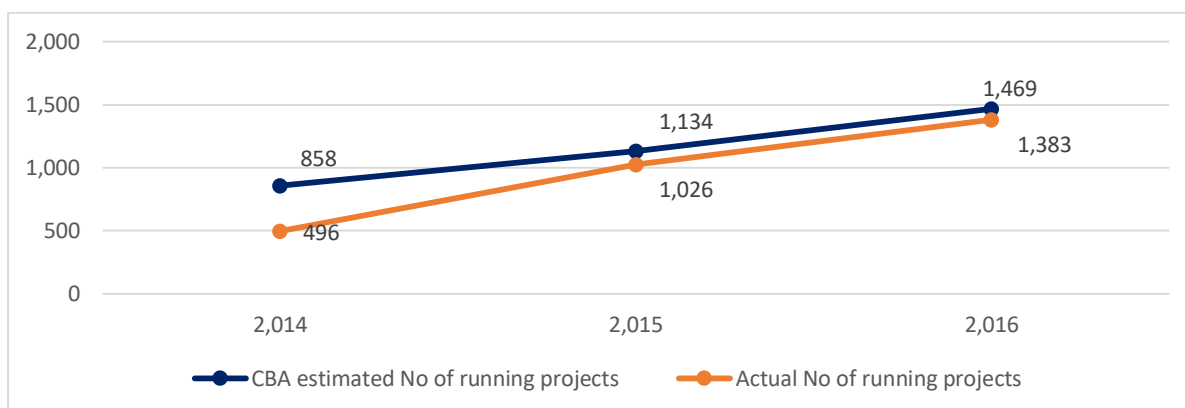
⁷⁴ For sub-Calls handed over to INEA in 2014

⁷⁵ For sub-Calls handed over to INEA in 2014

⁷⁶ 2015 H2020 Transport Calls

⁷⁷ 2016 H2020 Transport Calls

Figure 3.25: CBA estimated and actual number of running projects



Source: CBA and Annual Activity Reports (2014, 2015, 2016), INEA

A more in-depth analysis showed that the actual number of running projects in 2016 was higher than the CBA estimations for TEN-T legacy (which primarily related to delays in project implementation/finalisation and later than estimated individualisation of 2013 global commitments), CEF - Transport (faster than estimated development of the projects' pipeline) and CEF - Telecom (higher than estimated operational budget of the programme and much lower average project size). At the same time the actual number of projects was much lower for CEF-Energy, which primarily related to lower than anticipated number of CEF Energy - studies (please see Table 3.16 below).

Table 3.16: CBA estimated and actual number of running projects by programme

CBA estimated number of running projects	2014	2015	2016
Legacy: TEN-T	473	425	309
Legacy: Marco Polo	97	78	60
New MFF: CEF Transport	49	147	388
New MFF: CEF Telecom	4	10	18
New MFF: CEF Energy - works	23	53	79
New MFF: CEF Energy - studies	110	210	285
New MFF: H2020 Energy	52	108	168
New MFF: H2020 Transport	50	103	161
Total	858	1 134	1 469
Actual number of running projects ⁷⁸	2014	2015	2016
Legacy: TEN-T	395	439	372
Legacy: Marco Polo	72	80	57
New MFF: CEF Transport	0	263	452
New MFF: CEF Telecom	0	29	119
New MFF: CEF Energy	0	33	66
New MFF: H2020 Energy	28	92	184
New MFF: H2020 Transport	1	90	133
Total	496	1 026	1 383

⁷⁸ For legacy programmes number of projects at the beginning of the year, for new MFF programmes – at the end of the year.

Source: CBA and Annual Activity Reports (2014, 2015, 2016), INEA

INEA's workload is further inflated by the reflux of projects, which relates to: (1) projects being cancelled after adoption of the decision on their financing and signature of grant agreement (as mentioned above the cancelled projects constituted over 6% of the 2007-2013 TEN-T programme); and (2) the capacity of INEA to identify cost savings in certain actions (for instance resulting from the tendering processes) and to amend the grant agreements in a very responsive manner in order to free the corresponding budgetary commitments and re-inject them into new calls (for instance, approximately EUR 600 million was re-injected in a CEF Transport call in 2016; resources were proposed in 2016 to finance a new flagship project, WIFI4EU, in the digital sector⁷⁹).

The future workload of INEA will be influenced by the actual operational budgets of the delegated programmes and the average project size. 2014-2016 programmes' implementation data indicates that the average size of the projects was higher than the CBA estimations for CEF Transport and Energy and lower for CEF Telecom (please see Table below).

Table 3.17: CBA estimated and actual average grant size, EUR million

Programme	Actual average project size 2014-2016	CBA estimated average project size
New MFF: CEF Transport	43	25
New MFF: CEF Telecom	0.5	4.4
New MFF: CEF Energy	14	21 for works 0.5 for studies
New MFF: H2020 Energy	7.3	8.6
New MFF: H2020 Transport	6.1	6.9

Productivity indicators and workload assessment methodology developed by INEA

As already indicated above, many parameters of the programmes delegated to INEA and the corresponding workload significantly deviated from the initial CBA assumptions, therefore INEA developed a workload assessment methodology⁸⁰ to review its productivity indicators and staffing needs. In line with the initial CBA, INEA used three main indicators to monitor the evolution of its workload: 1) the number of proposals to be evaluated; 2) the number of grant agreements to be signed and 3) the number of ongoing projects to be monitored⁸¹. These three indicators were considered to be the main programme-level workload drivers.

The productivity indicators in the workload assessment methodology remained the same as established in the CBA for TEN-T and Marco Polo Legacy. For CEF Transport, INEA confirmed that the indicators established in CBA suited well to estimate the overall staffing needs, however, in order to improve the granularity of the workload and staffing forecast, INEA suggested splitting CEF Transport productivity indicator between the different types of projects (Works/Mixed and Studies).

The productivity indicators used in the initial CBA for the management of CEF Energy turned out to be not in line with the actual workload. With a view to ensuring pro-active management at sub-

⁷⁹ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), 14.2.2018, COM (2018) 66 final.

⁸⁰ The methodology was adopted by the INEA's Steering Committee on February 2018.

⁸¹ This indicator has the most important impact on the workload of the agency.

programme level and to address the specificity of the programme, INEA proposed to decrease the respective productivity indicators⁸².

The productivity indicators used in the initial CBA for the management of CEF Telecom were based heavily on CEF Transport, whilst in reality these actions turned out to be different (e.g. much smaller actual average project size, etc.). In addition to that, the CBA did not foresee a differentiation between lump sum and real costs actions. Correspondingly, the revised CEF Telecom productivity indicators were differentiated between real costs and lump sum actions and increased⁸³, especially for lump sum based actions.

The productivity indicators used in the CBA for the management of H2020 Energy or H2020 Transport were based on FP7 data for the most part and were widely different between the two sectors. In reality, no such significant difference in productivity was noticed and it was proposed to align the different indicators.

Drawing on the estimates of the operational staffing needs based on productivity indicators, the initial CBA assumed an additional 20% of horizontal staff (i.e. the horizontal staff estimates corresponded to 16.7% of the total staff). INEA made efforts to decrease its share of horizontal staff⁸⁴ and proposed to remain with the target of 16.7% of the overall horizontal staff.

Based on the developed workload assessment methodology INEA also updated its workload forecasts. Similar to our conclusions of the workload analysis, it was expected that the overall number of ongoing actions (being the most important workload driver for the Agency) will remain rather close to the initial CBA forecasts during 2015-2019, however there will be significant deviations between sub-programmes delegated to the Agency (e.g. much higher number of ongoing projects in CEF Telecom and lower in CEF Energy). Also, it was estimated that the number of ongoing projects will be higher in 2020-2021 compared to the initial CBA estimates, which is mainly related to the expected extensions of projects and time allocated to projects' closure.

