

Evaluation in Hungary

Brief overview of evaluation process of EU Cohesion Policy
funds

Public Policy Helpdesk – Hungary

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INTRODUCTION

This paper reviews the history of evaluation connected to development policy in Hungary. Although there is an intention to give an overall picture, the study focuses on the evaluations related to EU Structural and Cohesion Funds.

At first the concept of evaluation will be shortly discussed . The second chapter reviews the history of evaluation activities in Hungary. The third chapter discusses the contemporary organizational settings, the fourth one reports on assets available for evaluation. Fifth chapter summarizes the evaluations completed in the last years. The final chapter concludes focusing on main lessons, challenges and perspectives.

The actors of this paper have been involved in issues of EU structural funds for 10 years as public servants, consultants, evaluators or academic researchers. These experiences give us a broad perspective on the issue, nevertheless the narrative offered by the study is not the only possible one. The personal involvement and our motivation to enhance the role of evaluation in Hungary define a perspective that is distinct from the approach a policy designer or implementation specialist could offer. We hope that the advantages of our insider position (personal experiences and contextual knowledge) compensate efficiently the lack of independence concerning the issue of evaluation in Hungary.

EVALUATION – WORKING DEFINITION

Definitive exercise is crucial because the word evaluation has several meanings both in everyday language and in public administration vocabulary. This study conceptualizes evaluation as actions organized by authorized government body to analyze certain past public activities in order to support the improvement of continuing or similar public activities. This definition has three main elements:

It is an official task for a given public actor to manage evaluation activity. – This approach excludes studies made by private, nonprofit or academic actors. These works have a crucial role in policy design and revision but these are not institutionalized parts of the public administration. Evaluation is perceived as organized feedback activity of the state, not as a private activity with public benefits. Evaluative results produced by public agents without official prescription have the same status as private insights because these are produced to influence the responsible bodies. Evaluation is not an external voice in the policy discussions but the feedback mechanism designed by the decision maker.

The evaluation offers knowledge that supports decision concerning future aspects of a given policy. – Evaluation reveals facts concerning impacts, results, background and causes of a certain public activity based on sound analysis. Its goal is to propose changes in policy settings and not to find mistakes or guilt of involved actors.

The application of evolution result is inherent element of policy process. – The stakeholders and decision makers are informed about evaluation results, frequently it is an inherent element of policy process that involved actors reflect to them. This applicative aspect enforces the evaluator to organize her/his work to highlight the proposed modifications and the arguments behind them.

HISTORY OF EVALUATION

Before 2004

From the perspective of EU funds the first official reference to evaluation was the Government Decree 208/1996 on the planning and financial rules of funds integrated into program financing. This decree orders that for certain public finance programs “the focus and formal requirements of interim and final professional evaluations should be defined in the planning process.”

This decree is referred by Government Resolution 2355/1997 on the tasks to support EU conform transformation of our funding system. It gives the task to prepare a comprehensive development conception, and the General Development Plan following the EU Structural Fund planning methodology. The government planned to include all development funds into this framework regardless if it is EU co-financed or not. The resolution declares that “The evaluation principles of funding system are to be elaborated and evaluation is to be implemented in the framework of annual reports.”

The new government in 1998 slightly modified this setting but the task to define the evaluation principles of funding systems became reinforced. This administration declared to be ready to EU accession till the end of 2000, the resolution defined the tasks for government bodies to achieve and it was the first time that setting up an indicator system was mentioned. The Committee for Interministerial Coordination of Development Policy (CICDP), a high level forum to discuss development policy issues was established in 1999.

The Ministry of Finance was responsible for coordinating the preparation for EU Cohesion policy till 1998. In the new government the Ministry for Economic Affairs was responsible for preparing the General Development Plan, while the Ministry for Rural Development and Agriculture worked on Sapard Program, different line ministries were involved in ISPA coordination and a minister without portfolio was responsible for Phare programs.

In 1999 it became straightforward that the early EU enlargement scenario will not be implemented. The concept of General Development Plan was revised, the Széchenyi Plan became the focal point of Hungarian public investment activities. It means that the Government organized the main public investments (for example highway building) and SMEs support schemes into the Széchenyi Program that had a unified management. This plan applied the logic of EU structural funds: programs, measures, grant schemes, monitoring techniques were implemented. Indicators were already designed for the programs although indicator system was not developed. An external evaluator (ECO-Stat) made an evaluation to assess the macroeconomic impacts of Széchenyi Plan but the plan was mainly abandoned when the coalition that used it as a political trademark lost the election in 2002.

The preparation of the National Development Plan started in 2001 with the coordination of Ministry of Economic Affairs. In 2002 the new government established the “Office of National Development Plan and EU funds” as a part of the Prime Minister’s Office. The Planning vice presidency coordinated

the planning of the National Development Program (NDP, 2004-2006), this department coordinated ex ante evaluations also in the framework of Evaluation Subcommittee of CICDP.

The Unit for Analysis, Evaluation and Modeling (UAEM) was established in late 2003 when the planning of the NDP reached its final phase. Although the system of evaluation was not designed in an integrated manner to the management of the OPs.

The main results of these first seven years were that the institutions, capacities and processes to manage EU cohesion and structural funds were established. Senior public servants intended to push the public finance into a comprehensive program based approach in the first years, political visibility and institution building got priority in the middle of this period, and the completion of EU compatible NDP was the core issue in the last period of the pre accession years.

The connection between the mainstream of national administration and EU connected fields like structural funds were rather weak, so the feedback mechanisms of national policies and the program based EU approach did not have frequent interactions in this period. The State Audit Office (SAO) regularly reviewed the EU funds. These reports frequently had evaluative aspects: they studied the organizational aspects and the efficiency of EU co-financed programs and projects and formulated proposals connected to these issues.

After 2004

The National Development Office (NDO) became independent authority in 2004 that was controlled by the Minister for European Affairs. In 2004 Unit for Analysis, Evaluation and Modeling got the responsibility to manage evaluation of EU development funds (Phare, Structural Funds, Cohesion Funds) separately from the management system of the OPs. This unit was responsible for knowledge management in the NDO, its task were:

- to develop methodologies for planning
- to complete analysis of situation
- to develop the concept of indicator system
- to establish and manage evaluation system of Phare programs and Cohesion Policy
- to give methodological and expert support to strategy making exercises
- to cooperate and communicate with academic institutions
- to organize methodological knowledge dissemination in the public administration

This internal think tank of Hungarian cohesion policy was well staffed and adequately budgeted. 11-14 people worked for the UAEM, one third of this staff could work on innovative projects or internal evaluations. The livable and stimulating connection with the academic sphere was a priority of the

NDO management, so the annual budget of the UAEM was circa 1 million € per year (without salaries of the staff). The unit had good formal and informal representation in the processes that shaped the administration of structural funds. The minister and president, the vice presidents of NDO used the key figures of the unit as internal advisors, who functioned frequently as an informal task force to prepare materials of NDO for the fierce debates inside the government. These works and the formal channels described above gave a good opportunity to promote public management tools like indicators and evaluation both in the implementation of NDP (2004-06) and the preparation of New Hungary Development Plan (NHDP, 2007-13).

