

## IPA III Results Framework Indicator Methodology Note

1. Indicator code and name
<b>IPA III RF 3.2.1.3:</b> Number of pre-feasibility and feasibility studies undertaken [understood with IPA support] related to future considered IPA or EFSD+ investments
2. Technical details
<p><b><u>OPSYS and Results Dashboard code:</u></b> 260667 .</p> <p><b><u>Unit of measure:</u></b> Number of (#)</p> <p><b><u>Type of indicator:</u></b> <i>Quantitative: Numeric; Actual (ex-post); Cumulative (not annual).</i></p> <p><b><u>Level of measurement:</u></b> this is an <b>output</b> indicator. It would logically be associated with an output such as "Strengthened capacities of sector institutions and public/private operators to enable / undertake / manage sustainable investments or projects in energy, mobility and digital transitions".</p> <p><b><u>Disaggregation:</u></b></p> <ul style="list-style-type: none"> <li>The indicator should be disaggregated by: type of study (PFS/FS); sector</li> </ul> <p>Any disaggregation should be agreed with the relevant ministry or IP in advance.</p> <p><b><u>DAC sector codes:</u></b></p> <p>15110; 15111; 15112; 15113; 15114; 15125; 15130; 15142; 15150; 15151; 15152; 15153; 15160; 15170; 15180; 15190</p> <p><b><u>Main associated SDG:</u></b> <b>SDG 13</b> - Take urgent action to combat climate change and its impacts.</p> <p><b><u>Other associated SDGs:</u></b> <b>SDG 12</b> - Ensure sustainable consumption and production patterns, <b>SDG 7</b> - Affordable and clean energy, <b>SDG 9</b> - Industry, innovation and infrastructure and to <b>SDG 8</b>- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p><b><u>Associated IPA III Level 1 indicator:</u></b></p> <ul style="list-style-type: none"> <li>Individuals using the internet (source: SDG 17.8.1) (Ind. 3.2.1).</li> </ul> <p><b><u>Associated IPA III Level 3 indicators:</u></b></p> <ul style="list-style-type: none"> <li>Amount and share of EU-funded external assistance contributing to: (a) climate change (adaptation and mitigation), (b) protecting biodiversity, c) combating desertification, (d) protecting the environment (Aid to Env).</li> <li>Amount and share of EU-funded external assistance directed towards digitalisation</li> <li>Leverage of EU blending and guarantee operations financed by EU external assistance, measured as: (a) Investment leverage ratio, (b) Total eligible financial institution financing leverage ratio, (c) Private financing leverage ratio</li> </ul>
3. Policy context and Rationale
<ul style="list-style-type: none"> <li><b>IPA III PF: Window 3</b> - Green Agenda and Sustainable Connectivity, <b>Thematic Priority 2:</b> Environment and climate change; and <b>Thematic Priority 2:</b> Transport, digital economy and society, and energy.</li> <li><b>Chapter of the Acquis:</b> the main chapters of the EU <i>acquis</i> concerned under this section are <b>chapter 7</b> (Intellectual property rights), <b>chapter 10</b> (Information society and media),</li> </ul>

**chapter 14** (Transport policy), **chapter 15** (Energy), and **chapter 21** (Trans-European networks), distributed in clusters 2 (Internal Market), 3 (Competitiveness and Inclusive Growth) and 4 (Green agenda and sustainable connectivity).

- This is also an **EFSD+ indicator** for various investment windows: Investment Window (IW) Energy; IW Transport; IW Digital

Successful economic integration with the EU will only be possible with enhanced connectivity and therefore improving transport, energy and high speed, secure digital networks, focussing on the extension of the Trans-European Networks to the beneficiaries and on the rollout of next-generation broadband networks, in line with the evolving EU approach to secure network connectivity. This will increase competitiveness, improve access to services, boost economic growth and achieve regional integration.

