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REPORT

From:	Presidency
To:	JHA Counsellors /COSI Support Group
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Subject:	EU Policy Cycle 2018-2021: Guidelines on designing SMART KPI for MASP and OAP

The Council conclusions on the continuation of the EU Policy Cycle for organised and serious international crime for the period 2018-2021[1] call upon the EU agencies to provide under the leadership of Europol, methodological, analytical and administrative support for the drafting of the MASPs and OAPs (SMART Goals and KPI's).

The timeline foreseen for the EU Policy Cycle 2018-2021, which is annexed to the conclusions, indicates under Action 7 the development of guidelines on designing SMART key performance indicators to measure the progress and results of operational actions.

Against this background, the COSI Support Group agreed on the enclosed Europol's input to the development of guidelines on designing SMART key performance indicators to measure the progress and results of Operational Actions for the EU Policy Cycle 2018-2021 at its meeting on 12 June 2017.

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Europol input to the development of templates (MASPs, OAPs) and the development of guidelines on designing SMART key performance indicators to measure the progress and results of Operational Actions for the EU Policy Cycle 2018-2021

1. Aim

As set out in action 7 of the Council conclusions on the continuation of the EU Policy Cycle for organised and serious international crime for the period 2018-2021, Europol hereby provides input to the development of templates for the Multi-Annual Strategic Plans (MASPs) and the Operational Action Plans (OAPs) and proposes draft guidelines on designing SMART key performance indicators (KPIs) to measure the progress and results of Operational Actions for the EU Policy Cycle 2018-2021.

To illustrate the possible use of the draft guidelines, Europol has prepared annexes explaining how SMART KPIs to strategic goals in the MASPs and to the objectives of Operational Actions could be drafted.

