

WORKING DOCUMENT**Measures under Regulation (EC) n° 950/97
Community guidelines for evaluation***Modifications compared to the first revised version are in italics***TABLE OF CONTENTS**

	page
1 Introduction	2
2 The legal basis - A reminder	2
3 Objective of the evaluation	3
4 Organising the evaluation	3
4.1 <u>General framework</u>	3
4.2 <u>Methodological guidelines</u>	3
4.2.1 Specific evaluation questions	4
4.2.2 Success criteria and indicators for priority questions	5
4.2.3 General questions	6
4.3 <u>Evaluation period</u>	6
4.4 <u>Territory covered</u>	6
4.5 <u>Evaluating body</u>	6
5 Expected contents of the evaluation report	6
5.1 <u>National terms of reference for evaluation</u>	6
5.2 <u>Essential parts of the national evaluation reports</u>	7
5.2.1 Context of the aid scheme	7
5.2.2 Financial information	7
5.2.3 Answers to core questions	7
5.2.4 Optional questions	8
5.2.5 Conclusions and recommendations	8
6 The case of existing evaluations	9
7 Follow-up to national evaluations	9
8 Budget/Cofinancing	9
9 Timetable - Work plan	10
Annexes A and B	

DRAFT
WORKING DOCUMENT

Measures under Regulation (EC) n° 950/97
Community guidelines for evaluation

Changes to the first revised version are in italics

1 Introduction

Working Document VI/6680/97 on the State of application, monitoring and evaluation of Regulation (EC) n° 950/97, distributed in its final version in the STAR Committee of 29 April 1998, intended among other things to raise awareness on existing evaluation obligations and to establish a first working plan on monitoring and evaluation. This plan foresaw the setting up of Community terms of reference to give guidance for evaluation as well as of a common set of Community criteria and indicators by the Commission.

Working Document VI/3837/98 putting together all comments of the Member States on document VI/6680/97 confirmed a general agreement on the need to evaluate Regulation (EC) n° 950/97, in particular for reasons of public accountability and transparency, and also an agreement on the respective lines proposed.

According to the agreed working plan, the present document is the next step towards national evaluation of the measures implemented under Regulation (EC) n° 950/97. It sets out common guidelines to Member States for the national evaluation in order to allow comparability of evaluation results and an overall assessment of Regulation (EC) n° 950/97 on Community level. Thus, added value of national evaluation activities for the Community should result.

The Community guidelines are meant to assist Member States in defining their evaluation procedures and methods by setting the general framework that should be implemented and detailed by all Member States in national terms of reference. This working document sets some basic conditions to be respected and includes a list of evaluation questions which should be answered using defined criteria and indicators.

2 The legal basis of evaluation - A reminder

According to articles 6 of Regulation (EEC) n° 2052/88 as amended by Regulation (EEC) n° 2081/93 and 26 of Regulation (EEC) n° 4253/88 as amended by Regulation (EEC) n° 2082/93, evaluation is an absolutely necessary requirement for all Structural Funds measures. Being funded by EAGGF, guidance section, Regulation (EC) n° 950/97 is subject to this provision.

3 Objective of the evaluation

Further to the legal obligation, a series of reasons underline the need to evaluate 950 measures:

Firstly, it provides better knowledge of the impact of the aid schemes and thus increases the accountability and the transparency of actions. Secondly, evaluation results form the basis for new guidelines for future applications, strategic planning and operational decision-making. Evaluation thus contributes to improving implementation and resource allocation.

In general, these two aspects of evaluation should contribute to higher public acceptance of national and Community spending,

The present evaluation is very close to an ex-post evaluation. This is not only due to the timing but also to the evaluation approach chosen looking at both, results and impacts. A final up-date of evaluation results might, however, become necessary after the end of the present programme period. This will also depend on the quality of evaluation results. The chosen evaluation approach can also help plan the ex-ante analysis on the implementation of the proposed Council Regulation on support for rural development from the EAGGF.

4 Organising the evaluation¹

4.1 General framework

The evaluation should provide a picture of the impact of the aid schemes and concentrate on the analysis of the effectiveness of the schemes in terms of achieving the objectives. It should also analyse efficiency in terms of a reasonable relationship between resources mobilised and impacts produced. Other potential aspects for evaluation are relevance (pertinence of objectives in relation to the needs), utility (compatibility of impacts with the needs) and sustainability (expectation of long-term impact).

Specific attention should be brought to the three most important aid schemes in terms of EU expenditures out of the nine schemes under Reg. (EC) n° 950/97: investment aid, installation aid for young farmers and compensatory allowances for farmers in less favoured areas. Presentation of information on financial input, physical outputs and results as well as a qualitative assessment of the impact of the small schemes (training, setting-up of services, book-keeping, joint investments) should be included.

4.2 Methodological guidelines

The evaluation should be based on recognised evaluation techniques and should look at the impact of the measures at all levels from the holding to the rural community. Maximum use should be made of available data and information (e.g. monitoring data, reports, statistical surveys, available evaluations), but ad hoc collection of information among the beneficiaries would also be needed.

¹ see also Working Document n° VI/6680/97

The evaluation procedure proposed by the Commission is designed to ensure that the evaluations of Regulation (EC) n° 950/97 carried out in the Member States provide answers to key issues of the regulation and that it can serve both national/regional needs and be synthetized at Community level. To allow the aggregation of information provided by Member States a core set of *priority* questions, criteria and indicators has been defined for the national evaluations.

Annex B.I explains in detail the evaluation techniques on which this document and annex A are based. In short, the underlying principle is to define evaluation questions which allow an assessment to what extent the Community objectives of the 950 measures have been achieved by means of success criteria and indicators defined for each question.

Beyond this method, which should guarantee Community value added, the Commission does not want to intervene in the definition of the methodological approach for the national terms of reference. It is clear that many of the questions proposed would involve enquiries among the beneficiaries for at least the three main aid schemes of the regulation. However, the main outlines concerning sampling, methodology and analytical tools should be defined in the national terms of reference. It is recommended that Member States in their calls for tenders require candidate evaluators to explain how they propose to carry out these tasks.

4.2.1 Specific evaluation questions

For each aid scheme a number of questions have been elaborated (see parts B to I of Annex A.I) using a logical diagram of impacts (see again detail of the method in Annex B.I). Criteria for the choice of questions were the importance of the objective for the Community, the probability of use and the probability of answer.

It would be desirable to have answers to all the evaluation questions in Annex A.I but due to resource considerations a few questions for each of the three key schemes have been designated as core questions:

Farm investment scheme:

- B.1 To what extent have the investments helped assuring the continued viability of the holding?
- B.2 What is the impact of the investment scheme on the environment?
- B.3 To what extent have the investments contributed to a better use of production factors for a more rational production and improved efficiency at holdings?

Setting-up of young farmers:

- C.1 To what extent has the aid facilitated the setting-up of young farmers?
- C.2 To what extent has the setting-up of young farmers actually achieved, contributed to maintaining viable rural communities?

Less favoured areas:

- D.1 To what extent have the compensatory allowances contributed to the farm income by offsetting the natural handicaps in terms of high production costs and low production potential?
- D.2 To what extent have the compensatory allowances helped in maintaining farming that otherwise would have been abandoned in LFA's?
- D.3 To what extent have compensatory allowances contributed to safeguarding the environment and preservation of the countryside?

The findings of the eight core questions should be used to elucidate how the measures have contributed to achieving the general objectives of Regulation (EC) n° 950/97 and of Objective 5a. It is hoped that Member States will also deal with the “optional” (not underlined) questions of *Annex A.I* so that the replies can be collated and compared at Community level.

In addition, Member States are invited to formulate further evaluation questions which are related to national conditions, specific objectives and particular eligibility conditions of the implemented schemes. These should aim to complement and complete the proposed Community questions and allow an evaluation from the national/regional perspective.

4.2.2 Success criteria and indicators for priority questions (annex A.II)

For each core question the Commission services have further specified success criteria describing the expected result or impact in relation to the objective. Quantitative indicators for each success criterion are proposed which should help to measure to what extent the expected output or impact has been achieved. There may be more than one criterion for answering an evaluation question and more than one indicator for a criterion.