IPA III support will place a strong emphasis on:

- **Energy** market integration, including within the framework of the [Energy Community Treaty](#), decarbonisation and just transition, increased digitalisation of the system and smart grids, demand-side and supply-side, energy efficiency, including modernisation of district heating, and energy security. The [Trans-European Networks for Energy \(TEN-E\) strategy](#), which is focused on linking the energy infrastructure of EU countries, is part of the legislative framework of the Energy Community and has to be adopted by all parties. For the members of the Energy Community Treaty, projects included either in the list of [projects of the Energy Community interest](#) ("PECI") or in the list of projects of Mutual Interest (PMI) will be given a priority status.
- IPA III will support the construction of new **transport infrastructure** and the upgrading of existing infrastructure, with the objective of bringing the core transport network up to EU standards and in line with the [Trans-European Transport Networks \(TEN-T\) strategy](#). It will also support intermodal connections and the gradual shift from individual road transport to public or shared mobility. This will be done in a way that ensures their resilience to current and future disaster risks, particularly those aggravated by climate change. Fast and efficient transport links, both within the region and with the neighbouring EU Member States, and greening transport with further investment in rail and waterways are crucial.

Strengthening **digital connectivity** and the digital transformation of businesses and public services, with a special focus on e-Government, e-Procurement and e-Health in coordination with the other IPA III Windows. Criteria to develop projects of common interest in the area of digital connectivity infrastructure are laid down in the [Connecting Europe Facility](#). Digital Connectivity needs to be secure and resilient, mitigating risks in networks and preserving citizens' privacy and integrity. IPA III will also aim at the digitalisation of the industry and digital skills development in all layers of society in line with the [Digital Education Action Plan 2021-2027](#).

#### 4. Values to report

All of the following values must be determined according to the definitions provided in Section 5 below.

- **Reporting values in the logframe:**
  - **Baseline value:** The value assumed by the indicator at time t0, against which progress will be assessed.
  - **Reporting of current value** is done at least once a year: actual latest value on the total number of studies by the time of reporting and according to the applicable definitions provided in section 5 of the note. Values will be reported cumulatively across the whole implementation period.

<ul style="list-style-type: none"> <li>– <b>Final target value:</b> estimated total number of studies by the target year and according to the applicable definitions provided in section 5 of the note.</li> <li>• <b>Intermediate targets (milestones).</b> A tool has been developed in OPSYS to automate the generation of intermediate targets<sup>1</sup>. <ul style="list-style-type: none"> <li>– For outputs, the intermediate targets are generated using a linear interpolation between the baseline and target values because it is assumed that outputs materialise sooner and more progressively over implementation (than outcomes).</li> <li>– For outcomes, the expected progression over the course of implementation will vary across interventions. During the creation of a logframe, the expected outcome profile must be selected (OPSYS offers four options<sup>2</sup>) and this selection triggers the generation of intermediate targets for all 30 June and 31 December dates between the baseline and target dates for all output and outcome quantitative indicators. All automatically generated intermediate targets values and dates can be subsequently modified by the Operational Manager or the Implementing Partner with the approval of the Operational Manager</li> </ul> </li> </ul>
5. Calculation of values
<p>The value for this indicator is calculated by counting the <b>Number of studies</b>, using the Technical Definitions and Counting Guidance provided below. Please double check your calculations using the Quality Control Checklist below.</p> <p><u>Technical Definitions</u></p> <ul style="list-style-type: none"> <li>• <b>[EFSD+]</b> Number of studies supported by the technical assistance associated to the financial support (guarantee / loan / equity) with a view to inform the options for investment.</li> <li>• <b>Context.</b> The background for this indicator is the investment/infrastructure project cycle and its four stages: i) idea development; ii) concept development; iii) business development; iv) implementation<sup>3</sup>. In the concept development phase, related pre-feasibility study (PFS) and feasibility study (FS) take place. The differences between PFS and FS are jotted down below following the criteria of scope, uncertainty and financing.</li> <li>• <b>Pre-feasibility study (PFS):</b> a PFS is a preliminary systematic assessment of all critical elements to be considered in an investment/infrastructure project – from technologies and costs to environmental and social impacts. The PFS identifies the most promising idea(s) and discards the unattractive options of a set of possible options to develop the project. This reduces the number of options that are chosen to proceed with a more detailed feasibility study and eventually with business development, ultimately saving time and money. The uncertainty of the capital cost is higher in a PFS. Financial security is usually not mandatory for a PFS.</li> </ul>

<sup>1</sup> This has been done in the framework of the **Intervention Performance Assessment**. Two composite indicators have been developed to provide an overall assessment of an intervention's current implementation and future prospects. These scores will be calculated for all NEAR interventions participating in the annual results data collection exercise.