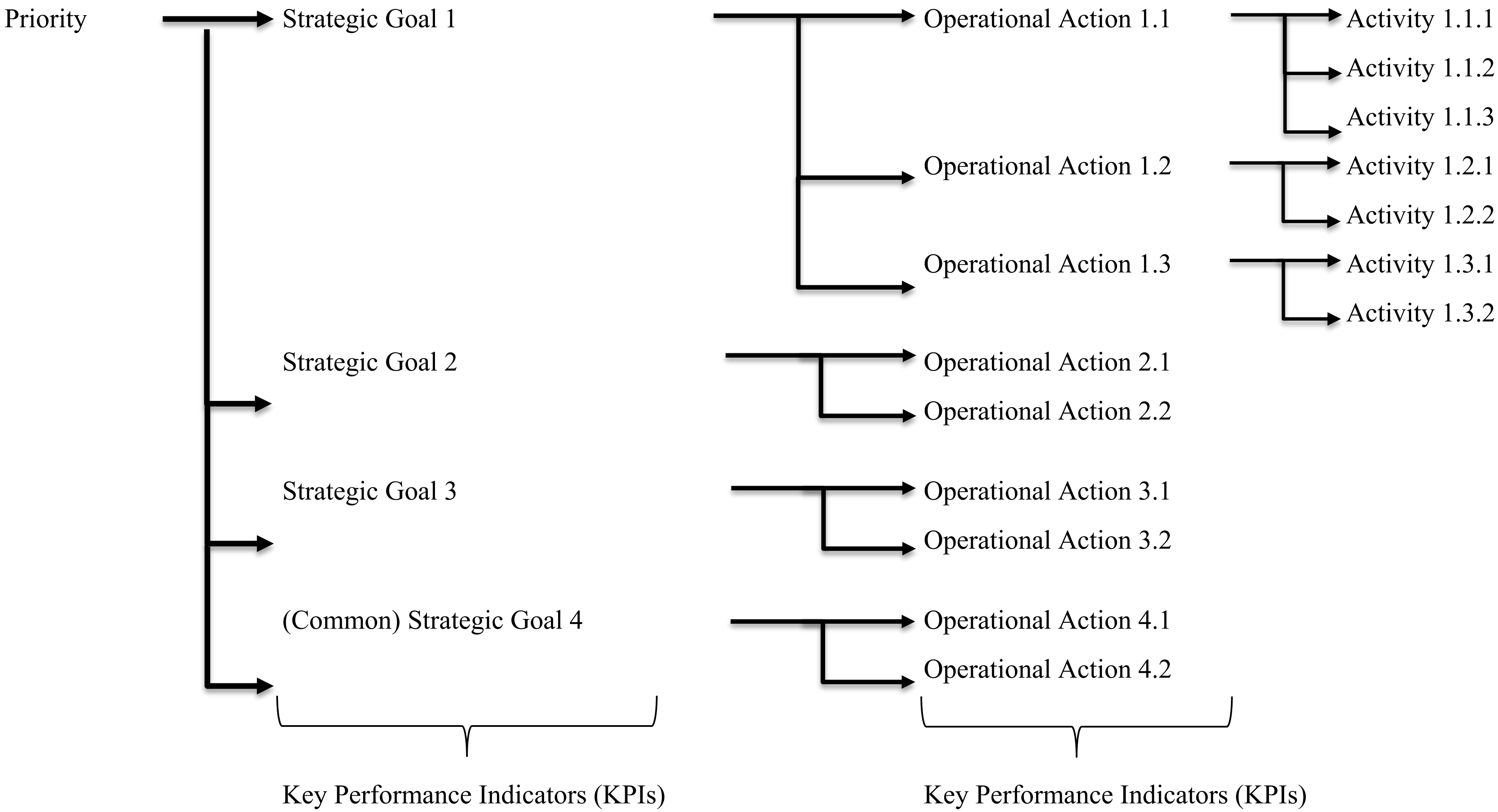
2. Template Terminology

MASP	**Notes**
Priority	• Captures in broad terms the scope of the priority as agreed by the Council – one per MASP
Strategic Goal	• Statement declaring what the MASP is set to achieve in the course of the EU Policy Cycle (Multi-annual) • Should be SMART (as far as possible) • Monitored via Key Performance Indicators (KPIs) • Expected benefits/results can be detailed in the MASP template • Best practice: Limited number of Strategic Goals per MASP

OAP	**Notes**
Strategic Goal (from MASP)	• Identical to the multi-annual Strategic Goals of the MASPs.
Operational Action	• An overall concise statement describing the Operational Action (NB: an operational action is a set of activities designed to contribute to the Strategic Goal set in the MASP) • Monitored through Key Performance Indicators (KPIs) • Best practice: Limited number of Operational Actions per Strategic Goal
Objective of Operational Action	• Statement declaring what the Operational Action is set to achieve in a particular year to contribute to the relevant Strategic Goal • Should be SMART
Activities	- These are the different activities designed to achieve the Operational Action (e.g. organise a training, deliver a report, run a Joint Action Day etc.) - Performance Indicators (PIs) could be attached to each of these activities to monitor their progress, at the discretion of Action Leaders. However this should not be mandatory as the reporting burden would increase significantly (see note on complexity of performance indicators in section 2.2.)

2.1. <u>Relation between MASP and OAP:</u>

The following table shows the relation between Strategic Goals set in the MASPs with the Operational Actions in the OAPs.



2.2. A note on managing the monitoring/reporting process

Though in practice it will be difficult to adhere to a very strict limitation to the number of Strategic Goals in the MASPs and Operational Actions in the OAPs, given the broad scope of the EU Policy Cycle and the specificities of each crime area, it would be important to propose – as a best practice approach - the use of a limited number of focused MASP Strategic Goals and OAP Operational Actions. This would aim to simplifying the planning, but more importantly the monitoring phase of the OAPs. For this reason, key performance indicators should only be required at the level of Strategic Goals and Operational Actions. At the level of detailed activities, performance indicators could be used at the discretion of the Action Leaders but they will not be required in the OAP template and they will not be mandatory in the monitoring phase of the OAPs.

To demonstrate the level of complexity that arises with the use of multiple Strategic Goals and Operational Actions, the tables below present two scenarios based on a different number of assumed Strategic Goals and Operational Actions. Please note that the tables assume only one Key Performance Indicator for the respective level – in practice more indicators are commonly identified.