Similarly, the calculation of the staffing needs based on the productivity indicators and workload forecasts showed that the total staffing requirement will remain rather close to the SFS estimates, however, there will be significant deviations between sub-programmes delegated to the Agency (staffing needs being higher for CEF Telecom and lower for CEF Energy than estimated in the SFS, etc.).

Overall conclusions of the workload analysis

Overall, while the operational budget actually executed by INEA was lower than initially estimated in the CBA/SFS, the actual number of projects managed by INEA in 2015-2016 largely corresponded to the CBA estimations. At the same time, many parameters of the delegated programmes significantly deviated from the initial CBA estimations (e.g. higher than estimated operational budget of the CEF-Telecom programme and much lower average project size, reflux of funds following cancellation of projects and cost savings into new calls, lower than anticipated number of CEF Energy – studies, reallocation of CEF/H2020 funds to EFSI, etc.). The actual execution of payment appropriations was slower, which indicates that increase in the projects' management workload will unfold later than anticipated in the SFS and CBA.

Many of the above indicated issues related to the actual INEA's workload (such as the operational budget allocated to the relevant programme, the average grant size and the corresponding number of grants, etc.) are beyond the influence of INEA. Programmes' implementation experience also

⁸² I.e. to increase the number of person-days necessary to carry out specific tasks.

⁸³ I.e. the number of person-days necessary to carry out specific tasks was decreased.

⁸⁴ The share of horizontal staff was decreased to 19% in 2018 INEA's Work Programme.

showed that productivity indicators for some programmes were underestimated or overestimated in the original CBA, furthermore productivity indicators could differentiate within the same programme (e.g. administration of lump sum actions in CEF Telecom is less work demanding than administration of real cost actions, administration of CEF Energy Studies is less work demanding than CEF Energy Works, etc.). Evidence gained during the evaluation showed, that INEA continuously monitored the actual workload and the main factors contributing to it and consequently initiated redeployment of administrative resources (subject to flexibility provided for in the corresponding legal acts⁸⁵). Such monitoring of the workload should be further continued.

3.3.5 Conclusions – Retrospective quantitative CBA

Firstly, the actual costs of the executive agency scenario were below the SFS estimations. The overall actual costs of the executive agency scenario⁸⁶ constituted EUR 60.824 million over 2014-2016. In order to evaluate to what extent the actual costs have corresponded to the initial SFS estimates it is important to follow the same assumptions that have led such SFS estimates. The SFS estimations (EUR 64.915 million over 2014-2016) were based on the EU contribution, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million over 2014-2016) to manage additional operational budget. Consequently, **based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 60.424 million, which means that the actual savings amounted to EUR 4.491 million and accounted for 7% of the SFS estimates..** Significant cost savings occurred in Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget. Title I "Staff related expenditure" was by 4% higher than estimated in the SFS, which related to higher average staff costs. Higher staff expenditure may become an important issue since the average staff cost estimations remain constant in the SFS during 2014-2020 period, while the actual average staff costs might rise further due to salary indexation, promotions and/or increasing staff seniority.

Secondly, the costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. **In 2014-2016, the actual cost savings deriving from cost difference of the executive agency scenario and the in-house scenario constituted EUR 24.4 million (or 29% of the estimated costs under the in-house scenario).**

Thirdly, comparing the savings initially estimated in the CBA and SFS with the actual savings from the delegation of tasks to INEA, we found that the actual savings during the 2014-2016 period were higher than initial estimations (EUR 24.4 million compared to EUR 16.1 million CBA and EUR 22.8 million SFS saving estimates). As forecasted in the SFS and the ex-ante CBA, savings of the executive agency scenario primarily resulted from a higher share of lower cost external personnel (CAs) employed within the executive agency and lower overall number of staff.

The workload analysis revealed, that while the operational budget actually executed by INEA was lower than initially estimated in the CBA/SFS, **the actual number of projects managed by INEA, which constitutes the main workload driver for the Agency, in 2015-2016 largely corresponded to the CBA estimates.** At the same time, many parameters of the delegated programmes significantly deviated from the initial CBA estimations (e.g. higher than estimated operational budget of the CEF-Telecom programme and much lower average project size, reflux of funds following cancellation of projects and cost savings into new calls, lower than anticipated number of projects related to CEF Energy – studies, reallocation of CEF/H2020 funds to EFSI, etc.). The actual execution of payment

⁸⁵ Administrative resources can be relatively flexibly redistributed within the same programme, but not across the programmes.

⁸⁶ Including cost of coordination and monitoring by the Commission and costs of INEA covered from EFTA and third country contributions.

appropriations was slower, which indicates that increase in the projects' management workload will unfold later than anticipated in the SFS and CBA.

3.3.6 Qualitative aspects of the retrospective CBA

The qualitative aspects of the CBA indicated in the terms of reference (which reflect the CBA questions provided in the Article 3(1) of the Regulation (EC) No 58/2003) were integrated into the overall evaluation framework, i.e. they were presented in detail in this report under the tasks 1 and 2 as shown in table below. This allowed avoiding duplication of work and ensuring integrated approach throughout the evaluation exercise. Nevertheless, in this part of the report we also shortly summarised the key findings concerning each qualitative aspect of the CBA.

Table 3.18: Qualitative aspects of the CBA and their correspondence to evaluation tasks

Qualitative aspect of the CBA	Correspondence to evaluation tasks
Identification of the tasks justifying outsourcing	Task 1 and Task 2.1
The impact on human resources	Task 2.2 and retrospective CBA
Efficiency and flexibility in the implementation of outsourced tasks	Task 2.2 and Task 2.1
Simplification of the procedures used	Task 2.2
Proximity of outsourced activities to final beneficiaries	Task 2.1
Visibility of the EU as promoter of the programme concerned	Task 2.1
The need to maintain an adequate know-how inside the Commission	Task 2.3.

Identification of the tasks justifying outsourcing: the research undertaken suggests that outsourcing of programme implementation tasks to INEA has been operating in accordance with the legal framework. During the evaluation period, INEA was delegated with the task of executing the operational budget and performing tasks linked to the implementation of parts of the Connecting Europe Facility, Horizon 2020 transport and energy research programmes and legacy of the TEN-T and Marco Polo II programme.

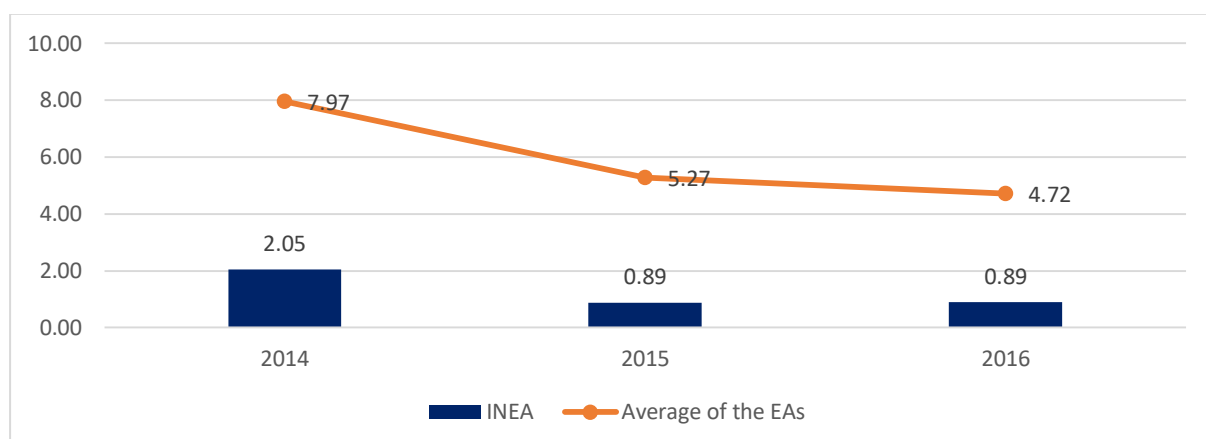
Management tasks outsourced by the Commission to the Agency are indicated in the Article 3 of the Commission Implementing Decision No 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC; Article 4 of Commission Decision of 23.12.2013 delegating powers to the Innovation and Networks Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of transport, energy and telecommunications infrastructure and in the field of transport and energy research and innovation comprising, in particular, implementation of appropriations entered in the general budget of the Union (C(2013) 9235 final) and its annex; Commission decision of 27.2.2018 on amending Decision C(2013)9235 delegating powers to the Innovation and Networks Executive Agency, as regards promotion of internet connectivity in local communities (C(2018) 1281 final); Commission decision of 04 October 2018 amending Decision C(2013)9235 as regards the inclusion of budget lines from 2017 (C(2018)6366 final). The management tasks are justified in the preambles of these documents. For more details on these aspects, please refer to Sections 3.1.1., 3.2.1 and 3.2.4 of this report.