UAEM developed seven main channels to collect, manage and disseminate knowledge in order to support the better utilization of Cohesion Policy funds:

Organizational channels

1. The Evaluation Subcommittee (ES) of CIDCP – this body was revitalized in 2004 to coordinate evaluation activities. The main tasks of ES were the following:
 - ES discussed and officially declared the Evaluation Guideline the Concept of Evaluation System for 2007-13 and other key methodological documents of planning.
 - ES worked out and managed the Evaluation Plan that coordinated all evaluations focusing on issues connected to structural and cohesion funds.
 - ES worked as a “marketing platform” of UAEM. The NDP dedicated Technical Assistance resources for evaluations and ES was the platform to offer this opportunity for evaluation of national policies, programs. Only one evaluation was launched in this way (Evaluation of Research, Technology and Development equipment grants - 2007).
 - ES coordinated the joint evaluative projects like Report on Development Policy 1993-2003 (2005) and Interim Evaluation of NDP (2006).
 - ES discussed results and methodology of evaluations.
2. The Indicator Working Committee was an informal body where interested ministries and public bodies worked on methodology and system of indicators. This body was the forum of multilateral negotiations for the indicators of the NHDP. The indicator system and the evaluation system were integrated in two ways
 - a. The concept of evaluative indicators based on the idea that evaluations made with the same methodology to assess impact of interventions can give outcomes that can be summarized in indicators.
 - b. The concept of the evaluation system accepted the recommendation of the Commission to focus evaluations on areas where indicator system signals deviance between expected and experienced outcomes.
3. The UAEM managed several joint projects to support the preparation of planning documents for the period 2007-13. The two most important projects were

- a. the coordinated work to prepare analysis of situation for the Concept of National Development Policy (CNDP, 2007-2020)
- b. the series of strategy defining workshops organized to support the preparation of NSRF

Capacity Building channels

4. The Academy for Development Policy was established as a monthly informal forum to discuss core issues of development policy. The evaluation was the topic of the first, founding session. The Academy has become a popular meeting point of senior public servants, academic experts and advisors, 60-100 people visit each of the occasions.
5. The UAEM created and managed a homepage¹ where all materials connected to its activity – including evaluation reports and methodology descriptions – were published.

Evaluation partnership channels

6. The cooperation with academic research centers had several waves. These had some core features:
 - a. research sponsorship was connected to advisory activities
 - b. the co-operations always involved several institutions
 - c. evaluative, methodological and institutional topics were in the focus of these contracts
7. UAEM had strong cooperation with the Evaluation Unit of **DG Region** and actively participated in Evaluation Network. The support of Evaluation Unit was helpful both to develop methodologies and to convince senior civil servants that evaluation tools are useful to support planning and implementation.

Beside the UAEM the **MA**s (that belonged to line ministries in this period) develop minor evaluation capacity, which usually means one person dealing with evaluation and monitoring in part-time beside other tasks and some Technical Assistance resources. Although real evaluation projects of the MAs in this period was only the mid-term evaluation exercise initiated and coordinated by the UAEM.

In 2006 the National Development Office and the Managing Authorities (that belonged to line ministries) were merged, into the National Development Agency (NDA). A year later when the planning tasks for period 2007-13 were completed the planning units and UAEM merged, the Unit for Strategy and Evaluation (USE) has been established with evaluation as a core task. More than 25 people work for USE, 14 of them take care of evaluation. The evaluation budget is cca. 2 million € annually. The role of evaluation plan has increased, the meeting of MA heads accepts it annually. The

¹ The original homepage www.fejlesztéspolitika.gov.hu closed in 2008 and partly merged to the official homepage of the National Development Agency. Some of the archive information of the original homepage available through <http://www.nfu.hu/doc> (under the link: „fejlesztéspolitikai dokumentumok”). New content connected to evaluation activities since 2007 available at the following link: http://www.nfu.hu/elemzesek_ertekelesek.

utilization of evaluation results became integrative part of the planning process. The main motivation of evaluations under preparation is to support the revision of Action Plans – the documents that define the biannual details of Operational Programs.

ORGANIZATION OF THE EVALUATION PROCESS

Goals

The organization of evaluation process is defined in the Operational Manual of the NDA in the following way:

The goal of the evaluation system for NHDP is to support the planning and implementation of action plans – two year programming documents of the OP priorities - with timely, relevant and applicable feedback concerning

- function of implementation system
- results and impacts of programs, measures
- quality and efficiency of applied intervention tools

Thus, the evaluation system uses the principles described in

- Council Regulation 1083/2006
- No. 5. Working Paper of the council „Evaluation during the programming period: on going evaluation, an integrated management tool”
- In THE GUIDE published in evalsed.info.

Fields of evaluation

According to the Manual evaluation connected to NHDP should be launched in the following cases:

Planned comprehensive evaluations

- strategic evaluation of NHDP and OPs (mid term in 2010, ex post in 2015)
- evaluation of indicator system of NHDP and OPs (2008, 2010)
- horizontal evaluation of NHDP and OPs (2008, 2010)
- operational evaluation (2008, 2010, 2012)

Planned measure level evaluations

- When measures are interconnected the upstream measure should be evaluated before the downstream measure is launched in order to assess whether the conditions are satisfied to launch the next phase.
- In case of interlinked parallel interventions the success and coordination of implementation should be evaluated in the second year of implementation.
- In case of innovative measure types that earlier
 - were not used or
 - was not evaluated ex post

the intervention logic should be evaluated in the third year of intervention.

- In case of interventions with significant budget (higher than 15 % of the action plan budget) their contribution to the goals of OP should be evaluated.

Ad-hoc evaluations based on needs emerged during implementation

- in case of budget reallocation among priorities
- in cases when monitoring system reveals problems (for example when an indicator value for an OP priority deviates from the target value defined in the action plan at least during a year)
- in cases when MA heads or Monitoring Committees propose evaluation

The Evaluation Plan

The Evaluation Plan schedules and coordinates evaluation activities. The USE defines and updates the Evaluation Plan based on surveying the evaluation expectation of Managing Authorities and Monitoring Committees. There is an intention to harmonize this plan with the evaluation of New Hungary Rural Development Plan and European Spatial Cooperation.

This plan schedules the tasks of the next three years in a rolling manner, its content is revised annually. The Meeting of MA Heads discusses the plan that is approved by the president of the NDA.

Strategic and comprehensive evaluations are not launched without planned schedule, operational evaluation of measures may be launched independently from the content of the plan.

Evaluations scheduled in the Plan are financed from the second priority of Implementation Operational Program.

Actors involved

The evaluation activity is coordinated by USE. This unit also gives technical and methodological support to evaluation activities. Managing authorities do not have separate evaluation management capacities, although they have a crucial role in the evaluation process as the purchaser of the evaluation and also their coordination on information support for external evaluators. NDA concentrated evaluative resources into the horizontal unit of USE that is why the evaluative capacities of MAs are limited (even less than between 2004 and 2006).

USE or MA is the purchaser of evaluations. USE initiates strategic, comprehensive evaluations and evaluation of innovative or interconnected measures. MAs initiation focus on ex ante evaluations, interim operative evaluations, and ex post evaluations and ad-hoc urgent evaluations that could not be mentioned in the evaluation plan. Normally USE as the Procurer of the evaluations finances all evaluations from Implementation Operational Program which is in the evaluation plan, although MAs have the opportunity to finance urgent “ex-plan” evaluations from Technical Assistance priority of their OPs, if necessary.

It is the Purchaser’s task to manage the application of evaluation results, to disseminate evaluation reports among stakeholders of planning and implementation.

The Evaluator is an external person or institution that has not been interested in the evaluated issue as beneficiary or planner of the intervention in scope.

Quality Assurer is hired by the Procurer to give professional support during the process. The tender and the inception report cannot be accepted without his approval.

The Project Steering Committee discusses the problematic issues of the evaluation and decides about the acceptance of inception report and final report. USE, the interested MA, the evaluator and other interested parties are member of this body.

Dissemination

The evaluation results are discussed by Monitoring Committees. Evaluation reports are public, the homepage of NDA publishes them at the following homepage: http://www.nfu.hu/elemzesek_ertekelesok . The communication policy of evaluations urges the evaluator to present the results in a thematic conference.