- The **implementation score** reflects the relevance, efficiency and effectiveness already achieved by the intervention. The information on relevance is provided by the Operational manager's response to a question in a survey. The information on efficiency and effectiveness is provided by the logframe data, if sufficiently available, or the response to a question in a survey, if not.
- The **risk score** reflects expectations regarding the most probable levels of relevance, efficiency, effectiveness and sustainability to be achieved by the intervention in the future. In this case, all the information is provided by the Operational manager's responses to questions in a survey.

<sup>2</sup> a. Constant: The outcomes are achieved continuously throughout implementation; b. Accelerating: The outcomes are achieved towards the end of implementation; c. At the end: The outcomes are mostly achieved at the end of implementation; d. None of the above.

<sup>3</sup> Association for the Advancement of Cost Engineering, International Recommended Practices (RPs) and EA Energy Analyses, Viegand Maagoe analysis and Danish Energy Agency.

- **Feasibility study (FS):** the FS analyses in depth the best solution from the PFS. Capital cost uncertainty must be more controlled than in the case of the PFS. Financial bankability must be ensured at the end of the FS.
- **Eligibility criteria:** To be eligible for IPA III support, large infrastructure projects should feature in the National Single Project Pipeline of the beneficiaries and produce no significant harm to climate and environment. IPA III-supported investments should be in line with the [Economic and Investment Plan for the Western Balkans](#) and other relevant EU policies, including the Green Agenda for the Western Balkans and relevant macro-regional strategies.

#### Counting Guidance

**Reference to possible double-counting:** in principle there shouldn't be a risk of double-counting since the type of study is by definition different in scope, even when the same concept is studied in both

#### Quality Control Checklist

1. Have all relevant disaggregations been reported?
2. Has the baseline and final target been encoded with the right dates?
3. Did you encode the latest current value available?
4. Did you use the comment box to inform on the values encoded?

#### 6. Examples of calculations

The EU supports renewable energy solutions in partnership with the European Investment Bank in a candidate country. IPA will help the Ministry of Energy to undertake the PFS and FS studies required to apply to EIB's credit lines (10 in total). Loans will be used to install new small generating facilities based on renewable energy sources and to upgrade the existing distribution grid to adapt to the interconnection of the new facilities. In year 1, 10 studies were undertaken, 8 of them completed, including all PFS.

#### Values:

**Baseline value Year 0:** 0 studies

**Target value:** 10 studies (5 PFS/5 FS)

**Current value Y1:** 8 studies (5 PFS/3 FS)

#### 7. Data sources and issues

##### **Data sources in the logframe:**

- Data for this indicator must derive directly from the intervention; i.e. intervention monitoring and reporting systems from implementing organisations (e.g. governments, international organisations, non-state actors, .....).
- Other possible sources include studies carried out in the framework of the interventions and external monitoring and/or evaluation reports.

##### **Data source categories specified in OPSYS:**

- EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention)

#### 8. Reporting process & Corporate reporting

Who is responsible for collecting and reporting the data?

- The implementing partner (i.e. the entity responsible for delivering the output will need to ensure the counting starts at the lowest level of intervention and is reported upwards and aggregated for the entire intervention in the framework of regular monitoring and reporting systems.
- Data verification:
  - For indirect management by beneficiary countries, the National IPA Coordinator will verify the data.
  - For other modes of implementation, the Operational Manager in HQs/EUD will verify the data.
- It is then the responsibility of DG NEAR to receive and verify data for this indicator from all relevant interventions and to eventually ensure aggregation within and across all IPA Beneficiaries.

This indicator is used for corporate reporting in the following contexts:

- *IPA III via the Annual Report*

This indicator has been included in the following other Results Measurement Frameworks:

- *EFSD+*

#### 9. Other uses

**IPA III RF 3.2.1.3** can be found in the following groups of EU predefined indicators available in OPSYS, along with other related indicators:

- European Fund for Sustainable Development PLUS (EFSD+);
- IPA III RF Window 3: Green agenda and sustainable connectivity (IPA III W3)

For more information, see: [Predefined indicators for design and monitoring of EU-funded interventions | Capacity4dev \(europa.eu\)](#)

#### 10. Other issues

This indicator is also an EFSD+ indicator. The contents of this note have been adapted to be used in IPA III RF, therefore, they are not necessarily applicable to other contexts as the specifications of the EU acquis are not always in application in third countries eligible to EFSD+ funds.