



**EUROPEAN COMMISSION**

DIRECTORATE-GENERAL VI

AGRICULTURE

VI/AI Administration and general affairs, budgetary and financial relations; clearance of EAGGF accounts; evaluation

**VI/AI.4 Evaluation of measures applicable to agriculture**

G:\secl\EVAL\STRUCT\SJ\99\L.Dir5Ben.doc

**GUIDELINES FOR THE EX POST EVALUATION  
OF OBJECTIVE 5(B) PROGRAMMES  
1994-1999 PROGRAMMING PERIOD**

**1. INTRODUCTION**

- 1.1. Ex post evaluation is designed to draw lessons from the implementation of programmes part-financed by the European Union. Primarily, ex post evaluation seeks to give an account of how public money has been spent at the various decision-making levels, and at European Union level in particular, the two arms of the budget authority, i.e. the Council of Ministers and Parliament.

Ex post evaluation also provides an assessment of how programmes have been managed, highlighting strengths and weaknesses, and an insight into why some aspects of programmes have worked better than others, enabling consequences to be drawn for future programmes financed by the European Union.

- 1.2. The regulatory bases for the ex post evaluation of Objective 5(b) are Article 6(2) of Council Regulation (EEC) No 2052/88 on structural assistance and Article 26 of Council Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88.

To improve the management of Community financing, the Commission has decided that all programmes involving Community funding are to be evaluated.

Finally, ex post evaluation will enable lessons to be drawn as regards the impact of certain measures carried out in the new programming period, either under Chapter IX of the Regulation on rural development or as part of the phasing out of certain regions.

- 1.3. This document supplements the document (VI 3479/94 rev.3) entitled "Monitoring and evaluation of Community aid under Objectives 1, 5(a), 5(b) and the C.I. LEADER for the period 1994-99" presented at the 68th meeting of the STAR Committee on 27 and 28 September 1994.

- 1.4. It sets out a number of common evaluation questions of Community relevance which any evaluation report must address. In addition to such questions of Community significance, reports should also address regional, sectoral and national evaluation questions.

## **2. SCOPE OF EVALUATION**

The temporal scope is the duration of the programme, which in principle runs from 1994 to 1999 in terms of the commitment of expenditure. Where necessary, account must be taken of ongoing action or measures started in the previous programming period; in such cases a wider scope must be considered.

The spatial scope is the region to which the programme applies. Where warranted, in certain cases the scope can be narrowed down where measures are more restricted. In other cases the scope must be extended to take account of synergy between several programmes or between measures within a programme and supplementary national measures covering a different geographical area.

The regulatory scope is, in principle, confined to structural measures part-financed by the European Union (*with the exception of the Leader programme which is evaluated separately*), except where some of the measures work in synergy with measures financed solely out of national funds; in the latter case, this must be mentioned specifically in the evaluation.

## **3. CONTEXT AND INTERVENTION LOGIC OF PROGRAMMES**

- 3.1. Evaluation reports must describe the regional context existing prior to implementation of the programme and the strengths and weaknesses of the Objective 5(b) region in terms of the structural development and adjustment of rural areas. The evaluation report must give a precise geographical description of the Objective 5(b) region covered, with a clear breakdown showing the various zones covered and the distribution of funds between them. The weaknesses and handicaps established at the start and which the public action is designed to overcome must be outlined.

- 3.2. The objectives pursued by the programme must also be set out clearly and arranged in hierarchical order, distinguishing between operational objectives, specific objectives and general objectives (see Fig. 2.1). Any changes made in the course of a programme must also be indicated, stating the reasons for the changes and the objectives pursued; it would be helpful to give the amounts involved in any such changes. It is useful to draw a diagram of the objectives to illustrate the logic behind them and how they tie in with one another.

- 3.3. Finally, the measures carried out must be presented, providing the following details:

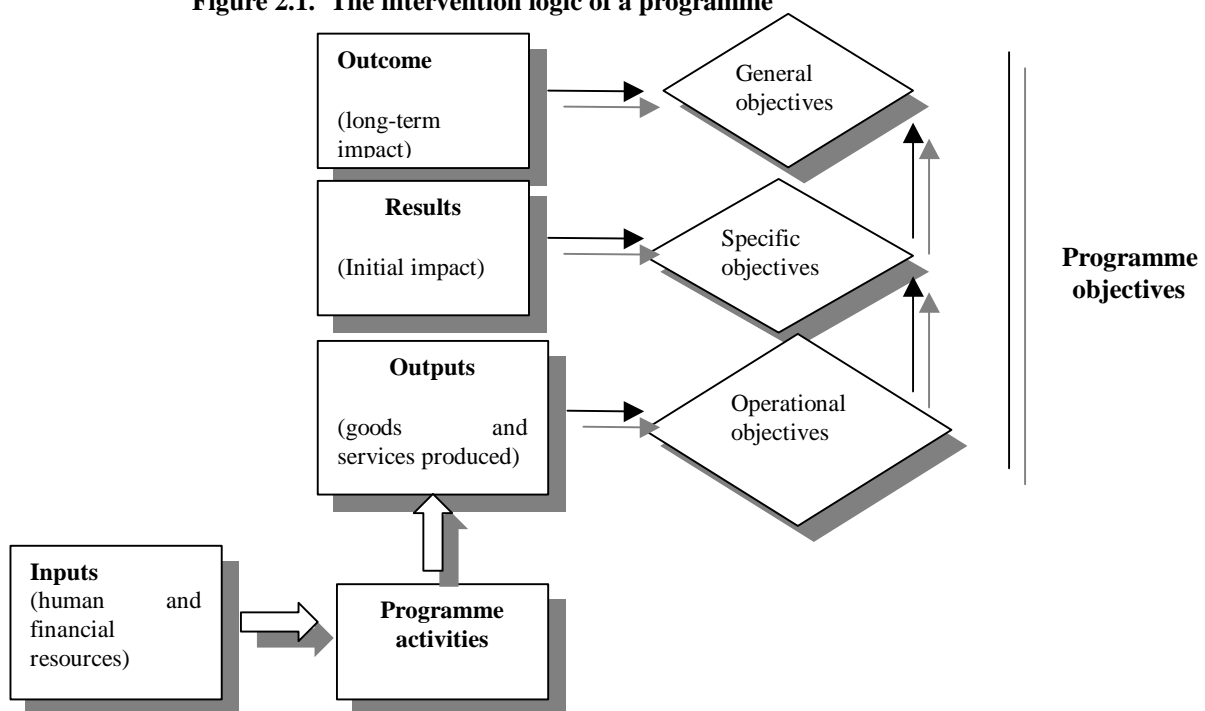
- A description of the measure, detailing the main actions carried out

- The inputs, in particular financial and administrative, used to implement the measure
- The physical outputs of the measure (the output indicators should be specified)
- How the measure carried out ties in with the objective pursued.

3.4. This leads us to the concept of the programme’s intervention logic. This refers to the conceptual link between a programme’s inputs (the human and financial resources allocated to it) and its outputs and, subsequently, the achievement of the programme’s results and outcome. A comprehensive evaluation will systematically examine the validity of this logic. Figure 2.1. below gives an idea of what the intervention logic of a typical programme looks like.

The evaluator needs to ask how the inputs assigned to the programme lead to the various outputs, and how these outputs, in turn, lead to the results and outcome expected of the programme. In other words, how does the programme achieve its operational objectives, how do the operational objectives contribute to the attainment of the specific objectives, and how do the specific objectives contribute to the attainment of the general objectives? The mutual consistency of the various measures within the programme must also be examined.

**Figure 2.1. The intervention logic of a programme**



3.5. In principle, the way the intervention logic is constructed enables the correct regional and national evaluation questions to be addressed, thus supplementing the common evaluation questions addressed at Community level (cf. point 5 below).

#### 4. EXAMINING THE IMPACT OF THE PROGRAMME

- 4.1. The various types of impact expected of the programme must be outlined, distinguishing between:
- outputs corresponding to the impact of the operational objectives
  - results corresponding to the specific objectives
  - outcome or overall impact corresponding to the general objectives.

The example given in Annex 1 shows the different levels of impact depending on the objective pursued in the case of irrigation aid.

- 4.2. It should be borne in mind that a measure may help to achieve more than one impact, especially where the impact is linked to general objectives. Similarly, several measures may help to produce the same impact, especially where the impact is linked to a general objective. Within one and the same programme, any synergy existing between the various measures and any conflict that could arise between the various measures must be highlighted.

- 4.3. For each type of impact, it is important to distinguish between net effect and gross effect, at least in qualitative terms, since programmes are not independent of the context in which they operate. Thus there is often interference between measures carried out by public authorities and factors beyond the scope of the programme. This interference may produce synergy; in such cases a distinction must be made, as far as is possible, between the part of the impact resulting from the programme and the part resulting from the outside factors.

Where the interference leads to conflict between different types of impact, it is also necessary to assess, as far as is possible, which part is due to which source (the effects of the programme or the outcome of the external effects).