Organization of evaluation procurement

Till the end of 2008 external evaluators were selected in occasional public procurements. Since 2009 external evaluation is organized in a framework contract system. A procurement process was used to

select six evaluators for four different lots, 14 evaluators altogether (there are consortia that won in more lots, that is why number of winners is less than 24). These lots are the following:

1. Environment
2. Network infrastructures
3. Economic, Social affairs
4. Institutional, operational issues.

The 14 consortia involved in the framework were selected on the basis of skills, expertise of experts and the elaboration of evaluation methodology. The leading scientific research institutes, the big consultancy companies and middle size companies that are specialized in EU related issues collected several methodological experts, ex public servants with issue specific knowledge, social scientists, business advisors etc. The jury assessed the daily fee and quality of offered methodology of the tenders, the professional background of the evaluators was eligibility criterion. Each consortium had to offer at least 9 experts with MA degree, at least 2 senior experts with minimum 10 years professional experience (5 years of it should be related to the topic of the lot), and at least 1 leading expert with additional knowledge connected to relevant national and EU policies and evaluative methodologies.

The 6 winners per lots in the shortlists (altogether 14 different consortia in the four lots) are invited to bid for the launched evaluation, the evaluator with the cheapest offer gets the job.

The NDA has started to launch evaluations in this framework in spring 2009. The system of Service Level Agreements was the focus of the first project. It has shown the shortages of the system: there is news that the NDA broke up the contract because the inception report proved that the evaluator – selected by purely the price - is not able to assure the quality of the evaluation and a new evaluator should have been selected from the framework. The evaluators have been already selected for two other evaluations and the procurement is under process in two cases, the system is still not over the infancy period.

Evaluation reports are published in the website of the NDA, the evaluators are obliged in their contract to publish the results on other sites also, they also have to present their results in a public conference.

The financial resources are adequate, the procurement system is installed and the consortia who got position on the shortlist of framework contracts offer numerous qualified experts to complete evaluations. The numerous and experienced staff and the central position of USE in the NDA offers the necessary circumstances to manage a well established evaluation system. There are two main risks to manage for them: 1) the framework contract based system is still not matured enough and 2) the political environment discourages the administration to launch evaluation on problematic issues. Resource and staff problems do not and will not obstacle evaluation activities in the next years: supply side is relatively well prepared, demand side should fall into line with these capacities.

Beside the installation of formal system, the evaluators have organized their civic association the Society of Hungarian Evaluators (Magyar Értékelők Társasága). This organization motivates to disseminate evaluation culture, to organize methodological discussions and to form an ethical codex to guarantee the integrity of evaluation activities.

The assembly line of evaluations started working, the first initial reports are under construction. The management of the system is the key issue now, next months will show how this system works.

EVALUATION CAPACITY

Evaluation Resources

The evaluation activity is financed from the Implementation Operative Program. Both the administrative costs and the external evaluators are funded from this source. 115 m € is allocated for the monitoring, evaluation and communication. The biannual action plans dedicate 500 million Ft (1,7-1,75 million €) annually to procure external evaluations.

The USE employs 15 people to prepare and manage evaluations. Furthermore, most of the MAs have desk officers who are responsible for evaluation as a part of their responsibility for a priority of the OP. In some MAs there is a person who responsible for the coordinating of the evaluation-related tasks of the MA beside other tasks like monitoring, indicators, strategy or reporting.

Capacity building activities carried out

The development of evaluation capacity had a high priority in the previous years. The NDO organized seminars and conferences. It improved its methodological apparatus and databases. The applied evaluation methodology became diversified and well developed. Cheap and flexible document analysis and key expert focus groups, well grounded sociological researches based on field researches and representative surveys, methodologically sophisticated econometric analyses merging data from national statistics and database of structural fund implementation appeared in the evaluators' armory.

The NDO (later NDA) financed researches to improve evaluation methods and spent money and administrative efforts to collect relevant data bases on firms and settlements that could be useful to support evaluation activities. USE (earlier UAEM) organized methodological seminars for NDO/NDA staff and motivated its colleagues to participate in relevant conferences, to conduct research activities in relevant fields. Internal evaluation projects were also launched to improve skills and to collect experiences. The first annual conference on evaluation was organized in 2005. This conference (as the following ones in next years) was the forum to present and to discuss evaluations completed in the previous year.

The sufficient internal capacities, the volume of procurements and the communication activities were successful to give impetus for research institutes and consultancy companies to improve their own evaluation capacities also.

Evaluation market

As the evaluation is not part of the national policy making practice, the evaluation market is build mainly on the demand of the **SF and CF evaluations**. There were four main waves on the evaluation market beside other individual evaluations of the SF/CF measures:

- The ex ante evaluations of 1st NDP in 2003
- The mid term evaluations of 1st NDP in 2005-2006
- The ex ante evaluation of NHDP in 2006
- The framework contract for evaluations in 2009

International companies with Hungarian partners have won participation in 2003. Some actors (KPMG, the Institute for Economics – Hungarian Academy of Sciences, ITCB) entered the market that time. Hungarian medium size companies entered the evaluation in 2005-2006 (Megakom, Ex Ante, HBF, Expanzió) which were mainly subcontractor in the 2003 exercise. The ex ante evaluation of the NHDP broadened the circle of participants with further Hungarian companies.

The supply side of the markets became vital in these years. The participants of the fourth wave, the framework contract tender got experiences in the previous waves or in the two other capacity building channels. At first, NDO had a research cooperation with some institutions (Tárki, Kopint, GKI, MTA-RKK, Eco-Stat) that included projects with evaluative focus also, at second more experts left the NDO/NDA and appeared on the supply side of the market as employees or owners of analysis, consultancy firms.

Now this framework contract is the dominant part of the evaluation market. 14 consortia offer more than 200 experts in this setting. Relatively young, Hungarian small and medium size companies characterize this market beside international consultancy groups and some social science research institutes.

Table 1 – Contractors of NDA Evaluation Framework Contract

Hungarian SMEs	International Consultancies	Research Institution
Ex Ante Kft, EBO 2009 Consortia, Magyar Értékelő Consortia, Agenda Kft. Pillars Kft. KSZI-TERRA	Enrst&Young, IFUA, Hydea, KPMG, COWI, Deloitte-Epap Consortia	Tárki

Further research institutions and Hungarian SMEs appear in consortia as partner or subcontractor.

Methodologies used

The weaponry of Hungarian evaluators is well equipped. Empirical economists and sociologists, experts with surveying capacities, consultants with business analysis competencies, engineers with environmental and infrastructural expertise offer capacities and work in the evaluation system. Writers of TORs can choose expected methodological approach from a great menu from document analysis till sophisticated statistical analysis. The key issue is not to broaden the methodological toolkit but to develop ability to fit the methodological expectations to the goal of evaluation.

This procurement process of the contemporary evaluation framework included methodology development. Each tender had to describe in details what kind of evaluation methods they planned to use. These methodologies had a crucial role in the selection process. On the one side this approach defined a strong incentive for would-be evaluators to improve their methodological tool box, on the other side this methodological exercise lacked the pragmatical ground: not real evaluation questions but theoretical evaluative situations had to be tackled by methods in the tenders.

The procurement process of NDA gives primary role to the USE to define methodological expectations for each project. The competition between the evaluators is based solely on price in this framework contract, the desk officers of USE are responsible to define all details of the methodology. USE involves experts to support this task. The position of procurer is stronger, the price competition is fiercer but it seems so that exclusion of evaluators from methodological preparation of evaluations has some negative effect also. The desk officers' key strengths are not in methodological preparation, their incentives to improve the fit between methodology and evaluation question is weaker than the motivation of evaluator to do so, the detailed definition of methodology in the tendering process decreases the flexibility of cooperation during the evaluation projects. The net result of this procurer dominated approach can be assessed after the completion of the first evaluations.