In order to know if a certain scheme has been successful Member States are asked to define the target level for the indicator² (replace the x mark by a figure in column “target level” of Annex A.II) and to communicate the defined target level to the Commission. In many cases, an upward or downward trend of the indicator has been considered sufficient for defining the target level. In those cases, no further specification by Member States is necessary. If appropriate, the Member States may set different target levels in the subnational zones mentioned below (NUTS 2 or other relevant classification).

In order to enable the subsequent synthesis at Community level, Member States are asked to use at least the core set of success criteria and indicators proposed in annex A.II to provide the replies to the specific priority questions. In addition, Member States might need to add complementary indicators to the core questions and/or to their additional questions in order to complete the picture concerning national/regional level impacts and modalities. If needed, the Commission may provide a list of optional success criteria and indicators linked to optional questions. Furthermore, the evaluator should use whatever other information available to elucidate the questions.

Annex A.II also provides preliminary information about possible sources of information for constructing the indicators and the reference groups which has to be complemented by Member States.

Except for the very small Member States, the indicators should be provided at the subnational level. This would prevent loss of information from averaging the indicators across regions with very different predominating farming systems (arable versus permanent grassland, intensive animal production, wine or horticulture, etc.).

If a Member State is unable to construct such meaningful zones it is recommended that they calculate and submit the indicators at the NUTS 2 level. In order to avoid excessive

² The task of defining the target level should not be left to the evaluating body.

detail, data should normally not be submitted for zones smaller than NUTS 2 (unless otherwise stated in Annex A.II).

4.2.3 General questions

Further to the specific evaluation questions per aid scheme, a list of general questions (part A of Annex A.I) is proposed. They should be used as transversal dimensions along which the results covering the three specific schemes are discussed. They might help to get an overall picture of the impact of Regulation (EC) n° 950/97 but also an inside view of the relationship between the different measures or on the influence of external factors, including administrative arrangements, on the impact of the regulation.

4.3 Evaluation period

The time period from 1.1.1994 (1.1.1995 for new Member States) until 31.12.1998 is the period to evaluate. It should also be taken into account that the current schemes often continue those in force prior to 1994 so that elements of the previous period may help in answering certain questions.

4.4 Territory covered

National evaluation should cover the whole territory for which the aid schemes are applied. If possible, measures of a regional nature should be included in the evaluation. That means that the evaluation results of Objective 1 and 6 regions should be integrated in the overall evaluation. For Member States which are totally Objective 1 no additional evaluation is necessary (compare WD VI/6680/97, p.12). However, it would be helpful if a short synopsis could be produced in the format suggested here in order to enable the Commission services to collate the information from all Member States into a common format.

4.5 Evaluating body

The evaluation should be carried out by an “independent” body in the sense of no direct involvement in the implementation, management and financing of the aid schemes. It should show proof of sufficient independence and skill. Public institutions are not excluded from the task as far as neutrality is assured.

5 Expected contents of the evaluation report

5.1 National terms of reference for evaluation

The Commission does not want to interfere in detail in the definition of the national terms of reference on which the call for tender and the contracts with the evaluating bodies should be based. In principle the national terms have to take into account the general framework outlined in the present document. Furthermore, to prepare suitable terms of reference, there is a need to address the following points: the legal basis for evaluation - the evaluation scope - the objectives and users of the evaluation - the evaluation questions posed - methodological guidelines - an outline of the organisation of the evaluation - a draft work plan and calendar, including budgetary indications - criteria for the selection of the evaluating body.

5.2 Essential parts of the national evaluation reports

5.2.1 Context of the aid schemes

The Commission does also not want to interfere in the structure of the report. However, to get comparable evaluation results, it is recommended to follow the model given in Annex A.III. In any case, the evaluation of each scheme should be preceded by a concise and comprehensive description of the context of the scheme: social and economic needs justifying the intervention, definition of beneficiaries or target groups, characteristics of the implementation (actors involved and institutional context, timeframe, budget involved). Indications on the physical uptake of each scheme, if possible specified to the same geographical zones as the indicators, should complete the description of the schemes.

In case that one or more of the major measures (investment aid, installation aid and compensatory allowances) has not been implemented or has been stopped during the present programme period the reasons and national/regional factors justifying the non-implementation should be explained.

5.2.2 Financial information

To get a consistent picture of the schemes at the financial level, at least the following information must be included³: the forecast expenditure for the overall period 1994-1999 for the whole implementation and the individual schemes, including up-dated forecasts, the actual expenditure for the passed period for the whole implementation and the individual schemes, the financial effectiveness (actual spending in relation to forecast expenditure for the whole period). However, evaluation should not be confined to the single statement whether financial forecasts have been met or not. In addition, the financial information should be put in relation to the direct physical output of the schemes.

5.2.3 Answers to core questions

For each of the three main schemes well argued responses to the eight core questions raised by the Commission in Annex A.II have to be submitted based, inter alia, on the proposed criteria and indicators and the nationally defined target levels.

Most of these questions are specified in more detail by sub-questions. They should help to elucidate the head question and to formulate a more comprehensive reply. The quantitative indications resulting from indicators will be one essential element of the answer but they are certainly not sufficient to provide complete and reliable evaluation findings. 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 as the above mentioned efficiency, relevance, utility, sustainability. Furthermore, replies should include reflections on the impact of concurrent factors, possible dead-weight and displacement and substitution effects.

Once more Member States are invited to complement the suggestions either by adding further criteria and indicators to the core questions or by defining additional questions adapted to the national conditions, specific objectives and particular eligibility conditions

³ This part should not create additional efforts and should be easily taken out of existing monitoring data, e.g. annual report on application of Reg. (EC) n° 950/97

of the implemented measures. The evaluation reports should provide a methodological part explaining the techniques used and contain statements on the validity of data and their sources.

5.2.4 Optional questions

Optional questions have been defined for all the aid schemes⁴ of Regulation (EC) n° 950/97. They are intended to assist those Member States who wish to go beyond the core questions for the three main measures or to include a more detailed evaluation of the smaller aid schemes. The services are willing to submit at a later stage their ideas on possible criteria and indicators to the optional questions.

Annex A.I listing the evaluation questions includes a part of questions addressing more general aspects (part A). *These questions are relevant for several of the individual aid schemes or for the regulation as a whole.*

5.2.5 Conclusions and recommendations

In order to be useful, the evaluation must go beyond merely describing what has been observed, through to analysis of causal links between elements of the aid scheme and their impact. The evaluation findings should help draw conclusions on the contribution of the schemes to the general objectives of Regulation (CE) n° 9950/97 and of Objective 5a. Therefore, replies to the following questions should result:

What has the overall contribution of the regulation been to the four general aims in article 1 of the regulation:

- improving the efficiency of farms by developing and reorganising their structures and by promoting alternative activities?
- maintaining a viable agricultural community and thus helped develop the social fabric of rural areas by ensuring a fair standard of living for farmers and by offsetting the effects of natural handicaps in less-favoured areas?
- safeguarding of the environment and the preservation of the countryside, including the long-term conservation of natural farming resources?
- restoring the balance between production and market capacity?

To what extent has the regulation promoted rural development by speeding up the adjustment of agricultural structures in the framework of the reform of the Common Agricultural Policy (Objective 5a)?

Concerning the questions each Member State has added in addition to the core questions (optional questions and additional questions related to national/regional objectives), respective conclusions and recommendations should also be drawn.

The report's conclusions also need to contain judgements and/or recommendations to allow the optimisation of the use of evaluation results.

6 The case of existing national evaluations

⁴ It is reminded that for the small measures at least monitoring data and a qualitative assessment should be given (compare point 4.1)

The Commission is aware that there might be several separate evaluation activities on single aid schemes or even on the whole regulation exist in some Member States. For those cases it is proposed to the Member States concerned to discuss on a bilateral basis the possibilities to adapt the ongoing activities or existing reports to the Commission requirements. Member States are invited to communicate their need for such discussions as soon as possible.

7 Follow-up to national evaluations

The draft evaluation reports have to be transmitted to the Commission for information and possible amendments before their publication. After the reception of all evaluations a synthesis report will be prepared based on the national evaluation results for presentation and discussion in the STAR Committee.