Common Assumptions:

Number of MASPs in the EU Policy Cycle	13
Number of priorities per MASP	1

SCENARIO A		
Strategic Goals per MASP	3	
Operational Actions per Strategic Goal	3	
Activities per Operational Action	3	
TOTAL for EU POLICY CYCLE	39	Strategic Goals
	117	Operational Actions
	351	Activities
TOTAL indicators (*minimum* estimates)		
KPIs (MASP – Strategic Goals)	39	
KPIs (OAP - Operational Actions)	117	
PIs (OAP - Activities)	351	

SCENARIO B		
Strategic Goals per MASP	5	
Operational Actions per Strategic Goal	5	
Activities per Operational Action	3	
TOTAL for EU POLICY CYCLE	65	Strategic Goals
	325	Operational Actions
	975	Activities
TOTAL indicators (*minimum* estimates)		
KPIs (MASP – Strategic Goals)	65	
KPIs (OAP - Operational Actions)	325	
PIs (OAP - Activities)	975	

3. Guidelines on (key) performance indicators

The guidelines in this section are an extract[2] of the report "Performance indicators in EU agencies", developed by the Working Group on Performance measurement of the Performance Development Network of the EU Agencies. They provide a comprehensive guide on what are performance indicators, which considerations to take into account when designing them (e.g. SMART and RACER criteria see 3.2.), the various types of indicators that can be used, ways of monitoring them and finally, potential limitations that can be encountered.

3.1. Definition of a performance indicator

A **performance indicator** is a type of performance measurement that is needed for regular and careful monitoring of programme implementation and outcomes by providing sufficiently complete, accurate, and consistent data in view of supporting decision making.

Performance indicators can be used to provide the information needed to know whether strategic and operational objectives are being reached, and to allow for corrective measures and steer improvements if objectives are not being reached. Indicators designed for this purpose must allow intervention at a stage where corrective actions are still meaningful. For this reason *leading* indicators will often be used.

A performance indicator can be defined as "a qualitative or quantitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of a development actor". Performance indicators are closely linked to goals and objectives and serve as touchstones by which to measure the degree of success in goal achievement.

KPIs are in general a subset of the performance indicators. The KPIs can be linked to the strategic goals/objectives and are therefore more stable. In order to be useful the number of KPIs should be relatively low. As a complement, more specific performance indicators may be developed at annual level, in order to track and monitor the performance of the operational action plans. Ultimately these annual indicators should feed into the limited key performance indicators.

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[2] Minor adjustments have been made e.g. to examples to make them more relevant to the EU Policy Cycle

Information provided by indicators has to be interpreted carefully and it should be kept in mind that they only provide an indication of the performance but not the full picture. Indicators are also not the most suitable for measuring impact, which can be measured through more relevant tools such as evaluations.

3.2. SMART objectives and RACER indicators

Performance indicators are an integral part of the MASPs and OAPs, together with operational actions and targets. They cannot be constructed in isolation; on the contrary, they should be closely interlinked and clearly connected. There should be at least one performance indicator per operational action.

Operational Actions are required to meet **SMART** criteria (Specific, Measurable, Attainable, Relevant and Time-bound).

In order to be relevant **Performance indicators** are required **in addition** to meet **RACER** criteria (Relevant, Accepted, Credible, Easy and Robust) to fit the requirements.

Some of the characteristics applying to performance measures are, *inter alia*: clear, concise, agreed, realistic, reviewed, easy to collect, related to efficiency and effectiveness, understandable, realistic, time scale and quantifiable.

The tables below describe the SMART and the RACER criteria.