Finally, it is useful to specify the role and effects of administrative and management procedures on the way the programme has progressed and positive or negative interference these have had on the effectiveness and efficiency of the programme.

- 4.4. It is therefore useful to construct indicators for the various types of impact and use context indicators or indicators linked to outside factors to enable the effects due solely to the programme to be better identified.

In principle, the indicators must have been set up for monitoring the programmes and should be available to the monitoring committee of each programme, at least as far as the output is concerned. At national level and where necessary in some Member States at regional level as well, common indicators for the results (impact of the specific objectives) should be used so as to have a homogeneous structure for addressing the evaluation questions of relevance to the regions and the Member States.

On the basis of the example given in Annex I, evaluation reports could establish a chain of impact for the main measures under the programme.

- 4.5. This document does not contain any indicators for the overall impact of the general objectives at Community level. The only requirement is that the evaluation questions set out below be addressed for each programme, at least on the basis of qualitative assessments; these questions relate to the essential areas covered by the overriding general objectives at European Union level.

## **5. COMMON EVALUATION QUESTIONS**

The evaluation procedure proposed by the Commission is designed to ensure that the evaluation of Objective 5(b) programmes provides answers to common questions at Community level as well as national and regional level.

To ensure uniformity of structure of the various evaluation reports, all evaluations should address the common questions raised at Community level.

Obviously, at national and regional level, evaluation should address the questions of significance for those levels, focusing on the impact most relevant to each level.

### **5.1. Evaluation questions relating specifically to rural development**

There are a very large number of questions that could be addressed, but only a few have been identified as common questions at European Union level, focusing on the following subject areas:

- (1) Development and improvement of agricultural holdings
  - To what extent have the measures brought about an improvement in agricultural holdings that will persist after the programme has finished?
- (2) Development and improvement of the forestry sector
  - To what extent have the measures to improve forestry structures contributed to the development and rationalisation of forestry activities?
  - To what extent have the measures in the forestry sector improved forest resources?
- (3) Improvement of the standard of living in rural areas
  - To what extent have the measures designed to improve agricultural holdings improved farm incomes?
  - To what extent have the measures designed to diversify farming activities improved farm incomes?
  - To what extent has the development or strengthening of new activities outside farming improved the incomes of people other than farmers?
- (4) Development of crafts, commerce and tourism
  - To what extent has the programme created conditions conducive to the diversification of non-farming activities in the region and the viable development of such activities?
- (5) Development, improvement and exploitation of rural areas

- How have improved infrastructure and facilities helped to overcome the problem of the remoteness and isolation of rural areas?
  - How has support for social and cultural activities improved the attractiveness of rural areas?
  - How have the various measures taken improved the quality of life in rural areas?
- (6) Protection and conservation of the environment and maintenance of the countryside
- Have the measures for agricultural holdings had positive effects on the environment, in particular in terms of controlling water and soil pollution, preventing soil erosion and improving the countryside?
  - Have the other measures taken in rural areas, in particular as regards basic infrastructure or tourism, helped to reduce or prevent pollution, in particular water and soil pollution, and preserve natural resources?

## **5.2. Evaluation questions relating to more general Structural Fund objectives**

In this section, the evaluation questions seen as key questions at Community level have been divided into the following subject areas:

(1) Employment

- What impact has the programme had on the creation or maintenance of jobs in the area under consideration, and what types of job are involved, broken down by jobs for men and jobs for women?
- To what extent has training enhanced the employability of unemployed persons and/or upgraded the skills of those in work?

(2) Competitiveness of small and medium-sized businesses

To what extent has the programme increased the competitiveness of small and medium-sized businesses, in particular those linked to agricultural production in the region, and consolidated their presence in (or possibly promoted their relocation to) the region? It would be particularly useful to examine more specifically how the programme has promoted the strengthening of ties within the agri-food sector.

(3) Infrastructure and services

- To what extent have infrastructure development (road network, water supply, drainage, electrification, transport and communications, etc.) and village renewal and the reorganisation of public and private services improved living conditions in and the relocation of new activities to the region?
- To what extent have training measures helped to improve production structures in the case of farms and activities in the craft, commercial, tourism and small and medium-sized business sectors?

## **6. EVALUATION METHODOLOGY**

Past evaluation exercises have shown that all too often evaluation has been confined to gathering financial statistics and statistics on outputs without attempting to use this data to produce analyses as a base for judgments of the effects of the programmes. In addition, evaluation reports are often limited to quoting examples or working from statistical samples which are not reliably representative.