To get value added from their evaluation Member States should take into consideration the recommendations of the evaluation reports in the future implementation of this type of measures. This is important, in particular in the framework of the strategic planning and decision making for the next programming period.

Member States are asked to communicate to the Commission their reactions on the evaluation recommendations and how they intend to implement them.

8 Budget/Cofinancing

The latest modification of the indicative 5a allocations⁵ opens the possibility to allow support for technical assistance for the mid term review and the ex-post evaluation of the period 1994-1999 for the measures under Regulations (EC) n° 951/97 and (EEC) n° 867/90 from commitment appropriations available for the agricultural part of Objective 5a outside Objective 1. An amount of 4 MECU has been earmarked to this end. Article 5(2)(e) of Regulation (EEC) n° 2052/88 defining support for technical assistance, including the measures to evaluate operations under the Structural Funds, should be a potential basis to use 5a allocations also for the financing of evaluations of Regulation (EC) n° 950/97.

⁵ Commission Decision 98/524/EC of 28 July 1998 amending Decision 94/279/EC on the indicative allocation by Member States of the commitment appropriations from the Structural Funds for the agricultural part of Objective 5a except for those fields covered by Objective 1 as defined in Council Regulation (EEC) N° 2052/88 for the period 1994 to 1999 (OJ L 233 of 20.8.1998, p.32)

However, before modifying again the decision on the indicative allocation, the Member States should communicate as soon as possible their need for and the amount of Community funding for their national evaluations. In the case of co-financing, Member State should be aware that the Commission will obviously more closely follow the evaluation activities; this means in particular that national terms of reference have to be submitted for approval and that the draft evaluation reports are subject to Commission consultation and requests for amendments. In the case of evaluating bodies subordinated to the national administration only additional costs arising from the 950 evaluation are eligible for cofinancing. *In general, the co-financing rate will be - as for the 951 evaluation - up to 50%.*

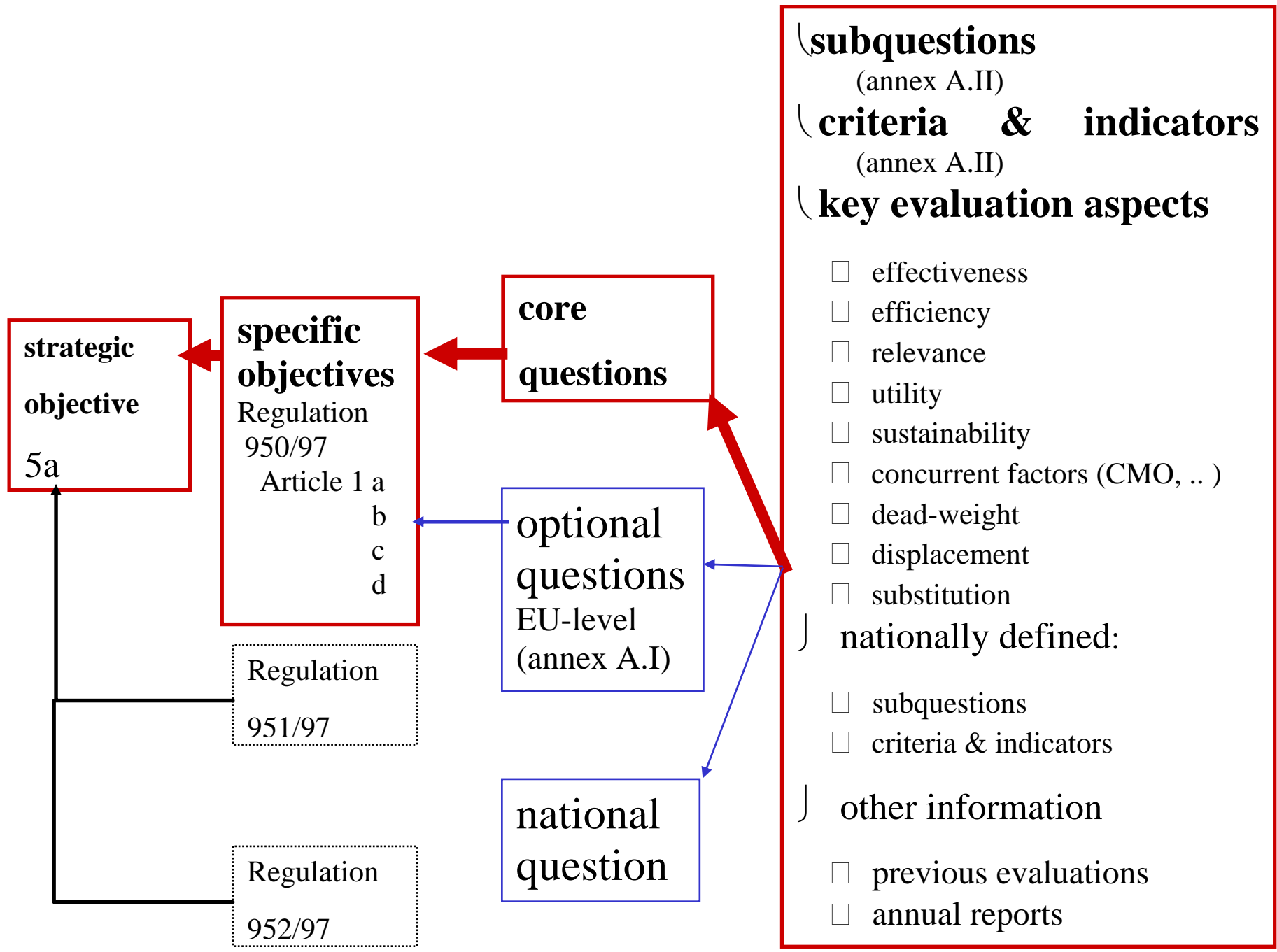
9 Timetable - Work plan

- Distribution of the final version of the present document based on the discussions and written contributions of the STAR expert group in all languages *until the end of February 1999.*
- Elaboration of national terms of reference, submission to the Commission for information two months after the distribution of the final working document together with the definition of target levels for the indicators and national launching of evaluation contracts until the end of *April 1999* (MS)
- Communication to the Commission of requests for cofinancing of national evaluations as soon as possible (MS)
- Bilaterals between MS with ongoing or completed evaluation activities during the two months after the distribution of the finalised working document (MS and COM)
- Transmission of draft reports to the Commission for information and possible comments in *the first quarter of the year 2000* (MS)
- Finalisation and publication of evaluation reports. Communication of reactions on conclusions and on recommendations of the evaluation report to the Commission (MS)
- Synthesis of evaluation report, presentation and discussion in STAR Committee *in autumn of the year 2000* (COM)

Annex A	I	Evaluation questions
	II	Core questions and respective criteria and indicators
	III	Model for evaluation report structure

Annex B (in English only)

I	Methodological approach for the Community aspects
II	Evaluation terminology



strategic objective
5a

specific objectives
Regulation 950/97
Article 1 a
b
c
d

Regulation 951/97

Regulation 952/97

core questions

optional questions
EU-level
(annex A.I)

national question

subquestions

(annex A.II)

criteria & indicators

(annex A.II)

key evaluation aspects

- effectiveness
- efficiency
- relevance
- utility
- sustainability
- concurrent factors (CMO, ..)
- dead-weight
- displacement
- substitution

nationally defined:

- subquestions
- criteria & indicators

other information

- previous evaluations
- annual reports

Annex A.I

Evaluation questions concerning Regulation (EC) N° 950/97

Legend: Double underlined text indicates priority questions

N.B.:In the answers to questions A-I below, the impact should wherever relevant be specified to type of holding (size, type of crops/animals, *age of farmers, main occupational farmers versus eligible part-time farmers*, socio-economic zone such as LFA or objective 5b)

A. GENERAL QUESTIONS

A.1. To what extent has the regulation produced significant impacts (positive or negative) in addition to the immediate effects on the beneficiary holdings?

A.1.1 in addition to its declared objectives (quantify if possible)?

A.1.2 outside the benefiting holdings (quantify if possible)?