ACTIONS IN THE EVALUATION STUDY FIELD

The three periods of EU co-financed developments were pre-accession funds, National Development Plan and New Hungary Development Plan.

Evaluation of PHARE programs was contracted out to one company. EU directly financed this activity till 2004. Later evaluations were financed from Hungarian Phare resources. In 2004-2007 more than ten sectoral evaluations were completed in a year, 20-25 thousand € was budgeted to an evaluation. The institutionalized follow up of recommendations worked relatively well till the last period when the preparation to the structural funds downgraded the priority of the Phare management. There are some voices that the audit and evaluation functions were not clearly separated in this period.

There are three periods of evaluations connected to first NDP: ex ante evaluations, ongoing/interim evaluations and ex post evaluations. External evaluators submitted the ex ante evaluation. The average cost of evaluations was a bit under 200.000 € it was financed from Phare Funds. The general conclusion concerning this process was that the evaluators contributed a lot to the work on Operational Program they had a coaching role, sometimes even more. Personalities had a key role in

this period: there are some heroes who could harmonize the relatively new methodological tools, the EU requirements and the national administrative culture into a flexible supportive approach that had a crucial role in the planning progress.

The methodological unit the NDO became full scaled in 2004, one of its core tasks was to manage the *interim evaluations of 1st NDP*. In 2006 Hungary could submit a comprehensive Interim Evaluation of Structural Funds in Hungary. This achievement was based on three pillars: (1) managing authorities hired external evaluators to make interim evaluations of their OPs, (2) NDO purchased evaluations (mostly on implementation system), (3) NDO made some internal evaluations. Real evaluative results appeared in several papers to assess effectiveness and efficiency, to reveal the problems of delivery and management, although sometimes evaluative reports described only the inputs and outputs of programs and the logic of implementation system.

Managing Authorities settled in different ministries in that period, their evaluation practice diverged also. For example the MA of Economic Competitiveness OP hired an international consortium to conduct a comprehensive midterm evaluation, the MA of Regional Development OP ordered evaluative activities from its background institution, VÁTI. The quality of analyses (see list in the appendix) was diverse but the utilization of evaluations was more problematic. There are some exceptions, but usually the managing and implementing organizations of NDP operative programs worked separately from the planners of 2007-13 programs. It sometimes caused lack of communication and coordination, so the NHDP interventions could utilize lessons of 2004-06 period in a limited way.

MAs purchased more than 10 evaluations on the NDP, mostly related to the Mid-term Evaluation of the NDP in 2005-2006. Most of them cost cca. 30.000 €, ECOP² evaluations were budgeted over 200.000 €, the evaluation of NDP institution system was procured for 96.000 €. Monitoring committees usually discussed these reports but the real feedback effect was weak because of short term of NDP and the lack of institutionalized connection of evaluation and program management.

The *ex post evaluation of interventions* is the contemporary task. Capacities are developed, evaluators are selected – the application of evaluation results will be the key issue. The evaluation framework of 14 consortia has started to produce evaluations following the evaluation plan but none of them has been completed yet. The tendering process is fast, but the lack of evaluators' involvement into the methodological preparation and the fact that evaluations are not being an integral part of the development policy process poses some risk to this setting.

5 evaluations has been launched in the last months, the average price of evaluations is cca. 61.000€. The coordination between strategic and implementing units has been improved but their cultural and institutional separation may cause problems in the future also.

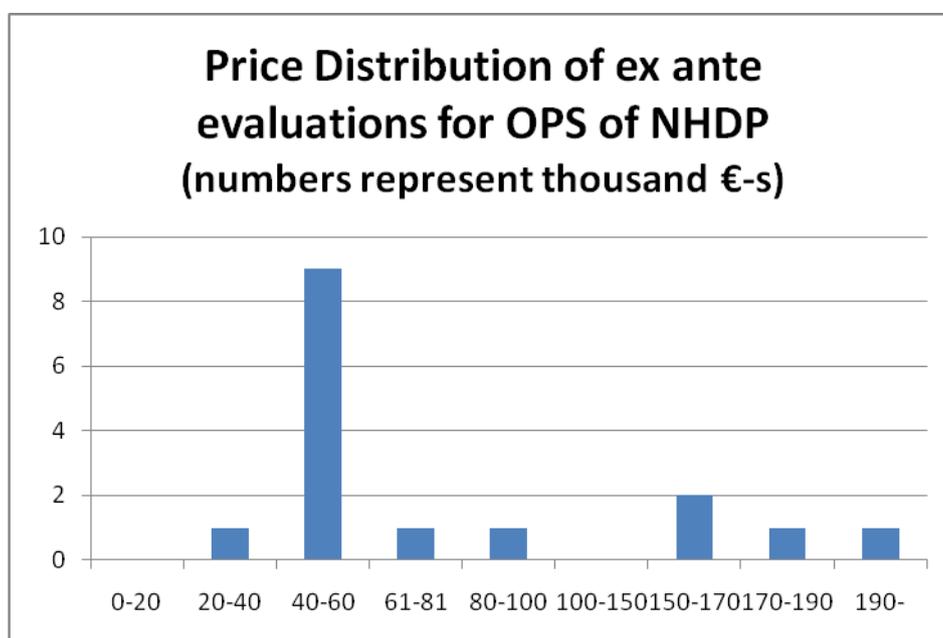
Concerning period 2007-13, the *ex ante* evaluations were the first exercise. The *ex ante* evaluations were procured by NDO (except for Economic Competitiveness OP and Transport OP that was procured by Ministry of Economy from the TA fund of NDP Economic Competitiveness OP). The price

² Economic Copetitiveness Operational Programm

of ex ante evaluations was between 27000 and 193000 €, most of the projects cost 40-50.000 €. Beyond the compulsory ex ante evaluations Hungary commissioned two extra projects:

- NSRF - The focus on strategic aspect of EU fund utilization motivated Hungary to make ex ante evaluation on NSRF. This project was completed by the consortium of Ex Ante ltd and HBF Hungaricum Ltd.
- Horizontal aspects – to assess the overall expectable impact of Operational Programs an evaluation was launched to investigate the probable effects on employment, growth, financial (budgetary) sustainability, equality of chances, social equality and partnership. Tarki-Kopint consortium made this evaluation.

Chart 1 – Price distribution of evaluations in Hungary



Generally we can say that there was a great divergence in the professional quality and motivation of the ex ante evaluators. In some cases the evaluator had adequate experiences and substantively contributed to the improvement of OP quality. In some cases they just met the criteria and their value added was not really more than the fulfillment of ex ante evaluative obligations. Although the main problem beside the quality of some evaluation was usually the lack of demand from the planners to use these information in their work, that is partly the consequence of the over weighted importance put on the independence of the evaluators from the planners by the UAEM. This variety is also a natural consequence of the fact that Hungary is a freshman in these activities. But we can see that several small and medium size companies have appeared and got experience in the evaluation activities, the firms that have been working for years in this field offer good quality work, these small national champions are able to offer sound methodological background, consumer oriented pragmatic approach and affordable price in the same time.

Interim evaluation of NHDP is just appearing on the evaluation agenda, the first projects are just under preparation. Studies with some evaluative content were ordered by different units of the NHDP management or by external actors. For example our company (Public Policy Helpdesk) made a study to measure the cost of application for SF tenders and to reveal the reasons of high compliance costs. The MA of Implementation Operative Program procured this study. We also made a comprehensive report titled “Main Issues of Hungarian Development Policy” on the events, background and results of NDP and NHDP in 2007-2008. This paper was ordered by the Hungarian Economic and Social Council.