SMART CRITERIA for OBJECTIVES

Specific	specify the target group and the factors/that will be measured
Measurable	written in a measurable format, quantifiable, e.g. number to be reached
Achievable	feasible, realistic
Relevant	result-based, result-oriented, consistent, instrumental to the activity, support the agency mission and the achievement of organisational goals
Timed	specify when the result(s) can be achieved, set a time frame

RACER CRITERIA for PERFORMANCE INDICATORS

Relevant	closely linked to the objectives to be reached, consider policy support, past and future trends and sensitiveness
Accepted	by the management, the staff, the stakeholders and other users
Credible	accessible to non-experts, unambiguous and easy to interpret, transparent and sound
Easy	feasible to monitor and collect data at reasonable costs, no complex monitoring
Robust	not easily manipulated, traceable and reproducible

3.3. Classification of indicators

Indicators may serve different purposes as outlined in section 1.3. In addition performance indicators may measure different things. A standard classification is the following:

- **Resource or input** indicators: measure the resources available/used (e.g. budget amount, number of staff)

- **Output** indicators: refer to the products/services delivered. (e.g. number of trainings in the area of financial intelligence)

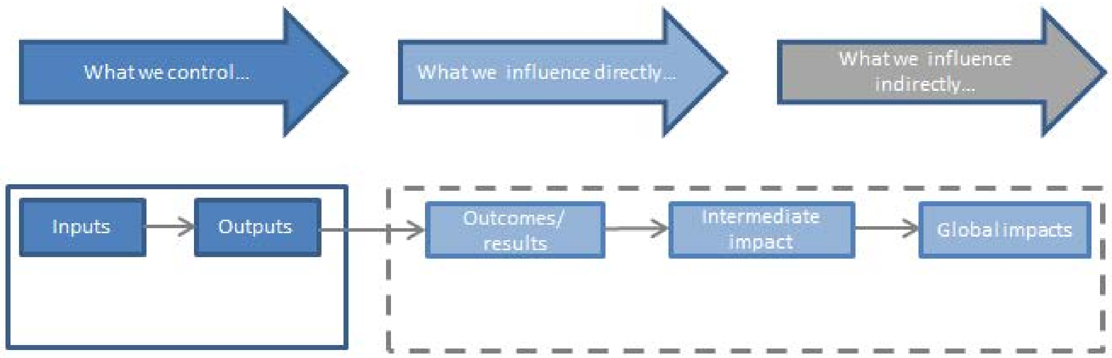
- **Outcome** indicators: Outcome (or result) indicators measure the direct effect of an output, (e.g. number of investigations with a financial intelligence component)

- **Intermediate impact** indicators: These indicators measure the short to medium-term effects of the outputs, e.g. whether forensic training re: document forgery has led to a reduction in specific methods used in document forgery.

When measuring effects it is important to keep in mind that effects may be intended and unintended as well as positive and negative.

Different indicator types can also be combined, e.g. a process indicator would measure the relationship between inputs and outputs (efficiency indicators)

It is not always possible to classify indicators clearly in the categories defined above. What an indicator measures can only be defined in the concrete context where it is applied.



3.4. What can really be measured?

The role of an indicator is to provide feedback in order to monitor progress towards the completion of an operational action/objective. Indicators can be of different types, according to what is measured.

3.4.1. Different types of measurement:

Indicators can be used to perform different types of measurements, for example:

- **Volume**: how many outputs or products are produced; these indicators can be useful in some situations, for instance at the early stage of implementation of a new function.

- **Completion/implementation of a target**, where the result is compared to a predefined target; this type of measurement focuses more on the performance of an operational action/objective compared to its expectation. This kind of indicator can be expressed in percentage of achievement of the target.

- **Timeliness** of a process or action, i.e. how much time is needed to complete an action or a process or a certain step within a process.

- **Level of satisfaction**: this is generally done through forms or surveys. Satisfaction can be measured from the point of view of the users of a product or service (e.g. participants at a training session).

- **Quality Compliance** of the output/product: this might be measured by quality checks, before producing the final output, or immediately afterwards, by measuring the level of satisfaction.

Other distinctions can also be made between:

- **Quantitative vs. qualitative indicators**: according to some authors, performance measurement can adequately represent the concept of quality, if related to quantitative measurements. In general, the qualitative evaluation of the OAPs lies in the analysis of the information gathered via quantitative measurements. The analysis of the results needs to be considered in their context and compared to the objective to achieve. Qualitative evaluations can also be supported by other types of information or analysis (e.g. a comparison of key messages picked up by the media against the intended message and tone).