- sectoral (demonstration effect vis-à-vis other farmers⁶, agro-industry, ...)
- rural (social fabric of rural areas, ...)

A.2. To what extent could alternative approaches⁷ have achieved the objectives of the regulation and what would be the likely outcome of such approaches (in terms of effectiveness, efficiency, side effects)?

A.3. To what extent is the impact of the regulation reinforced or reduced by:

- the internal coherence between the various measures within the regulation?
- other Community measures (accompanying measures, rural development measures, market measures, deficiency payments, ...)?

A.4. To what extent have administrative arrangements influenced the impact of the regulation and its individual aid schemes?

A.4.1 To what extent were the observed delays for approval of applications and for payments conducive to achieving the aims of the regulation?

A.4.2 To what extent have the monitoring systems assisted the management and facilitated evaluation?

A.4.3 To what extent has the absence of partnership and programming in sense of the structural funds influenced the outcome of the aid schemes?

⁶ Especially for parts of the farm investment scheme

⁷ Regulatory approaches, aid for running costs versus investments, taxes, ...

A.4.4 To what extent has the prescriptions of the regulation concerning the role of agricultural associations⁸ and recognised farmers' groups⁹ in operating some of the aid schemes been conducive to the objectives?

A.4.5 To what extent have the administrative arrangements accommodated environmental requirements (involvement of environmental authorities, Environmental Impact Assessment, land-use planning, ..)

A.5. To what extent have the measures been adequately targeted towards the potential beneficiaries?

A.5.1 To what extent has the communication undertaken raised the awareness of the scheme/measures and assisted the uptake of them?

A.5.2 To what extent has the communication undertaken improved transparency (equal access, disclosure of selection criteria, ...)?

A.5.3 To what extent and why have some eligible farmers undertaken actions similar to those prescribed in the regulation without applying for aid?

B. FARM INVESTMENT SCHEME

B.1. To what extent have the investments helped assuring the continued viability of the holding?

B.1.1 To what extent have the investments produced redeployment of production and diversification of activities?

B.1.2 To what extent have the investments improved the income of beneficiary farmers?

B.1.3 To what extent have the investments actually realised been conducive to the aims of the holding as expressed in the MIP?

B.2. What is the impact of the investment scheme on the environment?

B.2.1 To what extent has the investment scheme influenced pollution from farms?

B.2.2 To what extent has the investment scheme influenced natural resources, countryside and biodiversity?

B.2.3 To what extent have the environmental aspects of the specific sector limitations influenced these effects?

B.3. To what extent have the investments contributed to a better use of production factors for a more rational production and improved efficiency at holdings?

B.4. To what extent have the investments improved the quality of farm products, e.g., by enabling compliance with Community or other labelling schemes?

B.5. To what extent have the investments contributed to stabilising markets by redeploying production and improvement of quality?

⁸ Article 15(1) and Article 16(1)

⁹ Article 14

B.6. To what extent have the investments improved health and welfare?

B.6.1 To what extent have the investments improved the working conditions at farms?

B.6.2 To what extent have the investments contributed to the improvement of animal welfare and hygiene?

B.7. To what extent have the specific sector limitations helped in avoiding market distortions?

B.8. To what extent have the investments relating to diversification of activities helped maintaining employment?

C. SETTING UP OF YOUNG FARMERS

C.1. To what extent has the aid facilitated the setting up of young farmers?

C.1.1 To what extent has the setting-up aid covered the costs arising from setting up?

C.1.2 To what extent has the setting-up aid contributed to the earlier transfer of holdings (to relatives versus non-relatives)?

C.1.3 How significant was the synergy with the Early Retirement Scheme (Reg. 2079/92) in achieving such earlier transfer?

C.1.4 To what extent has the aid influenced the number of young farmers of either sex setting up?

C.1.5 To what extent have other elements of the business environment contributed to the decision to set up (for example the market situation and national measures such as inheritance tax)?

C.1.6 To what extent has the existence of the aid scheme increased the costs of setting up by increasing the amounts required by the former farmer?

C.2. To what extent has the setting up of young farmers actually achieved, contributed to maintaining viable rural communities?

C.2.1 To what extent has the setting up contributed to safeguarding employment?

C.2.2 To what extent has the setting up contributed the development of productive and efficient agricultural structures?

C.2.3 To what extent do assisted young farmers succeed in remaining as heads of holding?

C.3. To what extent have the additional investment aid (article 11) facilitated the structural adjustment of holdings after the first installation?

D. LESS FAVOURED AREAS

(In the answers to questions in section D, the impact should wherever relevant be specified to type of LFA (mountain areas, areas in danger of depopulation, small areas affected by specific handicaps)

D.1. To what extent have the allowances contributed to farm income by:

D.1.1 offsetting the natural handicaps in terms of high production costs and low production potential?

D.1.2 creating added value at the holdings in addition to their immediate effect as income transfer and cost compensation:

D.1.2.1 by providing working capital and enabling investments at the holdings?

D.1.2.2 by maintaining or creating employment for agricultural workers at the holdings?

D.2. To what extent have compensatory allowances helped in maintaining farming that otherwise would have been abandoned in LFAs?

D.2.1 To what extent have compensatory allowances helped in maintaining the farming population in the area?

D.2.2 To what extent has land abandonment been prevented?

D.2.3 To what extent has the continued presence of farmers and their income helped maintaining viable agricultural communities?

D.3. To what extent have compensatory allowances contributed to safeguarding the environment and preservation of the countryside?

D.3.1 What are the key aspects of the environment and countryside in need of safeguarding/preservation and to what extent have compensatory allowances influenced this?

D.3.2 Which farming systems predominate in the LFA and to what extent do they contribute to maintaining the countryside?

D.4. To what extent has the limitation of 1.4 livestock units been conducive to environmental protection?

D.5. To what extent have other Community measures (set up of young farmers, joint investment scheme in less favoured areas, accompanying measures, rural development measures in objective 1 and 5b areas) reinforced or reduced the impact of the compensatory allowance?

D.6. To what extent have joint investments (particularly for fodder production, land improvement and equipment for pasture and hill grazing) contributed to preserving the countryside and rationalising holdings?

D.7. To what extent have the specific sector exclusions influenced the implementation of the LFA scheme (take up, effectiveness and market effects)?

D.8. To what extent has modulation of the compensatory allowances influenced the impact of the scheme in terms of effectiveness and efficiency?

D.9. To what extent have national criteria improved the effectiveness and efficiency of the scheme and reduced dead weight?

D.10. To what extent have the compensatory allowances influenced rent and capital values of holdings?

E. AID FOR INTRODUCTION OF ACCOUNTING PRACTICES.

E.1. To what extent have farmers taking up accounting on the holding, used the results for:

- redeployment of production?
- improving productivity and efficiency?
- increasing income?

F. SETTING-UP AID FOR GROUPS.

F.1. To what extent did the scheme assist in achieving:

- better use of production factors for a more rational production?
- improved of living and working conditions at farms?
- improved preservation of the countryside and farming resources by introducing adequate practices and technologies?

G. SETTING-UP AID FOR FARM RELIEF SERVICES.

G.1. To what extent did the scheme assist in:

- securing professional farm management (in case of disease, ...)?
- improved living and working conditions at farms?

H. FARM-MANAGEMENT SERVICES

H.1. To what extent did the scheme assist in achieving:

- better use of production factors for a more rational production?
- improved working and living conditions at farms?
- better management, planning and appreciation of opportunities at agricultural holdings?

H.2. To what extent has assistance to farmers been improved in terms of intensity and pertinency?

I. TRAINING SCHEME

I.1. To what extent has vocational training assisted in achieving:

- efficient and competitive structures, in particular in terms of management, production and marketing?
- better protection of the environment, in particular of landscapes?

I.2. To what extent has instruction or training of leaders and managers of producer groups and co-operatives assisted in:

- improving the processing and marketing of regional agricultural products?
- improving the economic organisation of producers?