Key aspects are summarized in the following table:

Table 1 – Key aspects of the evaluation periods

	Phare	Ist NDP	NHDP
Responsible Unit	Monitoring Unit then Unit for Analysis, Evaluation and Modeling	Unit for Analysis, Evaluation and Modeling, MAs	Unit For Strategy and Evaluation
Staff	2-3 people for management	10-14 people for management, institution building, analysis and internal evaluation, and one person per MA bearing other portfolio of tasks	more than 25 people for management, institution building, analysis and internal evaluation
Evaluation activity	around 40 evaluations since 2004	Ex ante evaluations for each OP (5), 2-5 interim evaluations for most of the OPs, evaluation on implementation system, in house evaluations, ex-post evaluations are organized in the new framework Contract regime of the NHDP	Ex-ante evaluations for each OP (15), than Framework Contract – four lots, 14 shortlisted evaluators for interim evaluations
Costs	25 thousand € per evaluation	Ex ante evaluations 200.000 € per evaluation annul budget of UAEM is around 1 million €	ex ante evaluations for 27.000-193.000 € per evaluation (around 50.000 € for most of them) annual budget for evaluations around 1,75 million €
methods	interviews, document analysis, analysis of data on indicators	like for phare, plus economic, econometric analyses, sociological researches based on field research and surveys, participatory techniques	like Ist NDP
strengths	adequate concern of recommendations till Structural funds did not	improved methodological background, good cooperation with OP	well developed capacities, strong supply side,

	weighted off Phare	planners, and linkage to the indicator system improvement	experienced evaluators
weaknesses, risks	Audit ad evaluation was sometimes mixed	lack of institutionalized mechanisms to utilize evaluation results and recommendations in interim evaluations	utilization problems, risk of political fear of negative results

Now the evaluation industry starts to work, but the system is still supply driven. The designers of NDP and NHDP could see that evaluation is an important management tool, the capacities were developed but the feedback needs of implementation experts and program managers do not fit properly to these capacities. Their key concern is to see spending in accurate speed without legal and organizational problems. The core issue now is how to design evaluations in a way that gives feedback on effectiveness and efficiency needs without conflicting daily operative concerns.

Evaluation activities connected to National development policies

Hungary has a weak experience in the evaluation due to the weakness of the programming capacities of the earlier period as well. Although some reports were made to present the results of national programs to the Parliament. The most important reports prepared by the line ministries:

- Evaluation of Széchenyi Plan – this paper is not public
- Revision of National Regional Development Plan – the Parliament has discussed and approved this document
- Revision of National Spatial Development Plan – the Parliament has discussed and approved this document
- Report on Development Policy 1993-2003 – this paper was not officially approved, it was published as an unofficial working document

The most systematic evaluation type activities beside the one in the EU funded area are those reports that are prepared by the National Auditing Office.

The feedback system on national policies is weak, the evaluative studies have usual limited impact, there is no defined process how to implement them into the policy design, redesign process.

SUMMARY AND CONCLUSIONS

Main problem areas

The capacities and institutions for evaluation of structural and cohesion fund activities have been built up in the last years. The key issue is if this system is able to become an applicable policy tool offering relevant information in good quality to policymakers. Administrators and experts could utilize the EU generated demand to develop a well equipped and funded system, now it has to find its role. There are five main problems to solve in order to fulfill the expectations:

1. The framework contract system seems to be too rigid, definition of evaluation tasks is not properly arranged, procurement process makes it hard to initiate quality oriented work. Without some institutional rearrangement the relevance and soundness of evaluations may turn into a downgrade trend. Procurement law (at least its application) constraints the chance of this rearrangement.
2. The MAs and IBs are implementation focused, the management of NHDP focuses on absorption, decision speed and avoidance of legal problems. In this environment outcome oriented evaluations are not keenly demanded. If the key expectations from NHDP will not change, evaluations would not have a proper audience. Conflict between actors with stake in evaluations and actors with stake in implementation may emerge or the evaluations system will become a useless study factory – regardless the quality of the non-reflected recommendations.
3. Independence of evaluator from the evaluated interventions is sometimes problematic because there are cases when experts who were not involved into the preparation of OPs do not have the adequate knowledge or skills to understand the logic of the studied area. Sometimes other principles would be more useful to improve the balance and acceptability of evaluation results.
4. EU co-financed projects cannot always be evaluated without the relevant policy environment and regulatory framework. In theory, development funding works well if the funded activities are well rooted in the national policy framework. Consequently the intervention focused evaluations, that are proposed by the EU evaluation approach, are sometimes not adequate because of the narrow focus on certain measures (e.g. its deviation from expected target values) is artificial, thus do not offer applicable knowledge for decision makers.
5. Evaluation is successful if stakeholders are involved into its preparation. It makes it hard to define a clear focus for evaluations and to reduce the number of evaluation questions into a tractable number. This tension between applicability and consistency is hard to manage, methods should be developed to tackle this problem.

Good practices

There are some principles and events that had immediate success or strong impact to improve the organization of evaluation activities.

Principles

The long years of coordinating evaluation formulated seven main principles. These are results of painful experiences, successes and long discussions. The descriptions of the following principles are based on the contribution of Gábor Balás and Balázs Szepesi to the Italian Twinning Project in Bulgaria to support Operational Program for Regional Development.

Stick to Mission

From the very moment when an evaluation unit starts to work, it will be under permanent pressure. Short-term programming, implementation activities will try to use its resources, strong stakeholders will not accept the results of evaluations, there will be pressures to obstacle evaluations about problematic issues, there will be powerful intentions about evaluator selection etc. Clear mission statement gives a good guide to find the appropriate reaction in these cases and it offers a good device to assess the benefits and harms of different actions and activities. Real commitment to this statement in case of conflicts helps to strengthen consistency and acceptability of the unit.

Zero Power

Results and recommendations of evaluation becomes accepted only through reasoning. Stakeholders' most important contribution to the evaluation is information – that cannot be obtained from them by force. If interested parties are involved into activities, they will become more easily supportive, potential conflicts appear in early stage when these are still manageable. If their comments or other contributions are treated as positively and inclusively as possible, they will respond in a cooperative way more probably. If someone's opinion seems to be strange, some discussion can reveal acceptable motivation behind it. If someone's issues are disregarded or denied with the help of external (e.g. political) force, he/she will respond in a similar way.

Consumer is King

Evaluation is to assist planners, programmers, implementers, political decision makers. If they are not convinced about the importance of a certain issue, they even will not read the evaluation concerning it. Consequently marketing and sales activity is essential. It must be surveyed constantly and intensely which issues stakeholders find it to be important from the point of view of successful utilization of funds (marketing). If the evaluation unit finds some issues worthwhile to evaluate, stakeholders should be convinced about the importance of this project (sales). If they are not convinced about the importance or they are not aware of the evaluation, they will be indifferent about its results – in the best case. And they will react in a hostile way if the result of evaluation implies anything that slightly diverges from their interest. If they are convinced about the importance of the issue and they are involved into the evaluation through consultations, they will feel the evaluation to be their own one, thus evaluation results will be perceived warnings of friends instead of blames and attacks from outsiders.

Focus on Advice

Evaluation is successful if some of its policy implications are accepted. Consequently evaluation has to be future oriented and its only motivation must be to offer facts, frameworks and proposals that can be useful during the process of decisions. Evaluation that blames everything and argues about vicious circles has no point for decision maker. Evaluation that emphasizes results and demonstrates relative success is also useless. Evaluator's mission is not to investigate responsibility, not to reveal the hidden truth and not to give justification. She, he is asked what should be changed to make the Fund utilization more successful.