- **Leading vs. lagging indicators**: indicators can measure performance at different times. Leading indicators are used to predict the future outcome of a process; they focus on how a process should ideally run, to achieve a positive result. Lagging indicators describe past success or failure; they provide information on past performance which cannot be influenced anymore *(e.g. if the target is to publish 20 reports per year – leading indicator, the lagging indicator is to ensure that none of the report is delivered with a delay of more than a week).*

- **Efficiency indicators vs. effectiveness**: efficiency indicators measure a ratio between the amount of an input required to achieve an output (e.g. average cost per decision), while effectiveness indicators measure whether an objective was reached (e.g. percentage of implementation of internal control standards).

- **Direct vs. indirect indicators**: direct indicators correspond to the results of an output. If such data are not directly available, or direct measures are not feasible, or require too many resources or too much effort, an indirect indicator (or proxy indicator), for which the data are still considered valid, can be used for monitoring instead. An example of a direct indicator for a training organisation (e.g. CEPOL) could be the number of analysis trainings organised, whilst the same indicator could be used by EUROPOL as a proxy indicator for its objective to maintain analysts' training up-to-date.

3.4.2. Comparability of measurements

The continued use of the same indicators over time is necessary to ensure the comparability of results and monitor progress and improvements. It is important to keep stability in the formulation of indicators so that they can be compared over time, through historical time series (graphs). The same indicators reported at different times become a powerful tool to assess and show progress and trends towards an objective and target. Comparison of measurements with the previous year or quarter, for example are particularly useful.

It is important also that comparability is ensured in the indicators measured, between similar indicators (if available), in order to allow for comparison between, for example, EMPACT priorities.

3.5. Methods to measure indicators

Indicators can be measured in different ways and using different instruments depending on their specificities. One of the important criteria when establishing new indicators is to make sure their collection is not adding too much workload so that collecting an indicator does not become an excessive burden. The collection of indicators should be as seamless as possible. This is one of the key requirements of the RACER criteria (Easy: data should be collected and monitored at reasonable cost).

Among the methods to collect and measure indicators, the following could be mentioned as particularly useful:

- **Manual counting** is still used for outputs limited in number and for which automated solutions are not available; the counting can be compared to the set target, a baseline plan or an agreed list of expected achievements.

- **Systematic recording/log**. Systematic recording can be requested to ensure a tracking/measurement of actions. This is particularly useful in the case of the timeliness of a process for example. The recording can either be manual or through an IT system.

- **Comparison with an initial planned baseline** (including e.g. initial goal and scope, timeline, incl. monitoring of appropriate milestones, deliverables and resources allocated)

- **Automated monitoring systems**: when such IT systems are in place, automatic reports can be created to collect data or statistics seamlessly
- **Surveys**: surveys or feedback forms can be useful when assessing the satisfaction of individuals, for instance with a training session or of stakeholders such as law enforcement agencies. Results need to be aggregated to provide an overview.
- **Ratio and formulas** can be used to calculate indicators. This is the case for example for efficiency indicators (output/input), but also for the use of specific measurements (e.g. impact factors)
- **Monitoring through external sources**, for example analysis delivered by external media monitoring services or external tools for statistics, like web or social media statistics tools. The data can also be collected through external assessment or certification processes.

3.6. Limitations of indicators

3.6.1. Goal displacement

One of the risks using indicators to assess performance is referred to as goal displacement. The risk is that individuals or organisations their behaviour when they are measured, in order to improve their performance rating. In that case, the focus moves to the areas which are measured to the detriment of other areas of their work.

3.6.2. Direct and indirect causality

Another difficulty, which is particularly important for the EU Policy Cycle, is how to attribute the direct causality of an outcome, when in fact it results from the combined actions of several stakeholders. In such cases it might be particularly challenging to demonstrate the impact of an action as a factor that led to a positive change.

3.6.3. The use of inadequate indicators

Indicators may be established that don't address the intended purpose or objective of an operational action. For example, an objective can be to ensure better external communication or increasing the awareness of stakeholders. If the performance indicator set up is the number of reports produced annually, this can be misleading, as the stakeholders (for example investigators in the Member States) might complain that an increased number of reports might not be a proper answer and that fewer more targeted or concise reports, with a better quality are needed. Therefore, a better indicator would be the level of satisfaction of the stakeholders with the quantity and quality of the reports produced.