Evaluation must go beyond simply gathering statistics, and seek to provide information based on precise data allowing unbiased conclusions to be drawn.

It is therefore essential that evaluation should be based on rigorous tried and tested methods to provide answers to the questions raised in evaluation. The MEANS programme lists several evaluation methods in volume 3 of the series on the evaluation of socio-economic programmes.

## **7. EXPECTED CONTENTS OF EVALUATION REPORTS**

### **7.1. Terms of reference for evaluation**

In principle the terms of reference must take into account the general framework outlined in this document. Furthermore, to prepare suitable terms of reference, the following points must be addressed: the legal basis for evaluation, the scope of evaluation, the objectives and users of the evaluation, the evaluation questions to be answered, methodological guidelines, an outline of the organisation of the evaluation, a draft work schedule and timetable, with an indication of the budget required, and criteria for the selection of the evaluating body.

### **7.2. Essential elements of national evaluation reports**

#### **7.2.1. Programme context**

To obtain comparable evaluation results, it is recommended to follow the model evaluation report structure in Annex III. In any case, evaluation of each region should be preceded by a concise and comprehensive description of the region: the social and economic needs justifying the intervention, a definition of beneficiaries or target groups, characteristics of implementation (actors involved and the institutional context, timeframe and budget involved) and global indicators describing the region over the programming period. The description should also include an indication of the physical uptake of each scheme, if possible in the same geographical zones as the indicators.

Where one or more of the main measures (see point 5) has not been implemented or has been stopped during the current programming period, the reasons and national and/or regional factors justifying non-implementation should be explained.

#### **7.2.2. Financial information**

To obtain a consistent picture of the schemes at financial level, the following information at least must be included: forecast commitments for the period 1994-1999 for implementation as a whole and for individual schemes, including updated forecasts, actual expenditure in the expired period for implementation as a whole and individual measures, and the financial effectiveness (actual spending in relation to forecast expenditure for the whole period).

In order to assist cross-Community comparisons, financial data should be provided according to the following split-up:

- human resources
- productive environment
- infrastructures
- environment.

Member States may also wish to sub-divide within these aggregates in order to provide more detail to improve the description of expenditure priorities and measures during the programming period.

In no case may evaluation be confined to simply establishing whether financial forecasts have been met or not. In addition, the financial information should be related to the direct physical output of the measures carried out.

### 7.2.3. Answers to common questions

For each of the main themes, well-argued replies to the common questions raised by the Commission must be provided.

The quantitative data resulting from the indicators will be one essential element of the answer but they are certainly not sufficient to draw complete and reliable evaluation conclusions. The focus of many questions is on the effectiveness of the measure, but wherever relevant, the evaluation should include a further analysis and qualitative assessment of other evaluation aspects such as efficiency, utility, sustainability and relevance where quantitative data are not available.

Furthermore, replies should include a consideration of the impact of competing factors, possible deadweight and displacement and substitution effects (cf. details in Annex II). Finally, the programme's coherence must be analysed.

Once more, the Member States or regions are invited to complement the common questions of Community relevance by adding further evaluation questions of national or regional relevance. These additional questions should reflect the national or regional context and take account of the specific objectives pursued and particular eligibility requirements for the measures implemented.

Evaluation reports should have a methodological section explaining the methods used, with details of the reliability and sources of the data drawn on.

Administrative and management procedures must be specified where they have had consequences for the effects of the programme.

#### 7.2.4. Conclusions and recommendations

In order to be useful, evaluation must go beyond merely describing what has been observed, providing an analysis of causal links between the constituent parts of the aid scheme and their impact. The evaluation findings should help conclusions on the attainment of the general aims under Objective 5(b) to be drawn.

The report's conclusions must also contain assessments and/or recommendations to enable the evaluation results to be put to optimum use. Finally, an assessment must be given of those measures producing the best results vis-à-vis the programme's objectives and the conditions that have made it possible for them to succeed.

#### 7.2.5. Annex III sets out the proposed structure of the evaluation report.

A uniform evaluation report structure will make it considerably easier to summarise them at both national and Community level.

## 8. ADMINISTRATIVE QUESTIONS

### 8.1. Evaluating body

The terms of reference must specify the criteria for selecting the evaluating body.

Evaluation should be carried out by an "independent" body, i.e. one having no direct involvement in the implementation, management and financing of the aid schemes. It must also have the relevant skills, i.e. it must be conversant with the art of evaluation. Public institutions are not excluded provided they meet the criteria of independence and competence.