I.3. To what extent did courses of further training increase the take up of the aid scheme for setting up of young farmers

CORE EVALUATION QUESTIONS

ABBREVIATIONS

EUROFARM = Farm Structure Survey

FADN = Farm Accountancy Data Network (in French: RICA)

Ha = hectares

IACS = Integrated Administration and Control System

LFA = Less-favoured Area

LU = Livestock Units

MIP = Material Improvement Plan

MS = Member State

NUTS = Nomenclature of Territorial Units for Statistics

UAA = Utilised agricultural area

1.1.1.1 b. farm investment scheme

Information collected should allow differentiation of impact according to type of holding (size, type of crops/animals, age of farmers, full-time v. eligible part-time farmer) and regional location of farms (socio-economic zone such as LFA or objective 5b). Comparison with all farms in the group is desirable.

In general, investments should only be considered where they have been completed for ± 2 years (the full impacts of an investments will only materialise once it is completed, routines of work have been adjusted, production has been harvested/slaughtered and/or sold) and serve productive purposes (investments in environment, welfare or plantations are normally not productive at least not in the short term). If only few MIPs are finished in a Member State then at least the intermediate impacts, immediate results or planned outcome of the effected spending must be analysed.

QUESTION	SUCCESS CRITERIA	INDICATORS	TARGET LEVEL	INFORMATION SOURCE ¹⁰	COMMENTS
B.1. To what extent have the investments helped assuring the continued viability of the holding?					

¹⁰ These are possible sources

B.1.1 To what extent have the investments produced re-deployment of production and diversification of activities?	Criterion 1: Holdings move out of surplus product lines or move into products with good market prospects	Crit-1: Net change in surplus product activity after implementation of the MIP Definition of ‘net change’: For each MIP holding the aggregate sum of scores for surplus product lines should be >0 Score for each surplus product line : 1 if ≥10% decrease in annual average livestock numbers or crop area; 0 if no change {between –10% and +10% }; -1 if ≥10% increase	Crit-1: A least X % of MIP farms have sum of scores >0	Crit-1: MIP applications, on-farm enquiry	Crit-1: Surplus product lines are defined as any of cereals, beef, milk, wine/grapes, olives/olive oil If within surplus product lines there are made changes, like moving to products with good market prospects, for example traditional or high quality products, this can, in the case of this indicator, be considered as moving out of surplus product lines too (this adds to a positive score)
	Criterion 2: More alternative activities on MIP holdings ¹¹	Crit-2a: Number of assisted holdings introducing alternative activities on the farm	Crit-2a: Upward trend in the number of assisted holdings introducing alternative activities	Crit-2a: MIP-applications, monitoring, on-farm enquiry	Crit-2a: alternative activities are tourism, other leisure, handicraft, processing, aquaculture, renewable energy
		Crit-2b: Significant share (≥10%) of turnover from alternative activities on assisted holdings	Crit-2b: At least X % of assisted holdings have significant share of turnover coming from alternative activities	Crit-2b: on-farm enquiry	Crit-2b: see for definition alternative activities under Crit-2a.

¹¹Member States might decide not to use the indicators under Criterion 2 when they consider this target on alternative activities as being of minor importance. If so an explanation on the non-usage of this Criterion is needed in the evaluation document

<p>B.1.2 to what extent have the investments improved the income of beneficiary farmers?</p>	<p>Criterion 1: Improved income of beneficiary farmers</p>	<p>Crit-1: Gross farm income of assisted holdings (EURO)</p>	<p>Crit-1: Stronger upward trend compared to non-assisted peers</p>	<p>Crit-1: MIP-applications, on farm enquiry (Reference data, Gross farm income of all farms: FADN)</p>	<p>Crit-1: Net income¹² of assisted holdings could be an added optional indicator. This indicator allows measurement of the impact of the investment, because the cost of investments is deducted as depreciation. Gross income shows the effect on the profit and loss account and is useful for measuring the impact on running profit in the short term.</p>
<p>B.1.3 to what extent have the investments actually realised been conducive to the aims of the holding as expressed in the MIP?</p>	<p>Criterion 1: Most beneficiaries meet the objectives in their MIP</p>	<p>Criterion 1: % of holdings meeting objectives of MIP after its implementation</p>	<p>Crit-1: ≥ X% of beneficiaries meet main objectives of their MIP</p>	<p>Crit-1: MIP-applications, monitoring, on farm enquiry.</p>	
<p>B.2. What is the impact of the investment scheme on the environment?</p>					

¹² The net income indicator should take into account the cost of borrowing for financing investments (by deduction of interest paid as an annuity) and the cost of land (by deduction of real or national rent) to take into account any increase in area of the farms

B.2.1 To what extent has the investment scheme influenced pollution from farms?	Criterion 1: Sufficient storage capacity for waste ¹³	Crit-1a: ratio between [storage capacity of animal waste (solid, slurry, liquid manure) from MIPs (Mio m3)] and [total output on assisted farms]	Crit-1a: Ratio ≥ 1 .	Crit-1a: MIP-applications Reference data: EUROFARM	Crit-1a: Storage capacity: sufficient to meet storage period in the region concerned
--	--	---	----------------------------------	--	---

B.2.2 To what extent has the investment scheme influenced the safeguarding of the environment and preservation of the countryside?	Criterion 1: Adequate consideration of environmental concerns in MIPs	Crit-1: % of MIPs that foresee significant ($\geq 10\%$ of) investments with substantial environmental aims	Crit-1: $\geq X\%$ of MIPs spend significant part on environmental improvement or protection (specify foreseen and actual situation if feasible)	Crit-1: MIP-applications, on farm enquiry	Crit-1: Investments with possible positive impact on pollution, natural resources, the countryside or biodiversity
---	---	---	---	--	---

B.3. To what extent have the investments contributed to a better use of production factors for a more rational production and improved efficiency at holdings?	Criterion 1: Increase in productivity of all factors	Crit-1: Output input ratio (all inputs)	Crit-1: increase in ratio on MIP holdings exceeds that for non-assisted farms	Crit-1: on-farm enquiry (Reference data: FADN)	
	Criterion 2: Increase in labour productivity	Crit-2: Output per hour labour	Crit-2: increase in ratio on MIP holdings exceeds that for non-assisted farms	Crit-2: on-farm enquiry (Reference data: FADN)	

¹³ Member States might decide that this indicator is not of relevance to them. If so, an explanation on this is needed in the evaluation document and another indicator addressing question B.2.1 which is considered to be of more importance to a Member State has to be used to answer the question instead of this.

C. INSTALLATION OF YOUNG FARMERS

The answers to questions in this section should where relevant specify the impact to type of holding (size, type of crops/animals), socio-economic zone (such as LFA or objective 5b), gender (young men/women) and family (transferor is a relative or not)

<p>C.1. To what extent has the aid facilitated the setting up of young farmers</p>					
<p>C.1.1 To what extent has the setting-up aid covered the costs arising from setting up?</p>	<p>Criterion 1: High incentive effect of the set up aid</p>	<p>Crit-1: Ratio between [the set up aid] and [the actual set up costs]</p>	<p>Crit-1: Ratio $\geq X\%$</p>	<p>Crit-1: Applications, monitoring, on farm enquiry (Reference data:)</p>	<p>Crit-1: Costs might include direct taking over costs and associated costs (like capital fees, duties) and also investments. The costs to be taken into account have to be defined at national level by Member States.</p>
<p>C.1.2 To what extent has the setting-up aid contributed to the earlier transfer of holdings (to relatives versus non-relatives)?</p>	<p>Criterion 1: Reduction of average age of transferors in assisted transfers</p>	<p>Crit-1: Average age of transferors in assisted set up</p>	<p>Crit-1: Average age of transferors in assisted set up is at least X years lower than the same indicator in the counterfactual situation</p>	<p>Crit-1: Monitoring, on farm enquiry (Reference data: ..)</p>	<p>Crit-1: See also question C.1.3 This indicator should also lead to a discussion of the age distribution, in relation to the evolution in the uptake of the aid-scheme.</p>

C.1.3 How significant was the synergy with the Early Retirement Scheme (Reg. 2079/92) in achieving such earlier transfer?	Criterion 1: Simultaneous take up of the two schemes	Crit-1: Ratio between [Number of beneficiaries of the setting-up aid replacing beneficiaries of the early retirement aid] and [total number of farm transfers in period]	Crit-1: Ratio $\geq X\%$	Crit-1: Monitoring (both schemes) (Reference data:)	
	Criterion 2: Reduced average age of the beneficiaries of the early retirement aid in case of combined aid	Crit-2: Ratio between [Average age of beneficiaries of the early retirement aid replaced by beneficiaries of the setting-up aid] and [average age of all farmers receiving early retirement aid]	Crit-2: Ratio $\leq X\%$	Crit-2: : Monitoring (Reference data:)	
C.1.4 to what extent has the aid influenced the number of young farmers of either sex setting up?	Criterion 1: More young farmers installed	Crit-1: Number of young farmers installed (specified to men/woman)	Crit-1: Upward trend in set up of young men & woman compared to the counterfactual situation	Crit-1: Monitoring (planning documents, take up) (Reference data:)	
C.2. To what extent has the setting up of young farmers actually achieved, contributed to maintaining viable rural communities? ¹⁴	Criterion 1: Job maintenance	Crit-1: Number of full time equivalent jobs maintained	Crit-1: Upward trend compared to counterfactual situation	Crit-1 : monitoring, on farm enquiry (Reference data: EUROSTAT)	Crit-1: See also Comments on question C.1.2.