Respect Based on Quality

Reputation of the evaluation is based on its trustworthiness. Evaluations frequently give results and proposals that are hard to accept for some of the key actors. If the process of evaluation (preparation, evaluator selection, methodology, reporting etc.) is not well designed and transparent, it will be hard to defend the results. If the unit is strict to define the principles and procedure of the evaluation and it is always a key priority to have well founded methodology and high quality of evaluation, the credibility of the results, and the neutrality of the evaluation process can be guaranteed that is crucial for acceptance of both evaluation results and evaluation unit.

Nothing to Hide

If process of evaluation is well designed, results come from evaluation activity that was well known and accepted by interested parties. In this case sensitive results or proposals cannot be blamed to be consequence as bias of the evaluation. Evaluation management must be committed to resist any temptation to revise evaluation results because the existence of these activities definitely involves biases into this process: the neutrality of the evaluation, the acceptability of its results becomes questionable. And it undermines the credibility of all following evaluation activities: if You give sugar to the wine only one time You will be regarded as someone who cheats with wine.

Result is Robust

Evaluation results must be strong facts because there are recommendations based on them. If there are doubts about results, policy proposals are weak. Consequently evaluation results that are not robust enough can be fruitful for scientific utilization but these not good enough to support a change in the existing policy setting. Consequently the evaluation method that gives less detailed but more robust results is better for evaluations than fine tuned measurement method. Robust results needs well defined questions. If robustness is not guaranteed through questions and methodology, evaluator will tend to give as much "balanced" (=empty) results and interested parties will be successful to "contextualize properly" (=dry out) the findings.

Innovative actions

The department responsible for evaluation regularly launched projects that intended to develop new approaches. It usually meant to involve new focuses into the evaluation, in some cases introduction of new methods was the key concern. Some of these were in house activities others were contracted out to researchers.

In house activities

Report on Development Policy 1993-2003 – This report intended to review what happened in the policy realms that had become SF co-financeable after the EU accession. The study revealed the lack of transparency, great level of inconsistency, and surprising (political regime independent) structural stability of development spending in the pre accession era. This research revealed that strong motivation to join politically and economically to the EU gave a powerful organizing principle for public finance in Hungary.

The report got positive reactions in professional backgrounds but it did not have a widespread public circulation. This project proved that

1. it is possible to organize critical, high quality internal evaluations
2. The impact factor of evaluations is not equal with publicity.

Discussion series to support analysis of situation – This project was built on two principles discussed above (“Evaluation is to support future decisions and not to judge past”, “Zero power principle”. The UAEM agreed with line ministries to organize workshops with two issues on the agenda: (i) current situation of the sector, (ii) key issues for development. The line ministry invited the participants and gave the background paper accepting the following rules:

- UAEM experts facilitate the meeting,
- UAEM defines the structure of the background paper and the structure of the memo on the meeting
- At least half of the workshop participant is from outside of the ministry

These workshops (1) improved the cooperation between stakeholders, (2) revealed conflicts that could not be discussed in official meetings, (3) gave a list of issues for NSRF and OP planners, and (4) offered stylized facts to the analysis of situation with support of the line ministry in a consistent level of abstraction.

This approach proved that participatory techniques can be surprisingly successful to reveal and organize knowledge concerning the studied issue in a cost efficient way.

Development of applicable databases – Public data are collected and managed to support administrative activities, data from statistical services has different structures. Meanwhile evaluation activities need databases that can be analyzed with statistical and econometric methods. It is expensive time wasting and ad-hoc to produce the necessary data for each evaluation separately that is why the UAEM, and later the USE decided to organize different datasets into a coherent structure. Now the data on SF spending, is merged with the data of Hungarian companies on the one side and with the data of Hungarian localities on the other side. This database gives valuable support to decrease cost and duration of evaluation projects and opens the opportunity to study policy impacts that could not be investigated in a methodologically sound way.

Small internal evaluations – Connected to the database building activity some small internal evaluation were launched that partly shows how fact-based testing of an evaluation question can be answered, and partly tested how different method can answer the same question. The most interesting small evaluation is the one testing whether growth and investment effect could be measure on SMEs having supported by the NDP between 2004 and 2006. The result from

econometric analyses is similar to the answer given by the mid-term evaluation of the ECOP in 2005 by questioning the beneficiary of this grant scheme. The dead weight of this type of grant is around 2/3 of the support.

Development Policy Academy – Development Academy is a regular meeting point of officials and experts with concern in SF utilization in Hungary as it was discussed earlier (p. 7). Its agenda could focus on issues with wider perspective and on new approaches. For example evaluation, indicator system, research results were presented in these forums in practical and interactive way, pulling out them from the ivory tower of academic approach. The wide circle of participants gave the opportunity to discuss topics from different perspectives and the revelation that different perspectives of front managers in IBs, organizing staff of MAs, planners, analysts and other experts are more frequently complementary than contradictory.

Professional quality, regularity and informality together create an atmosphere that helped to decrease the tensions and to broaden the perspective of participants. These academies proved that the role of discussion on evaluation results and related activities is not only to give immediate institutionalized feedback but it is important to offer occasions to improve the cohesion and knowledge of co-workers of the cohesion policy.

Outsourced activities

Research on Rent Seeking Activities – The cooperation with research institutions gave the opportunity to build a bridge between contemporary results of social sciences and policymakers. Experts of TÁRKI research institute wrote a comprehensive paper on rent seeking with international and national examples. The scientific quality and the good language of this paper helped to minimize hostile reception of this paper, several civil servants and senior officials got a useful insight into the academic results concerning private efforts to bias public activities to favor particular interests. Although this paper had no direct evaluative relevance but it introduced an approach that gave framework to understand and assess issues that were beyond focus earlier.

Horizontal Ex ante evaluation of NHDP – The same research company - TÁRKI – won the tender to evaluate the aggregated impact of OPs on economic growth, employment, budget balance and equality of chances. This project was more an anticipatory assessment of expected effects than an ex ante evaluation. Results warned to the risks of SF utilization and emphasized the role of good institutional background. Although the paper did not get serious attention in decision makers' circles, it gave a clear, well grounded, independent view on potential effects. The last years seem to show that the warnings were relevant. Anyone has the opportunity to face development policy with these ex ante remarks that is the basic requirement of accountability. If this accounting would happen and the relation between questionable decisions and political problems would be high-lightened, the feedback effect could work in a robust way.

Research on NDP from the perspective of small regions – The HBF Hungaricum Ltd. was invited to study what is the effect of NDP on local level in 2006. The key issue was not to assess impact on economic and social indicators but to reveal how “EU money” influence the local communities, how people react to these opportunities, how their relations with each other change. It was a great value of this research to show how local conditions shape the chances to access development resources. This work also revealed that development programs are not perceived as an opportunity to join to the development of the community but as a chance to get finance for individually useful projects.

The greatest merit of this research was that it has showed that development activities should be interpreted and evaluated with serious attention to its social context. The study was repeated in 2008 showing that some ill mechanisms of grant allocation influencing local societies continued in the NHDP as well and an EU granted supported class of these society emerged.

Challenges for the nearest future

The main challenges are (1) to create a supportive demand oriented constituency for evaluations and (2) to guarantee applicability and quality of evaluations.

Political demand is fast absorption and there is no scandal concerning EU fund utilization that marginalizes interest in outcomes of programs that seriously undermine attention to evaluations. The framework contract organized a supply side dominated constituency of evaluators and installed a machinery to launch and conduct evaluations. This supply based impetus should be used to find serious audience for evaluations. The contemporary situation (crisis managing government, governing parties with extremely low public support, low level of motivation in public sector) makes this exercise a highly demanding one.