### 8.2. Assessing the quality of reports

When they are submitted to the Commission, evaluation reports must be accompanied by a quality assessment based on the quality scale described in MEANS handbook No 5: "Quality Assessment of Evaluation Reports: a Framework".

This quality assessment must be made by the competent authorities at regional and national level.

### 8.3. Funding

Expenditure on evaluation must be committed before 31 December 1999 to qualify for Community part-financing. The Commission must be informed of the amounts committed to carry out the evaluation.

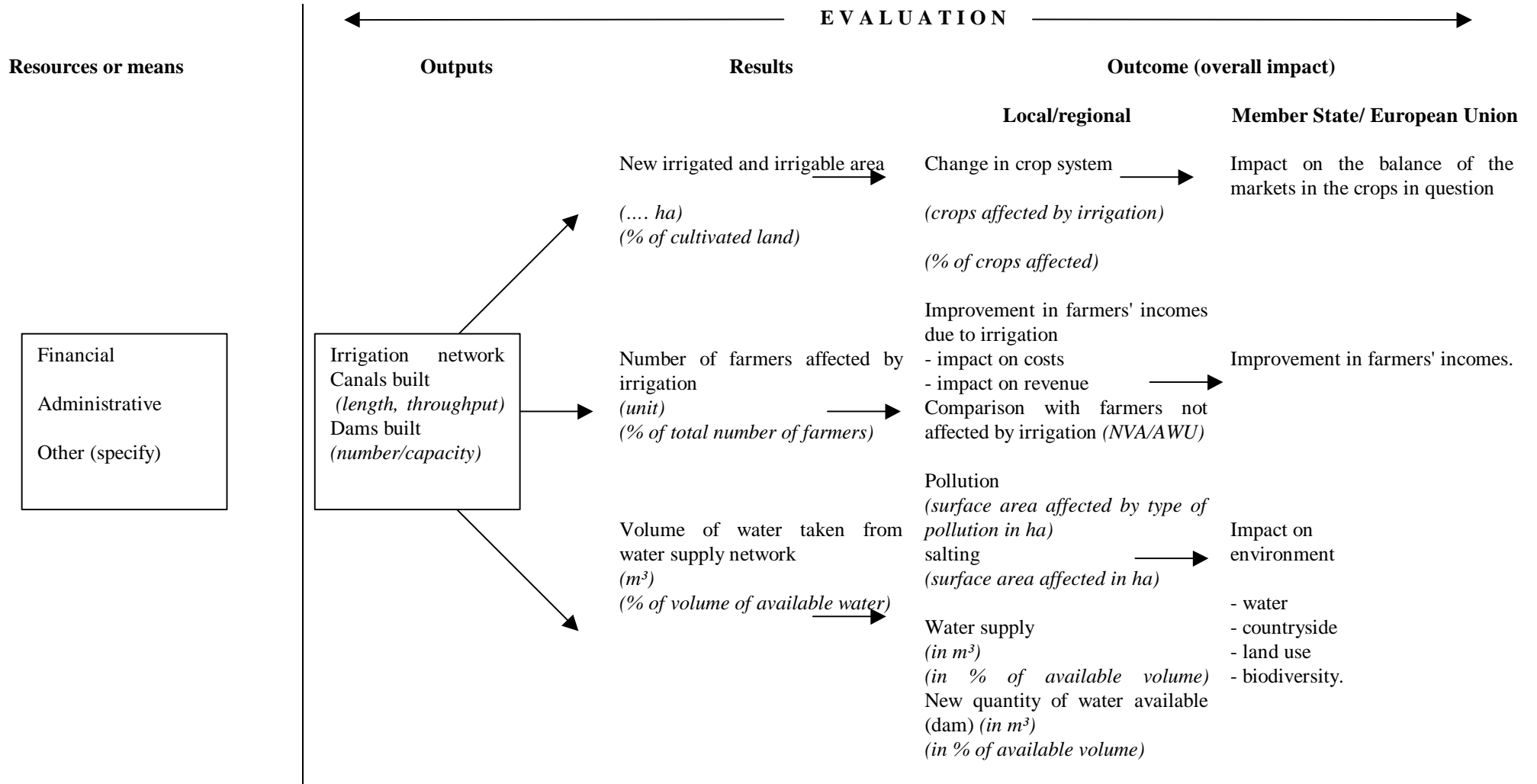
The funding must have been spent by 31 December 2001.