Impact on human resources: In line with the enlarged portfolio of programmes delegated to INEA since 2014, the Agency has (as noted earlier in this report) almost doubled in size (from 151 staff at the end of 2014 to 225 active staff in 2016, and 277 staff by September 2018). The recruitment and

retention of qualified personnel have been and remains a key challenge faced by INEA. At the end of 2015, the vacancy rate at the Agency was 7.5%, whereas in 2016 the level increased up to 10% (with the target to keep the vacancy rate below 3%). The interview feedback also highlighted the challenges faced by the Agency in recruiting staff, particularly technical staff with a very specialised profile. The Agency has quite a high staff turnover rate, which has steadily increased, reaching about 10% in 2016. INEA is working to tackle these issues, e.g. by encouraging internal staff mobility, announcing vacant positions internally, organising job shadowing, etc. In addition, staff retention policy has been approved to help ensure turnover does not increase further. As noted earlier in Sections 3.1.2 and 3.2.3, staff satisfaction is generally positive.

Efficiency and flexibility in the implementation of outsourced tasks: During the evaluation period INEA demonstrated its efficiency and flexibility and proved to be a well-run organisation. This appears to be borne out by the quantitative evidence, with all KPIs being within the targets defined (except for rate of execution of commitment appropriations in 2014 for the TEN-T and Marco Polo programmes and the net time to pay for the TENT-T programme in 2015). INEA is also efficient when judging on the programme implementation costs. Due to the specificity of the projects that INEA manages, the ratio between the administrative and operational budget of the Agency was very much below the EAs' average.

Figure 3.26: Programme implementation cost (ratio between the administrative and operational budget, percentage), payments



Source: prepared by Consortium based on INEA Annual Activity Reports

Interviews with parent DGs and beneficiaries show high levels of satisfaction regarding INEA's effectiveness and efficiency. Overall, most beneficiaries said that they thought INEA was performing either 'very' or 'quite' efficiently and effectively (18.6% and 68.7% of respondents respectively indicated this). External experts of INEA also assessed INEA's performance as efficient: 96% of them assessed the overall efficiency of the evaluation/review process as efficient (47% very efficient and 49% quite efficient).

In terms of flexibility of programme implementation and project management, INEA has proved to be versatile and able to adapt to the changing needs of the parent DGs. An example of the capacity of INEA to reflect parent DG priorities was the decision earlier in 2018 to set up a separate CEF Telecommunications unit in the Agency, thereby ensuring, among others, that DG CONNECT's interests have not been overshadowed by the budgetary more significant areas of Energy and Transport. Another example is INEA taking on the monitoring function for all CEF Energy projects of common interest (even those the Agency does not directly manage) in order to be able to provide a more coherent picture of the programmes to DG ENER.

Simplification of the procedures used: As noted earlier in the report, during the evaluation period, INEA continued to improve its main business processes by further introducing various simplifications, both at the organisational level and with regard to programme implementation. Regarding the simplifications at organisational level within the Agency, the tendency over the years to decrease the levels of hierarchy in decision making from the Agency's directors to the heads of departments was observed, which allowed decreasing the overall bureaucracy. Examples of simplifications introduced in programme implementation was merging the submission of the Strategic Action Plan (SAP) together with the Action Status Report (ASR); introducing the procedure of full electronic submission of proposals, including the necessary developments of the TENtec e-submission module, etc. INEA has also handled the simplification of those parts of Horizon 2020 it has been managing, e.g. the introduction of a single set of rules, electronic signature of grant agreements, the Participant Portal as the one-stop-shop for interactions with participants, single reimbursement rate, flat rate for indirect costs, etc.

Interviews with beneficiaries and INEA staff support the findings that INEA was able to streamline and simplify procedures during the evaluation period, especially with regard to finance. This has enabled INEA to efficiently manage the increase in budgetary resources. Survey results show that most beneficiaries had noticed some simplification of the procedures: 11% of beneficiaries said they had seen a 'significant' simplification of procedures with regard to applications and evaluations while 47% stated that there had been 'some' simplification. Similar views were expressed by Programme Committee members, 11% of whom said that there had been a 'significant' amount of simplification and a further 69% said they had noticed 'some' simplification. CEF Transport Advisory Group members' responses were also positive with 27% arguing that INEA has been 'very successful' in promoting simplification and most of the remainder (55%) saying it has been 'quite' successful.

Proximity of outsourced activities to final beneficiaries: During the evaluation period INEA had close contact with programme beneficiaries, which, in addition to the financial benefits, is one of the key benefits of the Agency scenario. INEA acts as a central contact point for beneficiaries, with the regular contact taking place between beneficiaries and their project officers at INEA. Separation of policy making and implementation benefits the beneficiaries as they are dealing with the project officers who are much specialised. The assessment of the key INEA performance indicators related to average time to inform, time to grant and time to pay, shows that all three KPIs improved compared to the situation in 2014 (2015 for TTI) and 2016.

The results of the survey of INEA's beneficiaries indicate their satisfaction with their dealings with the Agency, with 90% of respondents saying that INEA managed the procedures (applications, evaluation, contract negotiations, project monitoring, etc.) in relation to their project very or quite efficiently (N=867). Only 8% of respondents indicated that during the application process INEA was unresponsive to the queries or problems applicants raised (N=981, Don't know=44%) and only 9% indicated that the decision on the application was not taken within the acceptable timeframe (N=978, Don't know=12%).

Visibility of the EU as promoter of the EU programme concerned: Concerning visibility of the EU as a promoter of the programmes entrusted to INEA, the findings suggest that there is awareness amongst stakeholders that the Agency is acting under powers delegated by the Commission. One Commission official mentioned that, although beneficiaries tend to approach INEA on technical issues, they approach the relevant DG on questions of policy or when they are hoping to provide input to the preparation of future calls. This evidence, while anecdotal, does suggest an advanced understanding of the Commission's role as well as of the specific role of the Agency.

The need to maintain an adequate level of know-how inside the Commission: Feedback from the parent DGs suggests that INEA has a good relationship with parent DGs and are happy with the levels of formal and informal communication taking place, which facilitates the share of information.

As noted earlier, some of the Agency's personnel is either seconded from the Commission (i.e. some 19 of its current 277 staff) or has previously worked in one of the parent DGs.

INEA is seen by many of those we interviewed from the parent DGs as being quite proactive in providing the Commission with feedback on programmes and finding ways of improving them. More generally, INEA draws on its experience to help inform policy-making, for example by identifying shortcomings with regard to the implementation of programmes where intervention is needed. Whilst INEA is good at providing monitoring information on projects, and now also produces country reports, and is considering the development of 'corridor' reports, there is a view that it could do more to use its knowledge of different 'sectors' to help inform Commission policy-making.