It is challenging to maintain quality and applicability of evaluations in this era of moderated demand for policy feedbacks. There are other problems as we discussed on p. 21. to solve in order to support soundness of evaluation activities:

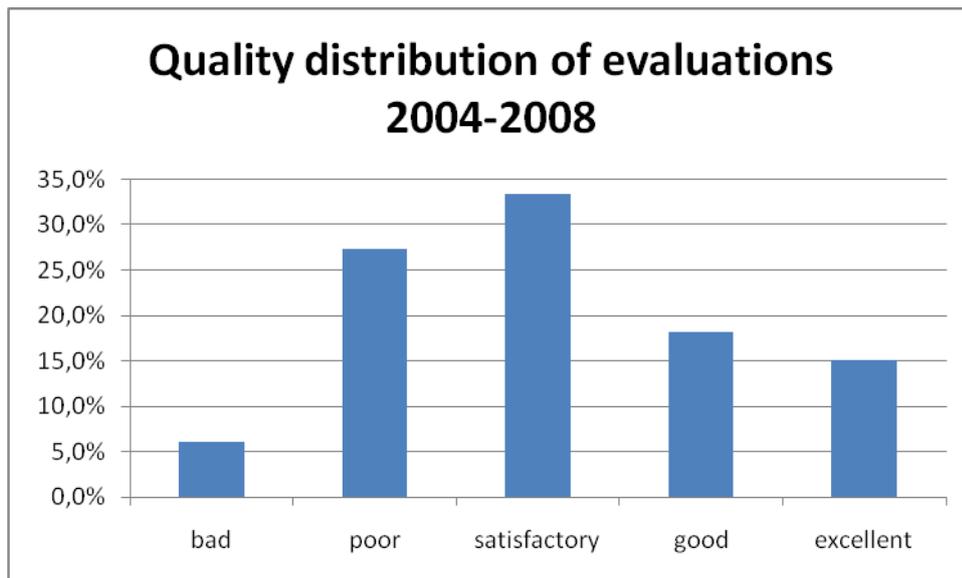
- Framework contract (that makes procurement fast and simple) is insensible to quality considerations (evaluator selection is based only on price).
- Sometimes there is a trade off between expertise and independence of evaluator.
- Intervention based evaluations are sometimes insensitive to policy environment.
- There is a tradeoff between stakeholder involvement and consistency of evaluation focus.

Summary

We could see that a lively evaluation system of EU funds was developed in Hungary. It has adequate capacity, the responsible institutions and experts became experienced, evaluators have got the methodological and organizational skills to accomplish evaluations successfully, the technical assistance sources offer sound financial.

It does not mean that the Hungarian evaluation system has reached a steady state. Institutions are to be installed that keeps the necessary practical and theoretical knowledge up-to-date. The quality assurance is to be improved. Evaluation activities should be extended to programs outside EU related realm.

There is no official quality grading of the evaluations. Reading 34 evaluations produced since 2004 we find the following distribution of quality of them. The chart shows that capacity and quality of the market built up enough to meet the evaluation demand.

Chart 2 – Quality distribution of evaluations

While the centralized system of evaluation seems successful in improving the quality and size of evaluation market, it shows only minor success in the utilization of evaluation results. The most important challenge is to convince policy makers and politicians that evaluation is not only an obligatory exercise (prescribed by EU regulation) but a tool that can support them to become a successful leader in the public sphere. Evaluation not simply reveals information on the public value of programs. It can support incentive schemes, it can increase the credibility of promises, it can offer arguments for debates concerning allocation issues etc. Evaluation industry was successful to utilize the support of EU regulation to develop its infrastructure. The next task is to sale these capacities proving that evaluation reports are not paper wasting control tools of EUcracy but useful sources of applicable knowledge for public good.

The main political priority was to absorb structural and cohesion funds, the goals concerning the utilization of these resources are not well defined and frequently changed. Weak outcome orientation limits the range of applicable evaluations. Evaluation activities can show the negative consequences of this approach, so these have a crucial role to support the change towards a result and impact based policy approach. It is the self interest of evaluation society also. The virtue of evaluations cannot be measured on its contribution to the improvement of policy toolkits without public and political demand for adequate feedback on utilization of public resources. Lacking this demand evaluative methods and efforts will be measured on artificial scales, rent seeking routines can displace value based behavior.

The evaluation and other feedback elements of policy cycle can be improved institutionally: forums can be installed, obligation to reflect evaluation results of earlier similar measures can be strengthened. But the real breakthrough needs political demand. There is a hope for it: Focus on public activities has been rising because of world crisis. The bad economic situation makes competition for public resources more intense. Both of these processes may offer a good stimulus to improve the efficiency of public activities with better utilization of feedback mechanisms like evaluation.

ANNEXES

Evaluation of pre-accession funds

Ongoing Phare Evaluations

Procurer: National Phare Evaluator(-2004: National Development Office Monitoring Unit, 2004-: National development Office Unit for Analysis, Evaluation and Modeling.

Evaluator: Europe Ltd.

State Audit Office

- Audit of the Phare Program in Hungary - 1997
- surveying the Cross Border Co-operation support programmes of the PHARE - 1998
- Audit of of the Phare Program in Hungary - 2000
- Auditing the monitoring system of the international aids - 2000
- Auditing the monitoring system of the international Supports - 2002
- audit on the implementation of PHARE Programmes in the field of health care - 2004
- Audit on Environmental Programmes Financed by ISPA Assistance . 2005
- audit on improving transportation infrastructure implemented in the frame of ISPA Programmes - 2005

Evaluations of 1st National Development Plan

Ex ante evaluations of operational programs

- National Development Plan - ÖIR – Managementdienste GmbH
- Agricultural and Rural Development Operational Program - Ecorys-NEI, ITCB
- Human Resource Development Operational Program - Research voor Beleid, SEED (Kisvállalkozások Gazdasági Fejlesztéséért Alapítván), SEO (Stichting voor Economisch Onderzoek van de Universtiteit van Amsterdam, Hollandia), MTA KTI, ITCB
- Economic Competitiveness Operative Program – KPMG, Fitzpatrick Associates
- Regional Operational Program - Research voor Beleid International, MTA RKK
- Environmental Protection and Infrastructure Operational Program - KPMG, Fitzpatrick Associates

Interim, mid term evaluations**Interim Evaluation of Structural Funds in Hungary**

Internal work summarizing the results of evaluations and evaluative studies completed in 2004-2006

Evaluator: NDO UAEM

Focus of evaluation:

- results of evaluation projects summarized
- consistency and validity of NDP strategy
- macroeconomic impacts of NDP
- institutional system of implementation
- indicators
- recommendations

Interim Evaluation of Human Resource Development Operational Program

Procurer Ministry of Employment and Labor HRDOP and EQUAL Program Managing Authority

Evaluator: EX ANTE Consulting Ltd.

Evaluation completed: 2005

Focus of evaluation:

- Analysis of the risks of the contracting procedure
- Analysis of the validity of horizontal priorities within HRDOP
- Analysis of Indicators

Evaluation on specific areas of the Agricultural and Rural Development Operational Program (ARDOP)

Procurer: Ministry of Agriculture (ARDOP Managing Authority)

Evaluator: PWC Agrár Európa Ltd, ITCB

Evaluation completed: 2006

Focus of evaluation:

- summary and evaluation of objectives and the structure of its measures,
- financial implementation,
- spatial coverage,
- project generation activities, application processes, technical assistance resources

Interim evaluation of Economic Competitiveness Operative Program

Procurer: Ministry of Economy and Transport

Evaluator: PWC, KPMG, Fitzpatrick Associates

Evaluation completed: 2006

Focus of evaluation:

- Relevance assessment, appropriateness of application criteria
- assessment of the means adopted for project selection and tendering
- The assessment of efficiency and the time progress of applications
- assessment of the indicator system

Interim evaluation of the Community Support Framework institutional system

Procurer: National Development Office

Evaluator: EX ANTE Consulting Ltd. and HBF Hungaricum Financial, Consulting and Services

Evaluation completed: 2006

Focus of evaluation:

- Cost-benefit analysis of the CSF institutional system,
- Analysis of the efficiency and effectiveness of the components of the management system.