#### 8.4. Timetable – draft work schedule

- drawing up of national frames of reference, submission to the Commission for information two months after distribution of the final version of the working document, where possible together with a definition of national indicators, and launching of evaluation contracts at regional level. The terms of reference must be presented by September 1999 at the latest to enable the necessary resources to be released by 31 December 1999.
- An interim report must be sent to the Commission by 30 June 2000, detailing the resources used under the programme following the model given in Annex IV, indicating and explaining the reasons for the main changes made during the programming period and giving initial indications of the economic impact of the programme, in particular as regards restructuring of the rural economy, incomes and employment. The interim report will be used as a source for drawing up the Cohesion Report.
- The final date for payments is 31 December 2001. Consequently, the final report must be sent to the Commission no later than 30 September 2001.
- In 2002 a Community summary of ex post evaluations for all Objective 5(b) programmes will be drawn up on the basis of the reports submitted, and national summary reports could also be drawn up. The European Union will bear the cost of the Community summary and any national summaries drawn up. The summary will be submitted to the STAR Committee.

ANNEX I

Example of the intervention logic of aid for irrigation  
(example of possible indicator)



## ANNEX II

### EVALUATING THE IMPACT OF PROGRAMMES

#### 1. Key evaluation aspects

Figure 2.2. below shows how each of these key evaluation aspects relates to the programme being evaluated. The diagram is divided into three different levels:

The lowest level is that of judgment. Each of the five aspects set out below is the responsibility of the evaluator. He has to use sound analytical techniques to arrive at judgments as to each of them.

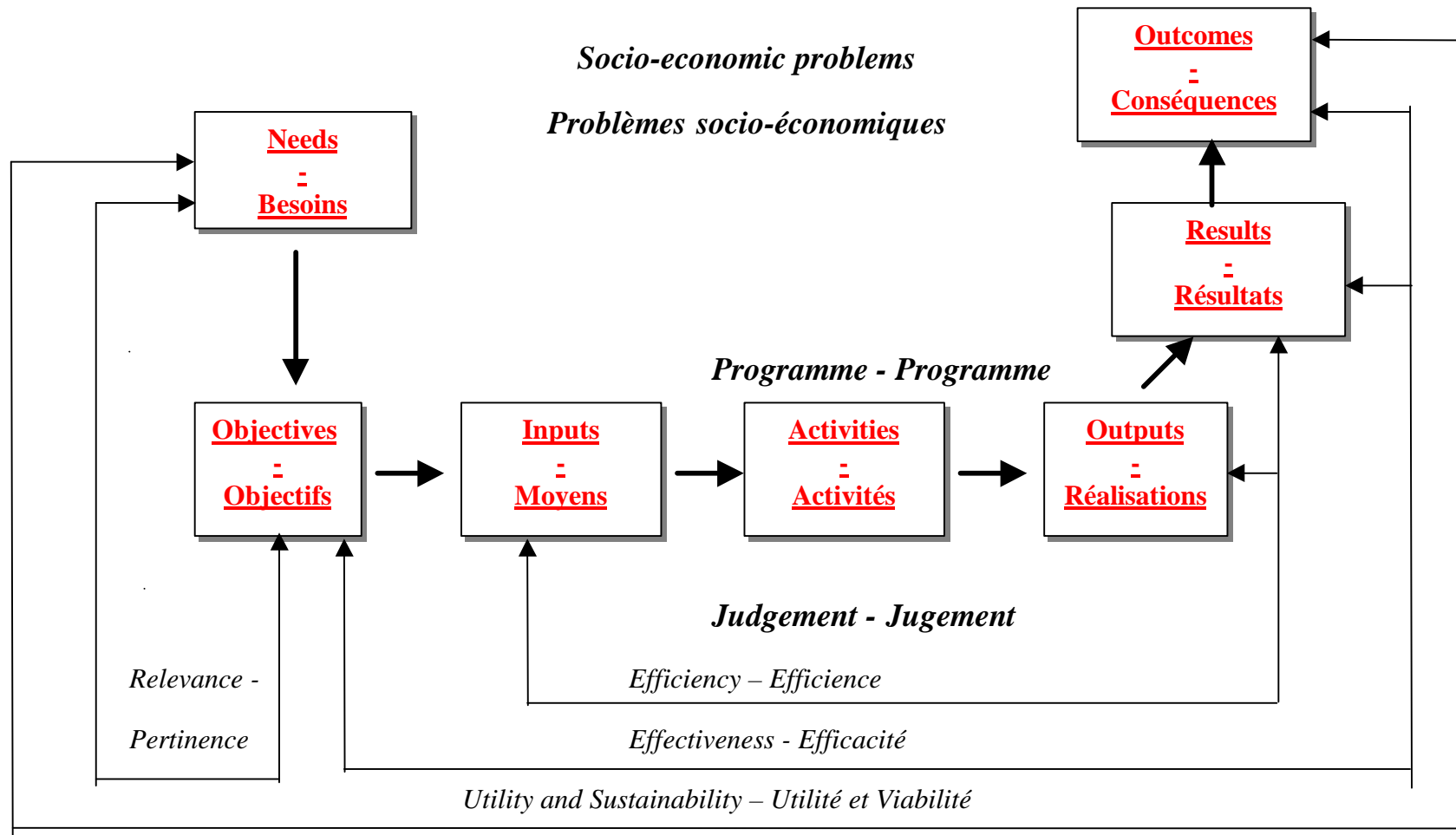
The second level is that of the programme itself. The objectives behind the programme are what motivates it. To meet these objectives, human and financial resources (inputs) are assigned to the programme and allocated to various programme activities. This process leads to the generation of goods and services by the programme, which are its outputs.