¹⁴ See also Comments on question C.1.2.

	<p>Criterion 2: Securing main occupational farming</p>	<p>Crit-2: Ratio between [% of assisted set up resulting in 'main occupational farming'] and [% of all establishments resulting in 'main occupational farming']</p>	<p>Crit-2: Ratio > 1</p>	<p>Crit-2: monitoring, on farm enquiry (Reference data:)</p>	
--	---	--	------------------------------------	--	--

D. LESS-FAVOURED AREAS

The answers to questions in this section should wherever relevant specify the impact to type of LFA (art. 23-25 of R. 950/97: mountain areas, other less favoured areas, small areas/specific handicaps). They should also where relevant specify the impact to type of holding (size, type of crops/animals, age of farmers, main occupational farmers versus eligible part-time farmers), socio-economic zone such as objective 5b

D.1. To what extent have the allowances contributed to the farm income by offsetting the natural handicaps in terms of high production costs and low production potential?	Criterion 1: Contribution of LFA scheme to farm incomes	Crit-1a: Significant ($\geq 10\%$) share of compensatory allowance in family farm income	Crit-1a: at least (X)% of holdings obtain a significant share of their family farm income from compensatory allowances	Crit-1a: on farm enquiry (Reference data: EUROSTAT)	Crit-1a: See for definition of Family farm income Annex B II
		Crit-1b: Ratio between ([higher production costs] plus [value of lower yield]) and the level of CA	Crit-1b: Ratio $> (X)$	Crit-1b:	
D.2. To what extent have compensatory allowances helped in maintaining farming that otherwise would have been abandoned in LFAs?					
D.2.1 To what extent have compensatory allowances helped in maintaining the farming population in the area?	Criterion 1: Reduced rate of decrease in farming population	Crit-1: Annual change in size of farming population in LFAs	Crit-1: Rate of decrease in farming population in LFA $<$ counterfactual situation	Crit-1: MS Reference data:EUROSTAT	

D.2.2 to what extent has land abandonment been prevented?	Criterion 1: Maintenance of area farmed	Crit-1: % change of UAA due to abandonment in LFAs	Crit-1: Decrease of UAA due to abandonment in LFAs not bigger than decrease outside LFAs	Crit-1: MS Reference data: EUROFARM	
---	---	---	---	---	--

D.3. To what extent have compensatory allowances contributed to safeguarding the environment and preservation of the countryside?					
D.3.1 What are the key aspects of the environment and countryside in need of safeguarding/-preservation and to what extent have compensatory allowances influenced this?	Criterion 1: Positive contribution to safeguarding/-preservation of the environment and the countryside	Crit-1a: To be defined by the Member State	Crit-1a: To define by the Member State	Crit-1a:	Crit-1a: Member States have to define the key aspects and ‘key’ indicators to use. Key aspects may lie in the field of water quality, water use, soil quality, land conservation, biodiversity, habitats and landscape. The role of predominant farming methods/ systems in the LFA in question has to be discussed under this question.

<p>D.3.2 Which farming systems predominate in the LFA and to what extent do they contribute to maintaining the countryside?</p>	<p>Criterion 1: Development of farming intensity in different areas (mountain, other LFA's, specific handicaps/small areas)</p>	<p>Crit-1a: Development of LU per ha UAA of the farm in LFA</p>	<p>Crit-1a: No upward trend in development of LU per ha in</p>	<p>Crit-1a: on farm enquiry (Reference data: Eurostat)</p>	<p>Crit-1a:</p> <p>1) Reminder: target level and indicator have to be addressed at the same level</p> <p>2) E.g. for sparsely populated areas (e.g. objective 6) the target level may differ</p>
--	--	--	---	--	---

2. ANNEX A.III

3. PROPOSED STRUCTURE OF THE EVALUATION REPORT

3.1 *see section 5.2¹⁵ of the main document*

3.2

4. *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.

5. Introduction

see 3, 4.1, 4.2, 4.3, 5.2.1

It provides general information about the programme.

- *Description of the context of each scheme: national policy, social and economic needs justifying the intervention, definition of beneficiaries or target groups;*
- *Characteristics of the implementation: actors involved, institutional context, time frame, general budgetary information; explanation why some aid schemes have not been implemented.*
- *Purpose of the evaluation, evaluation scope, evaluation questions: core evaluation questions and additional EU and national questions.*

- **Methodological approach**
see 4.2, 5.2.3, annex B.I

¹⁵ The numbered items refer to the section in the note giving more details about the issues the Commission expects to be considered in the evaluation.

Clear description of the method used in the evaluation process, the techniques applied to reply to the evaluation questions and in order to 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 and selection criteria for samples, ...;*
- *Sources of data, how were indicators calculated;*
- *Validity of data, possible biases;*

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

see 4.2.1, 4.2.2, 4.2.3, 4.4, 5.2.1, 5.2.2., 5.2.3, 5.2.4, annex A.I and A.II

Secondary and primary data¹⁶ constitute the basis of the evaluation. They should provide an answer to the evaluative questions. The report must not be limited to descriptive information. It should include as main part an analysis and interpretation of the data collected.

- *Forecast expenditure for the overall period 1994-1999, updated forecasts and actual expenditure for the whole implementation and the individual schemes. This also includes information on financial effectiveness. The financial information should be put in relation to the direct physical output of the schemes;*
- *Uptake of each scheme (specified to the same geographical zones as the indicators);*
- *Replies to the eight core questions must be provided: provision and analysis of data. Quantitative answers include indicators¹⁷, completed with other quantitative and qualitative results from the surveys, enquiries, and from other sources.*
- *Findings on other EU optional questions and national questions should also be provided in this section.*

- **Conclusions and recommendations**

see 5.2.5 and 7

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

- *The results of the evaluation should allow to draw conclusions on the overall contribution of the schemes to the four general aims in article 1 of the regulation and to objective 5a;*
- *Contribution of the schemes to national, regional or local objectives;*

¹⁶ Primary data are specific data collected through questionnaires, interviews in the framework of this evaluation. Secondary data refer to existing data (statistics, previous surveys)

¹⁷ The answers and the indicators should be easily identifiable, for example by using the numbered references in Annex A.I and A.II

- *Judgement of the evaluation team in terms of effectiveness, efficiency and other relevant evaluation aspects;*
- *Presentation of recommendations in priority order, issued from the results of the evaluation.*

- **Annexes**

see 4.2, 5.1, 6

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

Annex B.I

METHOD FOR ELABORATING EVALUATION QUESTIONS, CRITERIA AND INDICATORS

1. Introduction

The evaluation should judge the public interventions contained in Regulation (EC) N° 950/97, according to their results, impacts and the needs they aim to satisfy. The evaluation should enhance public accountability, improve implementation, improve resource allocation and facilitate strategic and operational decision making.

The present note explains how the evaluation questions, the core criteria and indicators were elaborated by using a systematic approach. The attached diagrams provide an overview of the key elements of an evaluation. The specific vocabulary related to evaluation is explained in Annex B.II.