There does, nonetheless, appear to have been some loss of programme-level knowledge at the Commission, a loss of some of the more personal and technical aspects of project management and a transfer of expertise from the Commission to the Agency in terms of an in-depth understanding of how certain policy areas are developing "on the ground". These effects are to some extent built into the decision to delegate responsibility for programme implementation to the Agency, and attempts have been made to mitigate this loss.

4. Overall Conclusions & Recommendations

In this section we summarise the main conclusions of the evaluation and, where appropriate, make recommendations.

4.1 Overall Conclusions

Overall, the evaluation is positive and confirms that INEA has been performing well as an agency. Parent DGs and other DGs that have been consulted for the evaluation hold the Agency in high regard. Feedback from applicants and beneficiaries of the programme that are administered by INEA, and other stakeholders such as Programme Committee members and experts, is also favourable. As such, bearing this and the results of the retrospective CBA for this evaluation in mind, INEA's performance in the period under review justifies the decision to delegate the programmes to the Agency in terms of added value and cost-savings. The evaluation suggests that INEA's organisation and governance, and its operating procedures and practices, are sound. But there is scope for improvements to some specific aspects of its modus operandi.

Below we summarise the key conclusions and recommendations in relation to the specific issues set out in the Commission's terms of reference for the evaluation.

4.1.1 Effectiveness

Following its launch in 2014, INEA successfully tackled the challenges of the start-up phase and it is now well-established as an organisation. The challenges it has faced included managing two legacy programmes and taking on new programmes and sectors (the CEF Energy and Telecommunications sectors as well as parts of two societal challenges of the Horizon 2020 programme). This has entailed a rapid expansion with the Agency almost doubling in size since 2014. As explained in Section 3, INEA has faced staff recruitment and retention challenges that it has taken steps to deal with. It has also had to develop new management structures and procedures, IT systems and support services to underpin the expansion of the Agency. The Agency has successfully delivered programmes and largely achieved the targets set out in the KPIs. These investments in developing INEA's capabilities have been achieved at a cost that has been below expectations judging by the retrospective CBA.

In terms of INEA's performance against its KPIs, the results for the 2014-16 period are very positive with the only under-performing KPIs being the missed rate of execution of commitment appropriations in 2014 for the TEN-T and Marco Polo II programmes and with regard to the net time to pay for the TEN-T programme in 2015 which was slightly exceeded by one day. In the period covered by this evaluation, the KPIs for the CEF and Horizon 2020 projects were often exceeded to a significant extent, particularly with regard to the net time to pay. This result reflects the feedback from beneficiaries and INEA staff that procedures for payments have been improved and simplified. However, as noted in Section 3 of the report, beneficiaries' feedback in relation to H2020 suggests that INEA could be faster in awarding grants, as some projects can become outdated if the whole application, selection and award process takes too long. That said, the feedback also highlights an alternative views and many beneficiaries' experience of INEA's award procedures led them to argue that they are faster than those of other EU bodies. Moreover, there was an acknowledgement that it is important that INEA maintains its high standards for professionalism and that in the long run it is better to take longer to award grants if this means that a better job is done.

The research suggests that INEA has contributed to a significant improvement in the implementation of the delegated programmes and helped to develop better services for the Agency's stakeholders and beneficiaries. In this report we comment on the way in which INEA generates information on its activities that contribute to Commission policymaking, and the fact that

it has been proactive in this respect. Similarly, the feedback obtained from beneficiaries suggests that it is providing a very professional service to them in terms of managing project selection and award procedures, contract management and other procedures, with 89.6% of beneficiaries assessing these procedures as efficient. In terms of the overall efficiency and effectiveness of INEA's performance, a similar proportion (87.3%) of beneficiaries assessed the Agency as efficient and effective.

Recommendation 1: Looking ahead, consideration should be given to adopting more ambitious targets and KPIs where these are in the remit of INEA. As argued in Section 3.1, INEA has consistently achieved most of its KPIs and key tasks outlined in work programmes have generally been delivered on time, as reflected in the Annual Activity Reports. Bearing this in mind, and the fact that some KPIs have been exceeded, consideration should be given to an upwards revision of targets (and/or the introduction of different, INEA-specific targets, for example based on beneficiary satisfaction ratings with INEA services) to help ensure that there is an incentive to go on improving INEA's performance. However, it has to be noted that the KPIs currently used by agencies are largely the same although performance against the targets can of course vary. It could be argued that INEA's KPIs should be benchmarked against those of other Agencies and targets set accordingly but we do not recommend this because of the differing nature of their activities which makes comparisons difficult to make.

Recommendation 2: INEA should review the feedback provided in this report from applicants and beneficiaries to identify actions that can be adopted to address issues that have been raised.

Whilst the stakeholder feedback on INEA's performance is generally very positive, in the report we highlight feedback from beneficiaries and applicants suggesting scope for improvements. Such suggestions are by their very nature likely to have negative connotations and this needs to be borne in mind given the otherwise positive evaluation findings. Suggestions from applicants and beneficiaries for possible improvements are summarised on page 43 of this report. The survey data does not make it possible to distinguish between the feedback provided by CEF and H2020 programme applicants and beneficiaries. However, examples of the more general feedback include ideas such as: establishing a "hotline" for National Contact Points/Committee members to get instant information and advice on application procedures; more of a focus on "co-creation" with INEA working together with applicants on similar projects; improving the feedback to the rejected proposals; organising local information meetings and making them accessible online; more flexibility in reporting both regarding how to submit and save documentation (paper vs digital) and more use of electronic signatures; improving the participant portal (especially to remove bugs) and developing an online platform where INEA can showcase important developments across different programme areas, and more workshops to update on progress of the programmes; guidance on how to better manage project risks.

This recommendation also applies to the issues raised by external evaluation experts (summarised on page 50 of the report). Again in most cases it is not possible to identify which programmes are being referred to but examples of the experts' feedback include: reducing the high workload for the comprehensive evaluation of high number of applications per day and an unlimited volume of documentation per applicant; focusing more on the most important aspects of the evaluation criteria (such as the scientific value, excellence (in relation to H2020 projects) and impact) and less on other issues such as dissemination, communication, gender aspects, etc; and improving the feedback from INEA and experts on experts' effectiveness.

Not all the suggestions made by applicants and beneficiaries, and experts, will of course be relevant or possible to adopt but this is for INEA to decide in carrying out a review of the feedback.

4.1.2 Efficiency

The strong performance of INEA reflects the fact that it is a well-run organisation. The previous evaluation indicated that the Agency was organised to be efficient from the start, adopting a well-functioning structure that did not need significant modification in the period covered by this evaluation. One of the key drivers of success has been staff's performance and specialisation, as well as in budgetary terms the bigger ratio of Contract Agents in INEA compared with the Commission. Overall, the current evaluation suggests that INEA's organisational structure is closely aligned with the tasks entrusted to the Agency by the parent DGs. There is a clear logic in combining Energy, Transport and Telecommunications in one agency as these are areas involving large-scale infrastructure development European, cross-border and national level.

The specific stages of the project life-cycle have found to be well managed by INEA although there are some aspects that could be improved. The planning of calls and subsequent assessment of proposals also involves differing procedures reflecting practices in the parent DGs, and agreed with INEA. In the case of CEF, call planning is decided during the preparation of the work programmes and there is a coordination meeting involving the three DGs and INEA every 2-3 months. The process could, however, benefit from some more coordination with a view to improvement. . The appointment of experts to help assess project proposals is INEA's responsibility but it has been suggested that there should be more flexibility, for example with largest projects, for the Commission to influence appointments if it wishes to do so.

Recommendation 3: Steps should be taken to further improve further the coordination between the different Parent DGs with regard to calls.