3.6.4. Indicators vs. evaluations

Indicators might not be the most appropriate tools to measure the impact of policies or actions. Impact is probably one of the most difficult aspects to measure, as it can rely and depend on many different factors. Attribution to one measurable factor is often difficult or even impossible. Indicators are a good tool to measure input, output and – to an extent – outcomes, but of limited usefulness to measure impact, especially to demonstrate impact in an objective/unbiased way. This is better assessed by external parties. Generally speaking, the further we move to the right on the 'results chain', the less direct control over the outcomes and eventual impacts, and measuring through indicators becomes increasingly difficult and inappropriate. Therefore, evaluations are considered more appropriate to draw conclusions and measure the ultimate impact.

ANNEX 1

The Hague, 10 May 2017

EDOC#889984 v4

Examples of setting KPIs for the Strategic Goals of the MASPs and for the Operational Actions of the OAPs in the EU Policy Cycle 2018-2021

The examples in this document have been developed by Europol only for this purpose and not for operational use.

1. MASP

Priority:

To disrupt OCGs involved in intra-EU human trafficking and human trafficking from the most prevalent external source countries for the purposes of labour exploitation and sexual exploitation

Possible Strategic Goals (according to the type):

Operational	Strategic	Knowledge	Collect/Exchange Data	Money Laundering and Asset Recovery (MLAR)
To detect, investigate and disrupt OCG(s) dealing with sexual exploitation and OCG(s) dealing with labour exploitation	Close existing intelligence gaps and get a better insight and understanding how OCGs are collaborating in labour exploitation (who, how, where)	To enhance the expertise in online investigations with the aim to detect the opportunities for OCGs active in labour and sexual exploitation to recruit victims through the internet	To strengthen the multidisciplinary cooperation among law enforcement agencies and to develop synergies with source countries through establishing communication channels and other cooperation platforms	To get a better understanding of the mechanisms used to launder benefits from labour and sexual exploitation in order to disrupt the OCGs involved

KPIs (examples according to the type):

Operational	Strategic	Knowledge	Collect/Exchange Data	MLAR
At least [Number][3] of OCGs being investigated / disrupted, reported through the EMPACT OAP reporting mechanism	Number of intelligence reports giving an insight in who, where and how OCGs are working/ collaborating in labour exploitation	At least [Number] initiatives taken supporting or resulting in more expertise in online investigations	At least [Number] initiatives taken in order to reinforce synergies with source countries, with concrete results (e.g. established communication channels…)	Overview of the financial mechanisms used by OCGs involved in THB

2. <u>OAP</u>

Possible Strategic Goal (see MASP example above)

Possible objectives of Operational Actions (according to the type):

Operational	Strategic	Knowledge	Collect/Exchange Data	MLAR
To identify at least x OCGs within x months and agree on which to investigate.	To deliver a threat analysis on labour exploitation based on data available at Europol.	To train at least 2 police officers per MS on online investigations over a period x.	To develop a list of key contact persons in source countries in order to develop future cooperation and exchange of information.	To provide an overview of the current knowledge in MLAR pointing out the intelligence gaps and best practices through a questionnaire.

[3] It is advisable to set targets in order to measure progress. This remark is also true for all the KPIs in this document referring to a number.

Possible Key Performance Indicators (according to the type):

Operational	Strategic	Knowledge	Collect/Exchange Data	MLAR
Number of OCGs identified	Threat assessment delivered	Number of persons trained on online investigation methods over a period X Number of detections of online recruitments following the training.	List of key persons provided Number of meetings Number of MoU	Overview of ML mechanisms provided List of best practices

3. Example for possible Operational Actions including KPIs and activities in implementation of the Strategic Goal "At least [Number] of OCGs being investigated / disrupted, reported through the EMPACT OAP reporting mechanism":

Objective of Operational Action 1:

To identify at least x OCGs within x months and agree on which to investigate.