The approach involved a reconstruction of the intervention logic for eight of the aid schemes. The approach focused on analysing the expected impacts, the formulation of the evaluation questions and the drafting of detailed criteria and indicators for each evaluation question. As part of this approach, only those elements of interest to both the Member States and the Commission were considered. In addition, this approach enables a critical examination of whether the impacts of the regulation are in line with the specified objectives and whether they address the needs of rural society that were the background for the political decision to establish the regulation.

2. Preparatory analysis

2.1 The intervention logic

Within the public administration (financial and other) inputs are transformed into outputs. The outputs lead to results at the level of the beneficiary agricultural holdings and these results generate impacts¹⁸. Two categories of impacts can be distinguished. The intermediate impacts manifest themselves at the holding level soon after the public intervention. The global impacts occur in the medium or long term at the level of (i) beneficiary holdings, (ii) the agricultural sector and (iii) in the rural society¹⁹.

The analysis contained in Working Document VI/7676/98 concerned the expected impacts consisted of four steps. Firstly, identification (or constructing typologies) of the immediate results; secondly, specification of the objectives; thirdly, identification of the impacts related to the various objectives and fourthly, a (graphical) analysis of the impacts. These four steps are explained in detail below.

The resulting evaluation questions and criteria and indicators are explained in the subsequent sections of the present paper. These questions and indicators constitute a core set of questions and indicators of common interest to the Member States and the Commission. However, the analysis did not focus on particular interests limited to certain Member States and regions. Hence, the Member States would be interested in further impacts linked to the local conditions, their particular means of implementation or specific eligibility criteria. They should therefore undertake a similar analysis of these impacts and convert them into supplementary evaluation questions with connected criteria and indicators.

¹⁸ For example: new equipment that leads to cost reduction or enhanced animal welfare

¹⁹ For example: better living conditions

2.2 Identification of the outputs of the public intervention (Step 1)

Firstly, the outputs of the public intervention were identified. They are most often described in the regulation as what the intervention finances²⁰.

2.3 Objectives and impacts of the aid schemes (Step 2 and 3)

The Community level objectives of eight of the aid schemes of the regulation were collected analysed and synthesised. Overlapping objectives from the sources mentioned below have been grouped together.

The key sources were the articles and Whereas of Regulation (EC) N° 950/97 which lists general objectives as well as objectives for the individual measures. More global objectives were extracted from Regulations (EEC) N° 2056/88, 2053/88 and 2052/88 and from the Treaty Art. 39-47. These sources are most often explicit in respect of the objectives of the aid schemes, but notably for some of the minor aid schemes these objectives are more implied.

Generally speaking, evaluation analyses to what extent the expected impacts of a measure have materialised and the reasons for success or failure. Hence, as an intermediate step in constructing the intervention logic, the objectives were reformulated into impact statements describing the expected impacts of a specific intervention.

Results are the most immediate impacts. They correspond to the event taking place at the interface between the public sector and the direct beneficiary. The intermediate impacts are those occurring soon after the intervention, most often at the level of the beneficiary holding. The global impacts are more or less common for all aid schemes contained in Regulation (EC) N° 950/97. They manifest themselves in the medium or long term and are not restricted to the beneficiary holdings. Frequently they correspond to the general objectives of the Treaty such as improved living conditions, competitiveness and market balance, care for environment, improved cohesion etc.

2.4 Constructing Logic Diagrams of Impacts (Step 4)

Regulation (EC) N° 950/97 sometimes explains in detail how the public interventions of the individual aid schemes should lead to the intermediate and global impacts that correspond to the objectives²¹. However, more often the logical chain of events had to be constructed ex post.

The final step of the analysis of the expected impacts was therefore to organise these impacts into causal chains in a systematic manner. In this way Logic Diagrams of Impacts were constructed for each of the eight aid schemes. They describe how the public intervention is transformed into the expected intermediate and global impacts.

These diagrams are not ends in themselves, but rather are a means for identifying the most relevant evaluation questions about impacts and casual links. The Logic Diagrams of Impacts reflect an idealised picture of the aid schemes at Community level. The subsequent evaluation should analyse and assess if the actual implementation of the regulation contributes to the impacts in the manner described. It does so by asking questions about the key impacts and links identified by means of the Logic Diagrams of Impacts.

The impacts and the diagrams were assembled from the Community level objectives and they serve to elaborate the Community level evaluation questions. The national or holding level would normally

²⁰ For example, in the case of the farm investment scheme, they coincide with the categories of investments listed in table A5 annexed to STAR document VI/3838/88.

²¹ Article 17 provides an example: "In order to ensure the continuation of farming, thereby maintaining a minimum population level or conserving the countryside in certain less-favoured areas"

share these objectives, but the focus may differ and complementary impacts are likely to occur due to the local conditions. This means that additional questions should be elaborated at national or regional level in order to analyse and assess aspects linked to the national implementation of the regulation.

3. Elaboration of evaluation questions – Annex A.I

Evaluation questions were elaborated for each scheme. The eight Logic Diagrams of Impacts helped to focus on impacts or chains of impacts that seem to be either especially conducive in terms of meeting the final goals of the regulation or which act as bottlenecks in this process. They also helped to focus on the Community interests.

Two more concerns guided the process, namely the probability of obtaining reliable answers and the probability of using the answers. It may be too early to obtain reliable answers at the stage of the mid term evaluation for some global impacts outside the beneficiary holdings. Instead, causally linked lower level impacts (plus physical outputs or financial inputs) may be analysed as preliminary indications of the expected impact.

The probability of using the answers relates to the necessity of accountability and transparency and to the need for improving the implementation if necessary. The latter is especially important for mid term evaluations.

For most evaluation questions, the reply must also explain the extent to which the answer differs for various subsets of the population under consideration. This is explained in more detail in the introduction to Annex A.I and in the introductions to each of the three main aid schemes contained in Annex A.II. Such information would help to identify conditions where the implementation of the aid schemes is particularly successful or difficult and may be instrumental in removing obstacles or guiding reallocation of funds.

Some questions consist of two parts: (i) a general ‘chapeau’ question and (ii) sub-questions in order to elucidate specific aspects of the evaluation question.

4. Definition of the criteria and indicators– Annex A.II

4.1 The concept of criteria and indicators

Indicators are widely used in evaluations, but often without a clear purpose. Indicators must help to answer specific questions. They can therefore only be defined once the evaluative questions and the evaluation criteria have been formulated.

There may be more than one criterion for answering an evaluation question and more than one indicator for a criterion. In addition, the evaluator should use whatever other information is available to elucidate the question. The core set of indicators in Annex A.II would enable the subsequent synthesis at Community level.

4.2 Criteria and target levels

Success criteria determine the level of impact required in relation to a (key component of a) particular evaluation question. They help to measure the extent to which the expected impact was achieved and assist in forming judgements.

The success criteria in Annex A.II have only been defined in very general terms (they may, for example, specify a certain percentage or an upward trend). Member States should define the precise target level more concretely in terms of the local conditions before the evaluation takes place. This process should not be left to the evaluator. The Commission may help in producing a certain degree of harmonisation between Member States in this respect.

4.3 Indicators

The indicators in Annex A.II have been clearly defined in order to avoid ambiguities and enable the subsequent aggregation at Community level. This is essential in order to enable the subsequent

synthesis at Community level. A few indicators relate to more than one evaluation question. Such indicators may have limited explanatory value in relation to the individual indicator, but they require less effort in terms of data collection.