While cooperation with individual Parent DGs regarding call planning has generally been well managed, there is scope for some improvements. One potential recommendation is that calls should be better spaced out with coordination meetings between INEA and the Parent DGs during the development of the INEA annual work programmes, in order to relieve pressure on human resources and the evaluation and finance sectors to organise the evaluations and process the payments. This applies where the evaluation of proposals is undertaken partly remotely (individual assessment) and partly by in-situ by external experts selected by INEA (consensus meetings).. Consideration might also be given to reducing the number of calls by examining how many calls are required during the planning stage and seeing if any of the calls can be combined – this is an area the that Agency has proactively discussed with different Parent DGs, leading to a reduction in the total number of calls in 2019. However, if reducing the number of calls meant having more proposals for each, this would not necessarily be efficient as it would risk accentuating peaks in workload.

The recruitment and retention of suitably qualified personnel has been and remains a key challenge faced by INEA. Within the evaluation period, this can in part be attributed to the level of growth required of the Agency, which has put significant pressure on its HR management. The difficulty to attract suitable staff is foremost related to the specific profiles required by INEA. There are, however, practical differences between the staff selection procedures in the Agency: Temporary Agents (TAs) do not have to pass the central tests organised by the inter-institutional European Personnel Selection Office (EPSO) but can be tested and selected by the Agency itself; this is not the case with Contract Agents (CAs) who have to pass EPSO tests before being able to be invited to a selection procedure in the agency. Prior to INEA's establishment, there was a quite large reserve of laureates for CA positions, but in the following 4-5 years this reserve progressively diminished and the Executive Agencies were competing with each other to recruit especially project officers. This helps to explain some of the difficulties faced by INEA. Moreover, the CEF and H2020 staffing levels still largely reflect the assumptions with regard to the number of calls and projects that were made in the 2013 CBA. However, in reality, there have been divergences between the forecasts and actual trends with the result that whilst the staff needed for CEF transport projects is

about right, there were shortages in the telecommunications field with only about half the number of staff that are required being actually in place while an opposite situation has existed with some other areas such as CEF Energy.

A related challenge is that it has not been easy for INEA to re-allocate staff within the Agency to reflect changes in priorities and the workload on different units. This is because of budgetary specifications, which means staff cannot be moved between Programmes. Nonetheless, the Agency has been proactive in reviewing annual staffing requirements against the forecasts from the 2013 CBA, and bringing any problems to the attention of the Parent DGs. This has allowed it to propose and agree a shift of staff numbers between the CEF Energy and Telecommunications units in order to better reflect workload requirements.

Looking ahead, the changing nature of the delegated programmes and the supporting funding arrangements pose challenges to INEA with regard to skills development and redefining its procedures. The nature of the new programmes introduced under CEF Telecoms (a higher number of small-scale projects with high numbers of beneficiaries and multiple stakeholders) has required a different type of project management to the larger infrastructure projects which the Agency has traditionally dealt with.

The impending roll-out of Wifi4EU will present further challenges, in terms of the size and number of grants to be managed. The 2021-2027 EU programmes and the transition towards using centralised IT tools will bring a need for training within the Agency to accommodate the new requirements and an adaptation to more centralised support services. Amongst other things, these developments should release staff time for core tasks. There is also a need to ensure that INEA is appropriately resourced to better feed into the Commission's policy-making process. Another example of the new skills that may be required is that an increasing proportion of INEA's CEF Transport projects involve 'blending', i.e. a combine grants provided via INEA and private financing such as loans and guarantees of the EIB, EFSI, National Promotional Banks or conventional banks. The wider point is to ensure that skills development reflects the evolving nature of the programme environment INEA operates within the likely future demands on the agency.

Recommendation 4: Although recruiting appropriately-skilled personnel remains a priority building on its existing strategy, and as highlighted in Section 3 of the report, the key priority should be to retain INEA staff. The research indicates that the level of INEA staff turnover, especially with some of INEA's support functions, is now a greater problem than staff recruitment. Again, there are constraints on what INEA can do given the rules under which it operates. However, assuming the agency continues to grow, there may be increased opportunities for career development, which should help to promote staff retention if career mobility within the organisation is encouraged. Staff mobility within INEA is also important to enable human resources to be allocated in a way that reflects changes in priorities and the workload on different units. Putting more emphasis on consultation directly with INEA staff (and not just via the Commission's overall staff survey) which is already foreseen by the staff retention policy could also be a way of identifying issues where action could be taken to help retain staff.

4.1.3 Coherence

The programme portfolio managed by INEA is generally coherent, both in terms of thematic content and project management. The Transport and Energy sectors of the CEF programme in particular share similarities, in that they support large infrastructure projects with similar project management requirements. It was expected that by including Horizon 2020 research projects alongside CEF infrastructure projects within one agency, there might be some interaction and synergies between the two programmes. There has been limited success in this regard, for which two reasons have been put forward by those interviewed within the Agency and Parent DGs: one is

that, by their nature, CEF and Horizon 2020 programmes do not naturally align; a second issue raised regards timescales – it was suggested by some of the staff interviewed in the Parent DGs and the Agency that synergies may indeed appear, but in order to reach the technology readiness levels required by CEF, this may take a little more time. If this explanation is correct, more concrete results should emerge within the next evaluation period.

Recommendation 5: Looking ahead, the parent DGs/INEA should consider how synergies can be further improved between delegated programmes at the stage of work programme design. As noted in Section 3, attempts have been made by the Agency to promote synergies between the project portfolios. This has involved launching one joint call (i.e. the 2016 CEF Synergy call, which looked for joint projects in the fields of energy and transport) and through working to identify complementarities, specifically between Horizon 2020 and CEF projects in the same transport portfolio. The same exercise is currently underway for the energy portfolio. The 2016 CEF Synergy Call was not very successful but this is due to the regulatory context rather than an implementation issue so cannot be directly attributed to the Agency. Efforts to promote synergies should be maintained. One way to do this could be via the creation of an internal working group, bringing together staff working on CEF and H2020 portfolios, to update on current projects, upcoming calls and innovations/research outputs in relevant areas which could feed into future projects.

Feedback from the research suggests that INEA has a good relationship with the Commission parent DGs. INEA is generally seen as performing well in dealing with the delegated programmes with staff who have a high degree of expertise and knowledge of the parent DG programmes and policies. One reason why INEA staff knows the work of the parent DGs very well is the fact that many of the Agency's personnel is either seconded from the Commission (i.e. some 19 of its current 282 staff) or has previously worked in one of the parent DGs. Whilst not sufficient in itself, this is likely to help promote a closer relationship. DG. INEA has also proved to be versatile and able to adapt to the changing needs of the parent DGs.

INEA has been praised by Parent DGs for its proactive approach towards providing information and feedback to the Commission with regard to how the programmes and projects are functioning and how they could be improved. This began in the DG MOVE field with the Agency having responsibility for drafting calls for proposals. . Providing feedback to policymakers has been identified by both INEA staff and parent DGs as an area where there is scope for INEA to further develop its role.

Recommendation 6: INEA should further develop its role in drawing on its knowledge of programmes and projects to inform Commission policy-making. Whilst INEA is good at providing monitoring information on projects, and now also produces country reports, and is considering the development of 'corridor' reports, the evaluation suggests that it could do more to use its knowledge of different 'sectors' to help inform Commission policy-making. Within Horizon 2020, for example, feedback is provided across the entire programme using a dedicated set of IT tools which are managed by the centralised common support centre. While this provides useful quantitative data on issues such as dissemination and benchmark activities against milestones and other project-level indicators, there is scope to provide more feedback which can contribute to the development of longer-term policymaking. At the same time, developing its role in this way means that INEA staff needs to be given the time alongside their other responsibilities to focus on developing and transferring knowledge and that effective communication channels are in place and being used.

4.1.4 Cost Benefit Analysis

The total operational budget earmarked for INEA for the MFF 2014-20 is EUR 33.8 billion, of which EUR 28.5 billion is accounted for by the CEF and EUR 5.3 billion by Horizon 2020. This means that INEA handles the largest budget of all the Executive Agencies in the current financial period of 2014-20.