The highest level is that of socio-economic problems. It is at this level that we should consider the needs of the target population and the particular problems which the programme is designed to address. The programme's results and outcome are placed at this level because they affect these needs and problems. The dotted lines serve to indicate that the three levels are conceptually distinct from one another. For example, it may be difficult to identify what effects are genuinely caused by a programme and to separate these effects from the myriad of other influences on the socio-economic problems.

When examining the *relevance criterion*, the evaluator will typically be asking whether broad changes in society have altered the rationale for a programme, or may do so in the future.

*Efficiency* compares inputs (resources) with the programme's outputs (the goods and services it provides) and results (its initial impact). An examination of efficiency involves asking: could the same benefits have been produced using fewer inputs? Alternatively, could the same inputs have produced greater benefits? Discussions of efficiency necessarily entail comparisons with alternatives to the programme.

Figure 2.2. INTERVENTION LOGIC – LOGIC DES INTERVENTIONS



Another important point to bear in mind is that even if a programme is efficient, it can still be poorly designed. This brings us to the discussion of *effectiveness* (comparing a programme's impact with its objectives). In addition, it must also be remembered that effectiveness is concerned with only one aspect of a programme's impact: the anticipated positive effects. A programme may also have unforeseen positive effects as well as negative effects (both expected and unforeseen). An evaluator will typically want to go beyond effectiveness in order to assess a programme's total impact, even if establishing causality is often difficult. In order to assess the total impact of a programme, an evaluator is required to infer causality between it and the positive and negative, expected and unforeseen changes which have come about. Attributing causality is a key problem in the design of evaluations. Other possible explanations for the effects which are to be attributed to the programme must be identified and, wherever possible, eliminated so that the evaluator can show that the positive effects would not have arisen anyway.

This brings us to the concept of *utility*, in which we compare the impact of a programme with the needs which gave rise to it. Programmes will only be useful if they manage to bring about changes in society which are beneficial given the needs of the target population.

Finally, we come to *sustainability*, which is closely related to utility. Even if a programme generates benefits which are in tune with the needs of its target population, it may be of little value unless these benefits are still being enjoyed at some stage in the future. Sustainability is therefore concerned with what happens after a programme has been completed. If a programme is to be of lasting value, it must generate sustainable benefits for its target population(s).

To return to figure 2.2, it can be seen that each of the aspects examined in this section involves the evaluator making a technical evaluation judgment about either:

- the programme itself - relevance and efficiency (when he simply looks at how inputs are converted into outputs); or
- the programme and the socio-economic problems it seeks to address - efficiency (when he compares inputs with results rather than merely outputs), effectiveness, utility and sustainability.

Both results and outcome arise through a series of potentially complex interactions between the programme and society. Furthermore, there are also likely to be a myriad of other factors at work. The evaluator needs to rely on sound analytical techniques to establish how the programme changes society.

## 2. Other important key factors

Three aspects which are particularly relevant to evaluations of public expenditure programmes are deadweight, displacement and substitution effects.

**Deadweight** is defined as effects which would have arisen even if the public expenditure programme had not taken place. Deadweight usually arises as a result of inadequate programme delivery mechanisms (the organisational arrangements which provide the goods and services funded by the programme to its intended beneficiaries). In particular, these mechanisms fail to target the programme's intended beneficiaries sufficiently well.

As a result, other individuals and groups who are not included in the target population end up as recipients of benefits produced by the programme.