Key Performance Indicators:

- Number of OCGs identified

Activities:

- Organise a meeting for participating MS and decide about data collection, analysis and criteria for selecting OCG to investigate
- Collect and analyse data, provide participating MS with analysis results
- Organise meeting to discuss analysis result and select OCG for investigation

Objective of Operational Action 2:

To initiate and carry out 4 joint investigations and operations against the 4 OCGs selected under AO 1 for 9 months

Key Performance Indicators:

- Number of joint investigations initiated and carried out
- Number of arrested persons and saved victims

Activities:

- Organise a kick of meeting for each investigation to agree on investigations, actions and timeline for milestones during investigations
- Organise ad hoc operational / milestone meetings during investigations
- Organise action days to carry out arrests and house searches

Objective of Operational Action 3:

Initiate financial investigations in parallel to the crime investigations in 75% of the crime investigations in order to gather evidence, identify and enable recovery and confiscation of the assets required through crime from the targets / groups

Key Performance Indicator:

- Percentage of investigations with parallel financial investigations
- Percentage of the identified assets recovered / confiscated
- Amount of seized illegal commodities

Activities:

- Organise a joint crime investigator / financial investigator meeting for each crime investigation to agree on roles and responsibilities, information sharing and exchange, investigation model, analysis and timeframe for investigations.
- Initiate the relevant financial investigation
- Arrange ad hoc joint crime investigation / financial operational / milestone meetings to establish status and adjust investigations as necessary.
- Agree on and execute actions.

In addition to this, a number of more specific PIs could be drafted for the activities.

4. A note on methodology of reporting/ progress monitoring:

With the structure above, where every level is linked to the next one, the following methodology can be used for monitoring/reporting:

- A combination of both Activity completion and KPIs can be used to come up with a % of progress on the Operational Action level.
- A % progress of Strategic Goals can be calculated on the basis of the % of progress of the Operational Actions and KPIs.
- The progress of the Strategic Goals can be combined to give a % progress of the priority.

In its simplest form (i.e. without adding weights to the particular elements) this is of course not exact, but it provides a good summary of the progress on the EU Policy Cycle and is an easy-to-visualise methodology.

ANNEX 2: Examples for KPIs to 5 types of Operational Actions

➔ Number of … has to be considered per semester or year and/or have a target set for that period (indicated in the table below by x)

Operational	Strategic	Knowledge/training	Data collection/exchange	MLAR
- Number of investigations/ operations - Number of JITs - Number of arrests (HVT, facilitators…) - Number of dismantled OCG (e.g. active on the Darknet) - Number of seizures (money, drugs, weapons or any other good, domain names…) - Number of new markets identified (at least x) - Participation to x JAD - Specific operational approach tested and applied in x MS - Number of multidisciplinary investigations / operations - Number of investigations / operations involving third countries/organisations/ private sector	- x reporting system or early warning approach developed - Number of strategic reports (threat assessment, risk analysis, vulnerability assessment) produced - x monthly intelligence report delivered - List of third countries/ organisation… involved in … or list of new vulnerabilities provided - Detection of intelligence gaps - Number of preventive actions led (e.g. at least x/year) E.g. o Admin approach o Release of x video clips o x awareness campaign - Number of awareness sessions	- At least x persons involved in the CEPOL exchange program - Number of webinars organised (at least x), operationally oriented, within x months with a good satisfaction rate of the participants – more than 80 %) - At least x law enforcement officers from Western Balkan trained - x prosecutors/MS trained on a specific topic - Number of good/best practices shared	- Improvement of the picture on … (Cf. any intelligence gap)[4] - Number of local experts found in a specific region - Number of SIENA messages and % of investigation initiated/completed - Increased involvement of the private sector (at least x) - Percentage of data collection/exchange done by using a specific prescribed/agreed process (or template)	- Number of assets seized - Number of financial investigations launched that resulted in arrests/convictions/asset recovery - Number of workshops on seizure procedures with a high satisfaction rate >xx % (in case there is a lack in awareness/training) - Number of good practices detected - Number of investigations / operations including MLAR

[4] This could be measured by a survey, relevant information/intelligence gathered during an expert workshop or an operation/ a JAD.