The results of the current 2014-16 retrospective CBA show that the actual costs of the executive agency scenario were below the SFS estimations. The overall actual costs of the executive agency scenario⁸⁷ constituted EUR 60.824 million over 2014-2016. In order to evaluate to what extent the actual costs have corresponded to the initial SFS estimates it is important to follow the same assumptions that have led such SFS estimates. The SFS estimations (EUR 64.915 million over 2014-2016) were based on the EU contribution, however INEA's administrative budget also included EFTA and third country contributions (EUR 0.401 million over 2014-2016) to manage additional operational budget. Consequently, **based on the EU contribution only, the actual costs of the executive agency scenario constituted EUR 60.424 million, which means that the actual savings amounted to EUR 4.491 million and accounted for 7% of the SFS estimates.** Significant cost savings occurred in Title II "Infrastructure and operating expenditure" and Title III "Programme Support Expenditure" of the administrative budget. Title I "Staff related expenditure" was higher than estimated in the SFS, which related to higher average staff costs. Higher staff expenditure may become an important issue in subsequent years since the average staff cost estimations remain constant in the SFS during 2014-20 period, while the actual average staff costs might rise further due to salary indexation, promotions and/or increasing staff seniority.

The costs of the executive agency scenario were much lower than the estimated costs of the in-house scenario. In 2014-16, the actual cost savings deriving from cost difference of the executive agency scenario and the in-house scenario constituted EUR 24.4 million (or 29% of the estimated costs under the in-house scenario). Comparing the savings initially estimated in the CBA and SFS with the actual savings from the delegation of tasks to INEA, our research suggests that the actual savings during 2014-2016 period were higher than initial estimations (EUR 24.4 million compared to EUR 16.1 million CBA and EUR 22.8 million SFS estimates). As forecasted in the SFS and the ex-ante CBA, savings of the executive agency scenario primarily resulted from a higher share of lower cost contract staff (CAs) employed within the executive agency and lower overall number of staff.

The workload analysis revealed, that while the operational budget actually executed by INEA was lower than initially estimated in the CBA/SFS, **the actual number of projects managed by INEA, which constitutes the main workload driver for the Agency, in 2015-2016 largely corresponded to the CBA estimates.** At the same time, many parameters of the delegated programmes significantly deviated from the initial CBA estimations (e.g. higher than estimated operational budget of the CEF-Telecom programme and much lower average project size, reflux of funds following cancellation of projects and cost savings into new calls, lower than anticipated number of projects related to CEF Energy – studies, reallocation of CEF/H2020 funds to EFSI, etc.). The actual execution of payment appropriations was slower, which indicates that increase in the projects' management workload will unfold later than anticipated in the SFS and CBA.

⁸⁷ Including cost of coordination and monitoring by the Commission and costs of INEA covered from EFTA and third country contributions.

Appendix A: List of Interviews

Name	Role/organisation
Parent DGs	
Priscila Fernandez-Canadas	DG RTD Director – Directorate R
Philippe Schild	DG RTD Senior Expert – Renewables
Marisa Atienza Morales (plus two others)	DG RTD - Head of Unit, New Management Modes
Andreea Strachinescu-Olteanu	DG ENER Head of Unit – B1
Alexandros Kotronaros	DG ENER Head of Unit – C2
Haitze Siemens	DG ENER Head of Unit C2
Vincent Leiner	DG REGIO Team Leader – G1
Milosz Momot	DG ENER CEF Team Leader
Joao Ferreira	DG MOVE B2 – Policy Officer
Tamas Somlai	DG CONNECT - Programme Assistant - Legal aspects of implementation and governance
Claudia Oros	DG CONNECT – Project Officer, Programme Coordination
Natalie Wenkers	DG MOVE B2 - Assistant Policy Officer
Annachiara Vercellin	DG ENER B1 - Programme Officer - EU Policies
INEA staff	
Dirk Beckers	Director INEA
Paloma Aba Garrote	Head of Department R
Andreas Boschen	Head of Department C – CEF
Alan Haigh	Head of Department H - H2020
Marc Vanderhaegen	Head of Unit – R1
Thomas Kellermann	Reporting Coordinator – R1
Ann Vanroelen	Internal Control Manager – R
Anna Livieratou	Team Leader/Senior Project Officer – C2
Liliana Mungoli	Head of Human Resources – R4.1
Kristina Lesinska	Planning and Programming Manager - Directorate of INEA
Joachim Ball (plus one)	Head of Unit – R3
Beatrice Coda	Head of Unit - C4
Morten Jensen	Head of Unit – C1
Robert Goodchild	Head of Unit – H1
Beneficiaries, external experts and others	
Maidier Machado	TECNALIA, coordinator of PV-SITES

Name	Role/organisation
Adriana Bernardi	CNR, coordinator of project CHEAP-GSHPs
Anna Anund	VTI, Swedish National Road and Transport Research Institute, Research Director
Pim Bonne	Department of Mobility and Public Works, Flemish government, Advisor-engineer and EU co-ordinator
Per-Olof Lingwall	Trafikverket, Sweden, CEF national coordinator
Ramazan Gökceöz	DB Netz AG, Germany, Responsible for Finance planning and control
Oana Luca	University of Civil Engineering of Bucharest, Evaluator
David Dunford	Private consultant, Technical monitor/evaluator
Elvisa Bilić	Ministry of Infrastructure, Slovenia, Secretary and contact point for EU grants
Dr. Carsten Bühner	ECO 5 GmbH, beneficiary of project EcoSwing
Andreas Hornung	Fraunhofer UMSICHT
Rowena Mccapin	Glen Dimplex
Wolfram Krause	Yunicos AG
Siegfried Rupprecht	Rupprecht Consult
Reiner Nagelkrämer	Head of Division, International Investment Programmes, European Transport Networks, Federal Ministry of Transport and Digital Infrastructure Germany
Antons Kutjuns	Head of Department, International Development Projects Department Augstsprieguma tikls AS, Latvia
Milena Tsoleva	Head of Project Management Department ESO EAD Bulgaria
Cea Mittler	Project Coordinator Baltic Connector Oy
Alexandra Meli	Senior Project Manager Energy & Water Agency of Malta
Bernhard Jungwirth	Managing Director at Österreichisches Institut für angewandte Telekommunikation ÖIAT
Freek van Kreveld	Senior policy advisor on EU implementation programmes at the Ministry of Economic Affairs of the Netherlands

Appendix B: Key Issues and Assessment Parameters

Operational question	Assessment parameters
<i>To what extent has the INEA been operating according to the legal framework establishing it?</i>	Coherence between the Agency's legal framework/tasks and actual activities (comparison of the mandate tasks between Commission Decisions, Delegation Acts & work programmes and activity reports); Reflections on the coherence gathered from key stakeholders involved in the governance structure of the agency;
<i>Was the operation of the INEA flexible enough to accommodate key changes (esp. those induced by the extended mandate), at the same time maintaining concordance with the legal framework establishing the Agency?</i>	Extent to which the relevant changes were effectively and smoothly introduced (with a particular focus on the transitional period between 2013 and 2014); Extent to which relevant stakeholders confirm that the existing legal framework allows the INEA to flexibly adjust its internal operations and procedures to the emerging challenges and needs;
<i>Does the existing legal framework ensure policy coherence and unified communication between the Agency and its parent DGs, while at the same time avoiding "micro-management"?</i>	Extent to which the existing legal framework/formal communication mechanisms between the INEA and parent DGs allow reaching coherent policy and unified external communication; Extent to which the existing legal framework/formal communication mechanisms do not involve "micro-management" by parent DGs.
<i>Has the Agency achieved its objectives, including those established in the legislative basis, strategic and management plans of the parent DGs and annual work programmes and plans?</i>	Strong match/coherence between the objectives set out in the legislative framework, strategic and management plans of the parents DGs and annual work programmes and plans;
<i>Has the Agency produced all intended outputs and results?</i>	Production of key outputs: issued number of calls, number of proposals received/ awarded, amount of commitment appropriations managed, etc.) Execution of key performance indicators of the agency (esp. TTG, proposal evaluation, projects achieving all or most objectives, error rates); Number of calls received, funded and total budget;
<i>Are key stakeholders and beneficiaries satisfied with the performance of the Agency?</i>	Satisfaction of key stakeholders and parent DGs with the performance of the agency in relation to its key performance indicators & different stages of proposal evaluation/project management, internal control standards; Satisfaction of beneficiaries with the performance of the agency in relation to its key performance indicators & different stages of proposal evaluation/project management:

Operational question	Assessment parameters
	<ul style="list-style-type: none"> • Information days • Call/proposal stage • Contract negotiations • Implementation of the projects/project management • Follow-up and audits
<i>What, if anything, could be done to render the Executive Agency more effective in achieving these objectives?</i>	Evidence of objectives/tasks which could have been implemented more effectively; Performance results and good practices of other executive agencies in the Commission
<i>To what extent has the INEA contributed to an improved management of the programme(s) in terms of the elements assessed in the 2013 Cost-Benefit Analysis?</i>	Comparison of management processes, procedures and results between two scenarios (current scenario versus Commission-led scenario); Ability to address resource constraints (esp. during periods of high workload); Analysis of staff, IT and financial resources; Capacity to provide specific skills (esp. during periods of high workload); Turnover, age, experience and skills of staff; Evidence of appropriate evaluation and learning at the organisation/take-up of lessons learned and recommendations suggested;
<i>To what extent has the INEA contributed to an improved management of the programmes in terms of better services to stakeholders and addressees as compared to the alternative options mentioned in the Cost-Benefit Analysis?</i>	Overall satisfaction of the beneficiaries with the management of the programme & tracking of progress over time; Overall satisfaction of the beneficiaries with the grant management tools and IT infrastructure; Evidence of streamlining and harmonisation of funding rules and procedures across different programmes and programmes' strands, systems for electronic data management and electronic data exchange between the administration and beneficiaries;
<i>To what extent has the Executive Agency contributed to an improved management of the programmes in terms of proximity to addressees?</i>	Evidence of appropriate delegation of resources and procedures to maintain contact with beneficiaries; Evidence of timely and adequate responses given to ad-hoc information/service requests; Clarity of communication between the agency and beneficiaries; Agency's performance according to key indicators (TTP, TTG, error rate, etc.); <i>Number of cancelled projects;</i> <i>Amendments made to projects;</i> Evidence of strong involvement of institutional beneficiaries;

Operational question	Assessment parameters
<p><i>To what extent has the Executive Agency contributed to an improved management of the programmes in terms of their effective implementation?</i></p>	<p>Project selection and conclusion of grant agreements/contracts (time-to-inform, time-to-contract, time-to-grant); Payments – average time to pay; net time to pay; INEA management and control cost (ratio between administrative and operational budget), evolution over time; Residual error rate in underlying transactions financed from the operational budget managed by INEA; Functioning of programmes’ supervisory and control systems; Execution of operational budget (commitment and payment appropriations); Level of competition at selection stage and relevant success rates; Planning and execution of administrative budget. <i>Success Rate of Applications;</i> <i>Number of applications cancelled/ amended;</i> This assessment will take into account characteristics of the entrusted programmes to the agency and different financing instruments.</p>
<p><i>To what extent has the Executive Agency contributed to an improved management of the programmes in terms of visibility of EU as promoter of the programme(s) entrusted to the INEA?</i></p>	<p>Evidence of appropriate funding/instruments put in place to ensure the visibility of the Community as promoter of the programme; Strength/awareness of the INEA’s brands among the beneficiaries (& also perceptions about the brands); Awareness among beneficiaries that the EU is promoter of all programmes delegated to the INEA; <i>New participants to information days and number of people reached through communications;</i> Awareness among beneficiaries that the agency is acting under powers delegated by the Commission: <ul style="list-style-type: none"> • The extent to which applicants and beneficiaries understand that EU is promoter and funder of the programmes managed by the INEA; • The extent to which applicants and beneficiaries understand that the INEA is acting under powers delegated by the Commission; • The extent to which instruments put in place to ensure visibility of the Community are effective; Formal compliance of information, promotion and guidance material and tools with the Commission’s guidelines on information, dissemination and visibility of the programmes;</p>
<p><i>Is the management and execution of the programmes by the INEA cost-effective compared to the alternative options?</i></p>	<p>Validity of the reasoning and calculations leading to the decision to allocate management of the specific programmes to the Agency taking into account the actual data; Comparison of the total costs between the scenarios analysed under CBAs and other (ex-ante) working documents supporting the decision to allocate the various programmes to the Agency taking into account the actual data;</p>
<p><i>Do the actual costs (including cost of</i></p>	<p>Comparison of the estimated figures used in 2013 CBA with actual data;</p>

Operational question	Assessment parameters
<i>coordination and monitoring) of the INEA correspond to the estimates of the 2013 CBA which was carried out in view of its establishment (prolongation of timeframe or extension of tasks)?</i>	Comparison of the actual costs of the INEA to the estimates of the 2013 CBA; The analysis will take into account that the results of the CBA have been modified to some extent through the Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC(2013)493);
<i>To what extent have the actual benefits corresponded to the estimates of the 2013 CBA?</i> <i>Has the establishment of the INEA resulted in savings to the EU budget as compared to the alternative options (e.g. difference in costs between the Commission option and the INEA option)?</i>	Comparison of the total costs options (and respective savings) between the scenarios analysed under respective CBAs and other (ex-ante) working documents supporting the decision to allocate the various programmes to the Agency taking into account the actual data as compared to the initial estimates;
<i>To what extent has the INEA led to an improved management of the programmes in terms of simplification of the procedures and flexibility in the implementation of outsourced tasks?</i>	Types of simplification measures introduced; Evidence of effective take-up of new simplification measures; Evidence of streamlining and harmonisation of funding rules and procedures across different programmes and programmes' strands, systems for electronic data management and electronic data exchange between the administration and beneficiaries; Extent to which the INEA is able to react promptly and flexibly to unforeseen problems and changes, including capacity to adapt to periods of high workload; Effect of the simplification measures on the key performance indicators (TTG / TTP); Perceptions of the simplifications by the Agency's stakeholders; Further scope for simplifications.
<i>To what extent is the programming, evaluation and selection process efficient and transparent?</i>	Extent to which applicants agree that requirements for the application process are clear, reasonable and proportionate; Extent to which applicants agree that evaluation and selection process is transparent (clear and objective); Level of ineligible proposals; Level of redress requests, re-evaluations and successful re-evaluations; Extent to which parent DGs are satisfied with the quality of evaluation and selection process at the INEA; Efficiency of the INEA's internal procedures related to evaluation and selection; Average evaluation costs per proposal;