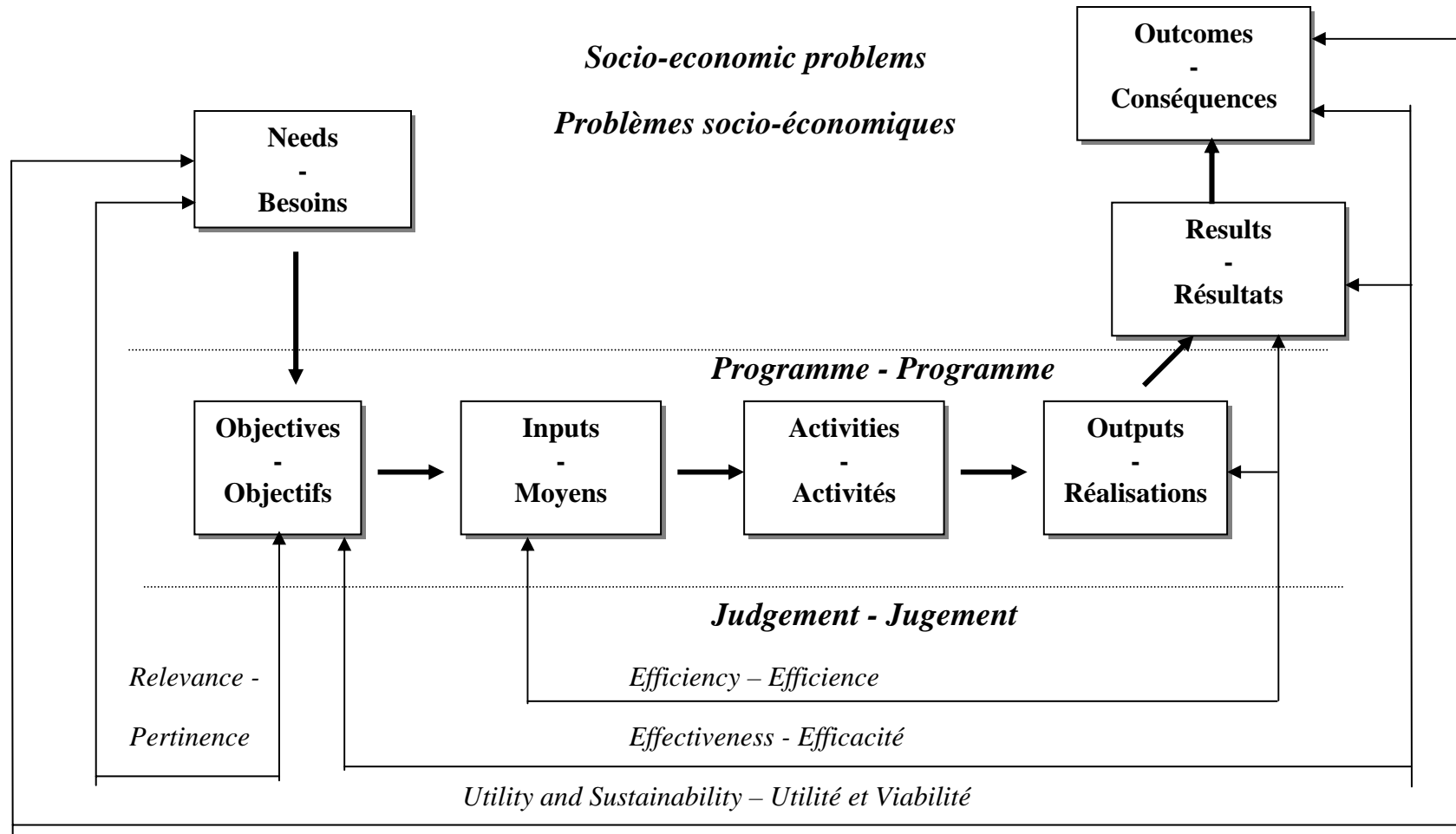
Annex A.II provides preliminary information about sources of information for filling in the indicators. Unless otherwise stated in Annex A.II, the recommended geographical level for calculating the indicators is, if possible, NUTS 2. Possible sources of information for elucidating the level of attainment of the indicators is also provided (e.g., FADN, Farm Structural Survey, ...).

The suggested core indicators most often relate to the direct beneficiaries of the three main aid schemes under Regulation (EC) N° 950/97. The ex post evaluation that must follow later may need to include more indicators relating to the impacts on the agricultural sector or on the wider rural society.

5. Sampling and analysis

Many questions would involve enquiries among the beneficiaries of at least the three main aid schemes of the regulation. The main tasks concerning sampling, methodology and analytical tools should be defined in the national terms of reference. It is recommended that Member States in their calls for tender should require all candidate evaluators to explain how they propose to carry out these tasks.

Figure 2.2. INTERVENTION LOGIC – LOGIC DES INTERVENTIONS



Annex B.II

Glossary and definitions

This annex describes certain words used throughout Working Document VI/7676/98. It would improve communication if Member States and external evaluators adopted this common terminology in their terms of reference and evaluation reports.

1. EVALUATION TERMINOLOGY

Additionality

Operating principle of the Structural Funds which aims to ensure that financing from Community Funds is not used to replace national structural aid.

Concurrent factor

Concurrent factors are also called confounding factors. They may partly or entirely cause the changes observed, e.g., the gross effects. An analysis of cause relationship divides the effects to those arising from the public intervention (net effects) and those arising from the concurrent factors.

Criterion

Characteristic or property which may be observed and used to evaluate the intervention. An intervention will generally be judged on several (quantitative or qualitative) criteria.

Dead-weight

Change in the target group behaviour that would have occurred even if the activity had not been implemented. It must not therefore be considered as an impact of this intervention.

Displacement effect

Effect obtained in a given area to the detriment of another area.

Effectiveness

Assessment of what has been achieved regarding the objectives.

Efficiency

Assessment of the achieved effects of the intervention given the resources mobilised and the means used.

Impact

Socio-economic effects which can be attributed to an intervention beyond the immediate interaction with the beneficiaries. There are expected, unexpected, positive or negative impacts.

Indicator

Characteristic or attribute which permits an object or event to be identified. An indicator provides simple, quantified information.

Input

Set of means mobilised to implement the public action : budget, staff, material, legal and organisational resources.

Intervention logic

Evaluation must clarify the intervention logic, make the theory of action explicit i.e. precise the objectives, build the logic diagram of impacts, identify competing factors.

Logic diagram of impact

A logic diagram of impacts presents the expected impacts of an intervention, from the outputs to the global impacts. It specifies causal links and identifies probable impacts, where necessary, to complete logical 'voids' (intermediate impacts). The evaluation will verify these assumptions.

Needs

Problems that the intervention aims to solve, expressed from the point of view of the target group. The relevance and the utility of the public intervention will be assessed regarding these needs.

Objective

Clear, explicit statement of the desired result of an intervention.

Output

What the public intervention finances.

Relevance

Assessment of the objectives of an intervention. in relation to the needs.

Result

The most immediate impact.

Substitution effect

This is an effect obtained in favour of the direct beneficiaries at the detriment of other persons or organisations, which are not eligible.

Sustainability

In evaluation terminology, sustainability is the fact that the intervention continues to produce the desired effects after public financing has ended.

Utility

Utility is the fact that the impacts of the intervention correspond well to the needs in the society and the socio-economic problems to be resolved-

1. ECONOMIC TERMINOLOGY

A. All inputs

Direct inputs (see below) + overheads + depreciation + return to fixed factors =

- + direct inputs (B)
- + maintenance of buildings and machinery
- + depreciation of buildings and machinery
- + insurance and other overhead costs
- + labour costs (paid and imputed)

- + rent (paid and imputed)
- + interest (paid and imputed)

B. Direct inputs

Inputs which vary according to farm production (including those produced on the farm) =

- + seed and plants
- + fertiliser
- + crop protection products
- + animal feed
- + miscellaneous crop and livestock costs
- + energy (fuels, electricity) and water
- + changes in input stocks
- + contract work

C. Family farm income

Total output plus net public receipts, less all paid costs, less depreciation =

- + total output (F)
- + net public receipts (subsidies less farm taxes)
- all inputs (A)
- + imputed rent
- + imputed labour
- + imputed interest

(This indicator represents the return to the labour and capital of the farmer and family)

D. Gross farm income

Total output (F) less direct inputs (B) plus net public receipts (subsidies less farm taxes)

E. Off-farm inputs

Purchased inputs =

- + fertilisers
- + crop protection products
- + feedingstuffs
- +energy

F. (Total) Output

Value of all production from the farm =

- + value of home-grown feed and seed
- + consumption by the farm household
- + benefits in kind
- + changes in value of livestock
- + changes in stocks of products

G. Turnover

Value of sales adjusted for stocks of products, less livestock purchases