Impact assessment of SME technology improvement grant scheme (Economic Competitiveness Program 2.1.1)

Internal Evaluation - National Development Agency

Evaluation completed: 2008

Focus of evaluation:

- econometric estimation of impact of grants on investment and growth of companies

Evaluation of the Life Long Learning instruments of Human Resource Development Operational Program (measure 3.1)

Procurer: National Development Agency – OP Managing Authority

Evaluator: Expanzio Kft.

Evaluation completed: 2007

Focus of evaluation:

- sub-measures
- efficiency of grant utilization
- proposals to improve implementation

Midterm Evaluation of Human Resource Development Operational Program

Procurer National Development Agency, HRDOP Program Managing Authority

Evaluator: Megakom kft., Synovate kft

Evaluation completed: 2008

Focus of evaluation:

- coherence of measures and strategy
- analysis of relevance, effectiveness, efficiency, sustainability, utilization and best practices of certain measures

Evaluation of **RTD** equipment grants

Procurer: National Development Agency

Evaluator: KPMG

Evaluation completed: 2007

Focus of evaluation:

- comprehensive evaluation of support schemes focusing on relevance, efficiency and efficacy of programs
- proposals to improve quality and consistency of development policy and its instruments

Interim evaluation of Regional Operational Program

Procurer: National Development Agency, ROP MA

Evaluator: Centre for Regional Studies – Hungarian Academy of Sciences

Evaluation completed: 2007

Focus of evaluation:

- relevance of indicators
- sustainability
- equality of chances
- rehabilitation of urban zones (measure 2.2)
- tourism (measure 1.1, 1.2.)
- monitoring system, indicators

Evaluation on measure 1.2 (animal waste management) of Environmental Protection and Infrastructure Operational Program

Procurer: National Development Agency

Evaluator: KPMG

Evaluation completed: 2009

Focus of evaluation:

- environmental aspects
- cost efficiency
- indicators

The implementation of National Development Plan - 2006

State Audit Office

Internal evaluation

Focus of evaluation:

- The structure of planning documents
- The coherence of NDP and national strategies
- Absorption capacity enhancement
- project selection and implementation
- resources and results achieved
- coordination of agencies involved in implementation
- satisfaction of applicants

Evaluations of New Hungary Development Plan (NSRF)

Ex Ante evaluation

Beyond the compulsory ex ante evaluations Hungary commissioned two extra projects

- NSRF - The focus on strategic aspect of EU fund utilization motivated Hungary to make ex ante evaluation on NSRF. This project was completed by the consortium of Ex Ante Ltd and HBF Hungaricum Ltd.
- Horizontal aspects – to assess the overall expectable impact of Operational Programs an evaluation was launched to investigate the probable effects on employment, growth, financial (budgetary) sustainability, equality of chances, social equality and partnership. Tarki-Kopint consortium made this evaluation.

The ex ante evaluations were procured by NDO (except for Economic Competitiveness OP and Transport OP that was procured by Ministry of Economy from the TA fund of NDP Economic Competitiveness OP).

The price of ex ante evaluations was between 27000 and 193000 €.

Table 3 – Ex-ante Evaluations of the NHDP

National Strategic Reference Framework	11.000.000 HUF(approx. 44,000 EUR)
Strategic Environmental Assessment for all OPs	44.977.600 HUF (approx. 173.000 EUR)
Human Resource Development axis	15.264.000 HUF (approx. 59.000 EUR)
Environmental development axis	6.912.000 HUF (approx. 27.000 EUR)
Improvement of the efficiency of governance axis	21.600.000 HFU (approx. 83.000 EUR)
Horizontal effects of the OPs	39.000.000 HUF (approx. 150.000 EUR)
Southern Great Plain Region	11.304.000 HUF (approx. 43.000 EUR)
Southern Transdanubia Region	13.882.800 HUF (approx. 54.000 EUR)
Northern Great Plain Region	13.776.000 HUF (approx. 53.000 EUR)
Northern Hungary Region	11.250.000 HUF (approx. 43.000 EUR)
Central Transdanubia Region	13.882.800 HUF (approx. 54.000 EUR)
Western Transdanubia Region	15.000.000 HUF (approx. 58.000 EUR)
Competitiveness Operational Programme	50.000.000 HUF (approx. 193.000 EUR)
Transport Operational Programme	no data available
Information Technology Operational Programme	no data available
OBJECTIVE 2 -Central Hungary Region	11.304.000 HUF (approx. 43.000 EUR)

Further works with evaluative relevance

- Working Committee for Integration and Development Policy – academic research papers studying economic, social issues, policies in Hungary, in peer countries and in EU level
- Macroeconomic Impact Assessment – TFP based model to estimate potential effect of EU financed development programs

- Development Policy related researches on methodology, indicators, environmental impacts, regional impacts, absorption, pervasive incentives
- Researches on the impact of NDP on micro region level
- Macroeconomic Impact Assessment
- Development Policy related researches on methodology, indicators, environmental impacts, regional impacts, absorption, pervasive incentives
- Estimation of compliances cost of NHDP

Table 4 – Mid-term and ex-post evaluations in Hungary

Title of evaluations (interim, midterm and ex-post evaluations only)	Evaluator	Price
Interim Evaluation of Human Resource Development Operational Program	EX ANTE Consulting Ltd.	no data
Evaluation on specific areas of the Agricultural and Rural Development Operational Program (ARDOP)	PWC Agrár Európa Ltd, ITCB	no data
Interim evaluation of Economic Competitiveness Operative Program	PWC, KPMG, Fitzpatrick Associates	81 M Ft (311.000 €)
Interim evaluation on the institutional setting of Economic Competitiveness Operative Program	IFUA	61 M Ft (235.000 €)
Interim evaluation of the Community Support Framework institutional system	EX ANTE Consulting Ltd. and HBF Hungaricum Financial, Consulting and Services	25 M Ft (96.000 €)
Evaluation of the Life Long Learning instruments of Human Resource Development Operational Program (measure 3.1)	Expanzio Kft.	9,6 M Ft (37.000 €)
Midterm Evaluation of Human Resource Development Operational Program	Megakom kft., Synovate kft	no data
Evaluation of RTD equipment grants	KPMG	9,6 M Ft (37.000 €)
Interim evaluation of Regional Operational Program	Centre for Regional Studies – Hungarian Academy of Sciences	no data
Evaluation on measure 1.2 (animal waste management) of Environmental Protection and Infrastructure Operational Program	KPMG	9,6 M Ft (37.000 €)
Evaluation on the measure for environment friendly development of energy management of EPIOP	Korzó – Szeged Kft.	Kb 8 M Ft (31.000 €)
Evaluation on the indicators of EPIOP	EX ANTE	Kb. 8 M Ft (31.000 €)
Evaluation on the goals and efficiency of environmental measures of EPIOP in the context of national priorities of environment development	ÖKO Zrt.	5 M Ft (19.000 €)
Evaluation of the Service Level Agreement between IBs and MAs in the NHDP	Existimo Consortia	15,4 M HUF (54.780 €)
Evaluation of Economic infrastructure grants of NDP	Magyar Értékelő Consortia	15,8 M HUF (56.570 €)
Evaluation of R&D grant scheme of ECOP	KPMG	20,1 M HUF (71.960 €)