Operational question	Assessment parameters
<i>To what extent is the conclusion of grant agreements/contracts process efficient?</i>	<p>Extent and efficiency of the IT tools employed for evaluation and selection procedures;</p> <p>Efficiency of the INEA's internal procedures related to conclusion of grant agreements/contracts;</p> <p>Extent and efficiency of the IT tools employed for conclusion of grant agreements/contracts;</p>
<i>To what extent are the follow-up, monitoring and control of grant/contract implementation procedures efficient and effective?</i>	<p>Extent to which beneficiaries/service providers agree that reporting requirements are clear, reasonable and proportionate;</p> <p>Extent to which information collected during follow-up and monitoring process is further used;</p> <p>Extent to which parent DGs are satisfied with the quality of follow-up and monitoring of grant agreements processes at the INEA;</p> <p>Efficiency of the INEA's internal procedures related to monitoring the execution of the grant agreements/contracts;</p> <p>Number and extent of amended grants;</p> <p>Extent of audit coverages;</p> <p>Average project management cost per running project;</p> <p>Average number and value of running projects managed per staff FTE;</p> <p>Extent and efficiency of the IT tools employed for monitoring the execution of the grant agreements;</p>
<i>To what extent are the ex-post control procedures efficient and effective?</i>	<p>Number of audits performed and coverage provided by the ex-post audits;</p> <p>Total and average ex-post audit cost;</p> <p>Extent to which parent DGs are satisfied with the quality of ex-post controls at the INEA;</p> <p>Efficiency of the INEA's internal procedures related to ex-post controls;</p> <p>Extent and efficiency of the IT tools employed for ex-post controls;</p> <p>Financial benefits of error controls;</p>
<i>To what extent is the organisational structure aligned with the tasks entrusted to the Agency?</i>	<p>The organisational structure of the Agency matches the EU programmes delegated to the Agency and the actual workload of their management;</p> <p>The organisational structure is regularly aligned with the changes in the environment and mandate of the Agency;</p> <p>Structure compares favourably by the parent DGs;</p>
<i>To what extent is the organisational structure easy to understand, clearly documented and communicated to all stakeholders and overall balanced and adequate?</i>	<p>Well balanced organisational chart of the Agency (horizontal/vertical (thematic), number of management staff compared to operational staff);</p> <p>The organisational structure of the Agency reflects the structure of 'mirror units' in the parent DGs of the European Commission;</p> <p>Share of stakeholders that are satisfied with the organisational structure;</p>

Operational question	Assessment parameters
	Number of documents filed / available;
<i>Is the size of the organisation as a whole and the different units balanced / adequate / fit-for-purpose?</i>	Share of stakeholders that consider the size of the organisation balanced / adequate / fit-for-purpose; Indicators related to staffing level and workload (target and actual positions occupancy rate, average programme expenditure per staff member, average number of applications per staff member, average number of projects per staff member, staff costs as a proportion of total programme costs, etc.); The size of the organisation and the units is adequate to the work entrusted to it and to the actual workload; Size of the organisation fit-for-purpose as compared to other executive agencies;
<i>Is the ratio of administrative vs. operational staff fit-for-purpose?</i>	The ratio administrative vs. operational staff is fit-for-purpose as compared to tasks allocated to the INEA; Ratio administrative vs. operational staff fit-for-purpose as compared to other executive agencies.
<i>Are the roles and responsibilities of the INEA staff clearly documented and communicated to all stakeholders?</i>	Roles and responsibilities clearly documented (clear delineation of tasks, clarity of roles and lack of duplication) and communicated to all stakeholders; Allocation of the responsibilities and tasks to the right authority level; Roles and responsibilities fit-for-purpose as compared to other executive agencies;
<i>Does the INEA have efficient HR planning / allocation processes in place?</i>	Evidence that HR planning/allocation of resources are fit-for-purpose; Positive assessment of the match between staff profiles and job descriptions; Incidence of excessive overtime being worked; Use of interim staff (“intérimaires”) to address specific HR needs; Staff turnover and vacancies in the Agency; Responses in staff survey; Degree of difficulty to find the right profiles and the needed human resources in the time of high workload.
<i>Does the INEA have a competency management strategy and efficient implementation processes in place?</i> <i>How much has the INEA retained and/or improved the competence and efficiency of its staff as required by the new tasks and challenges?</i>	Competency management in place (including a competency model, a training and development strategy/plan, implementation of staff appraisal, periodicity of meetings/feedback sessions between the Agency staff and their direct manager, etc.); Staff mobility and training strategies/ plans in place and take into account the needs of financial and technical expertise necessary for execution of the delegated tasks; Talent management processes fit-for-purpose as compared to other executive agencies; Indicators related to HR development (e.g. training days); Staff survey on training.
<i>What is the level of staff engagement and satisfaction with their position at the INEA?</i>	Level of staff engagement and satisfaction with their position at the INEA (based on the latest staff surveys – 2013, 2014 and 2016); evolution over time and comparison to other executive agencies;

Operational question	Assessment parameters
<i>How does the Agency follow up on the findings of the latest staff surveys?</i>	Factors influencing staff engagement and satisfaction; Measures set to address and follow-up the findings of the latest staff surveys (action plans, implementation level, etc.).
<i>To what extent have there been overlaps/gaps/inconsistencies within the Programme portfolio managed by INEA</i>	Have there been any overlaps/gaps/inconsistencies between programmes? Are these mentioned in formal reports and discussed in meetings?
<i>What have these overlaps/gaps/inconsistencies, if any, involved? How important have they been?</i>	If yes, between which programmes are there overlaps? Are there specific areas within the programmes more prone to such effects (e.g. planning applications)? How wide ranging and important are such overlaps?
<i>What have the effects of these overlaps been?</i>	How have the effects impacted performance in programme delivery (e.g. launch of call, delays in project implementation, putting together financing packages?) Are there specific aspects more affected? Have there been positive as well as negative effects?

Appendix C: Analysis of Annual KPIs 2014-16

2014 KPI's	Ten-T Target	Ten-T	Marco Polo Target	Marco Polo	CEF Energy target	CEF Energy	CEF Transport target	CEF Transport	CEF Telecom Target	CEF Telecom	H2020 - Energy target	H2020- Energy	H2020 - Transport target	H2020 - Transport
(1) The rate of execution of commitment appropriations	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(2) The rate of execution of payment appropriations	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(3) The time to award + time to grant	276 days	247 days	276 days	271 days	N/A	N/A	N/A	N/A	N/A	N/A	245 days	225 days	245 days	237 days
(4) The net time to pay (Pre-financing)	30 days	16.9 days	30 days	26.6 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(5) The error rate of payments identified at ex-post control	< 2%	0.80%	< 2%	1.1 - 1.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2015 KPI's	Ten-T Target	Ten-T	Marco Polo Target	Marco Polo	CEF Energy target	CEF Energy	CEF Transport target	CEF Transport	CEF Telecom Target	CEF Telecom	H2020 - Energy target	H2020- Energy	H2020 - Transport target	H2020 - Transport
(1) The rate of execution of commitment appropriations	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(2) The rate of execution of payment appropriations	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

2015 KPI's	Ten-T Target	Ten-T	Marco Polo Target	Marco Polo	CEF Energy target	CEF Energy	CEF Transport target	CEF Transport	CEF Telecom Target	CEF Telecom	H2020 - Energy target	H2020- Energy	H2020 - Transport target	H2020 - Transport
(3) The time to inform + time to grant	N/A	N/A	N/A	N/A	276 days	230 days	276 days	264 days	276 days	231 days	245 days	216 days	245 days	232 days
(4) The net time to pay (Pre-financing)	30 days	31 days	30 days	26.1 days	30 days	9.4 days	30 days	9.6 days	30 days	9.4 days	30 days	14 days	30 days	14 days
(5) The error rate of payments identified at ex-post control	<2%	0.78%	<2%	0.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2016 KPI's	Ten-T Target	Ten-T	Marco Polo Target	Marco Polo	CEF Energy target	CEF Energy	CEF Transport target	CEF Transport	CEF Telecom Target	CEF Telecom	H2020 - Energy target	H2020- Energy	H2020 - Transport target	H2020 - Transport
(1) The rate of execution of commitment appropriations	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(2) The rate of execution of payment appropriations	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
(3) The time to award + time to grant	N/A	N/A	N/A	N/A	276 days	249 days	276 days	260 days	276 days	253 days	245 days	220 days	245 days	236 days
(4) The net time to pay (Pre-financing)	N/A	N/A	N/A	N/A	30 days	11.5 days	30 days	10.8 days	30 days	10.7 days	30 days	15.1 days	30 days	8.2 days
(5) The error rate of payments identified at ex-post control	< 2%	0.80%	< 2%	0.37%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix D: Survey Data

Separate pdf document