For many programmes, deadweight may be to some extent inescapable. However, it is an important issue in evaluating expenditure programmes because there is a concern both with identifying the extent to which the programme is meeting the needs of its target population and with reducing waste and inefficiency in public expenditure. It should be clear that the issue of deadweight is closely related to that of efficiency discussed above: deadweight is really a special case of programme inefficiency.

**Displacement** and **substitution** are two closely related terms which are used to describe situations where the effects of a programme on a particular individual, group or area are only realised at the expense of other individuals, groups or areas.

## Annex III

### Proposed structure of the evaluation report

- **Executive summary**

The evaluation report starts with an executive summary with the main findings and conclusions of the evaluation. This summary should not exceed 5 pages.

- **Introduction**

This provides general information about the programme

- A description of the context of the programme: national policy, social and economic needs justifying the intervention, and a definition of beneficiaries or target groups;
- Characteristics of implementation: actors involved, institutional context, time frame, general budgetary information; an explanation of why some aid schemes have not been implemented;
- The purpose of evaluation, evaluation scope, evaluation questions: common evaluation questions at EU level and additional national and regional questions.

- **Methodological approach**

A clear description of the method used in the evaluation process, the techniques applied to reply to the evaluation questions and assess the quality of the data provided. The limits to the methodological approach should also be clearly stated.

- Techniques used for data collection: questionnaires, interviews; size of samples and selection criteria used, etc.;
- Sources of data; how indicators were calculated;
- Validity of data, possible biases.

- **Presentation and analysis of the information collected**

Primary and secondary data<sup>1</sup> constitute the basis of the evaluation. They should provide an answer to the evaluation questions. The report must not be limited to providing descriptive information. It should include a main section with an analysis and interpretation of the data collected.

- Forecast expenditure for the period 1994-1999, updated forecasts and actual expenditure for implementation as a whole and for individual schemes. This also

---

<sup>1</sup> Primary data are specific data collected through questionnaires or interviews in the framework of this evaluation. Secondary data refer to existing data (statistics, previous surveys, etc.)

includes information on financial effectiveness. The financial data must be related to the actual results of the measures;

- Uptake of each scheme;
- The common issues at European Union level must always be addressed: data must be provided and analysed. Answers include indicators plus other quantitative and qualitative results from surveys, enquiries and other sources.
- Answers to regional or national questions should also be provided in this section.

- **Conclusions and recommendations**

The conclusions reached by the evaluation team should logically derive from the previous analysis. They should be clearly presented in an operational way and answer the questions posed in the terms of reference. Recommendations will be included in this section.

- The results of the evaluation should allow conclusions to be drawn as to the overall contribution of the schemes to the general aims laid down for Objective 5(b);
- Contribution of the schemes to national, regional and local objectives;
- Conclusions of the evaluation team in terms of effectiveness, efficiency and other relevant evaluation aspects;
- Presentation of recommendations in order of priority arising from the results of the evaluation.

- **Annexes**

The following should be annexed to the report: the terms of reference, literature, sources of data, additional tables and charts.

## ANNEX IV

### Reference documents

- 1 The MEANS handbooks (available in English and French)
  - No 2:** Identifying the Structuring Effects of Community Interventions
  - No 3:** Measuring the Employment Effects of Community Structural Interventions
  - No 4:** Applying the Multi-Criteria Method to the Evaluation of Structural Programmes
  - No 5:** Quality Assessment of Evaluation Reports: a Framework
  - No 6:** Evaluating the Contribution of the Structural Funds to Employment
  - No 7:** Analysing the Synergy and Cross-Impacts of Programmes: an Empirical Method
- 2 Six volumes of MEANS documents on evaluating socio-economic programmes (available in English and French)
  - Volume 1 :** evaluation design and management
  - Volume 2 :** selection and use of indicators for monitoring and evaluation
  - Volume 3 :** principal evaluation techniques and tools
  - Volume 4 :** technical solutions for evaluating in partnership
  - Volume 5 :** transversal evaluations of impacts on the environment, employment and other intervention priorities
  - Volume 6 :** glossary of 300 concepts and technical terms.
- 3 Other Commission documents
  - Evaluating EU expenditure programmes – Ex-post and intermediate evaluation (in English and French)
  - Guide to Cost-Benefit Analysis of Major Projects (EN, FR, DE, EL, ES, PO, IT)
  - Counting the Jobs: how to evaluate the employment effects of Structural Fund interventions (EN, FR, DE)
  - Understanding and Monitoring the Cost-Determining Factors of Infrastructure Projects (EN, FR, DE, EP, ES, IT)