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Delegations will find attached a Working Document submitted by the Commission Services.

CAP-REFORM

Fiche No 8

Article 110 of the proposed regulation of financing, management and monitoring of the Common Agricultural Policy

Brussels, 20 March 2012

Commission Proposal	Relevant Article
COM(2011) 628 final/2 –Horizontal Regulation	110

This draft working paper has been drawn up on the basis of the proposals for regulations adopted by the European Commission on 12 October 2011. It does not prejudice the final nature of the act which is agreed by the Council and the European Parliament, nor the final content of any delegated or implementing acts that may be prepared by the Commission.

1. A COMMON MONITORING AND EVALUATION FRAMEWORK FOR THE CAP

Article 110 of the proposed Regulation on the financing, management and monitoring of the CAP introduces a common monitoring and evaluation framework for measuring the performance of the CAP as a whole. The Commission would present a report on the implementation of Article 110 every 4 years, the first report to be presented in 2017.

The objective of the common monitoring and evaluation framework is to measure the performance of the CAP and to assess the contribution of the policy to the objectives of the EU 2020 strategy. This is a necessary requirement for every policy that uses the European budget and it is a good opportunity for the CAP to ensure its credibility.

The common monitoring and evaluation framework will cover direct payments and market measures (which were not covered by a single monitoring and evaluation framework so far) as well as Rural Development Policy (where the existing common monitoring and evaluation framework will be revised¹).

Already today, the Commission is monitoring developments in agricultural markets, the financial situation of agricultural holdings, rural development and the use of CAP funds by means of a variety of data sources and instruments, such as Eurostat statistics (including the Farm Structure Survey), FADN (Farm Accountancy Data Network), the Common Monitoring and Evaluation Framework (CMEF) for rural development, CATS (Clearance Audit Trail System) and communications by MS.

¹ For the Monitoring and Evaluation System for Rural Development, see also Article 74-86 in the proposed regulation for the EAFRD

As regards evaluation, there is a multi-annual evaluation plan for Pillar I with periodic evaluations of specific instruments. For Rural Development, the CMEF establishes the framework for the ex-ante, mid-term and ex-post evaluations. Pillar I evaluations are carried out at Commission level while for Pillar II evaluations are done by the MS and synthesised at Commission level.

As these activities are currently carried out independently for both pillars of the CAP, a more consistent approach towards monitoring and evaluation is needed that takes into account the specificities of both pillars while allowing for a coherent assessment of the CAP as a whole.

2. KEY CONCEPTS FOR MONITORING AND EVALUATION

In order to clarify the concept of monitoring and evaluation, the following points provide some general definitions of key terms and highlight the connection between them:

- Monitoring is a continuous and systematic process carried out throughout the duration of an intervention, which generates quantitative data on the implementation of the intervention, but not usually on its effects. The intention is to correct any deviation from the immediate aim of the action, and thus to improve the performance of the programme as well as facilitate subsequent evaluation.
- Evaluation judges interventions according to their results, impacts and the needs they aim to satisfy. Thus, in contrast to monitoring, evaluation is a process that culminates in a judgment or assessment of an intervention.
- Indicators are an important input into the monitoring and evaluation process. They are aggregates of raw and processed data that allow a quantification (and necessarily provide a simplification) of phenomena to help understand complex realities. Indicators normally include a value and a measurement unit. It needs to be underlined in this context that it is not the indicators as such but the *interpretation* of the indicators that allows drawing conclusions on the achievement of policy objectives.

- An intervention logic provides an evidence based, systematic and reasoned description of the links between individual actions/measures and the overall objectives of the intervention. Objectives can be presented in different levels in the form of a hierarchy or tree ("hierarchy of objectives"), thus showing the logical links between objectives and their sub-objectives.

3. WORK UNDERTAKEN AND NEXT STEPS

Currently, the work on developing a coherent monitoring and evaluation framework for the CAP as a whole is advancing well. This includes, among others, the identification of specific objectives covering both CAP pillars against which policy performance will be assessed.

Based on identified objectives, intervention logics are established, for the CAP post-2013 as well as for the two pillars. These intervention logics form the basis for the common monitoring and evaluation framework and function as prerequisite for establishing a draft list of indicators.

Different indicators are needed to reflect the differences in the design of the two pillars, thus capturing specificities of the delivery mechanisms. However, as both pillars are complementary in achieving the objectives of the CAP, those indicators specific to one pillar will have to be read together with the related indicators in the other pillar to allow for a complete interpretation of the effects of the intervention in relation to the CAP objectives.

For establishing the common monitoring and evaluation framework, close interaction with the Member States will be necessary, as the Commission has neither the ambition to develop this framework on its own nor the intention to enlarge the administrative burden for Member States.

The new framework will be developed along the same lines as the existing structure for monitoring and evaluation as far as evaluation plans and Commission and Member States responsibilities are concerned. The new framework will base itself mainly on established indicators and established data sources to the extent possible, such as Eurostat statistics (including the Farm Structure Survey), FADN (Farm Accountancy Data Network), the Common Monitoring and Evaluation Framework (CMEF) for rural development, CATS (Clearance Audit Trail System) and communications by MS. In addition, the new framework will seek to minimise administrative burden by limiting the number of indicators and by rationalising the submission and use of data.

The Commission is well aware of the need for constant exchange with Member States and stakeholders in view of developing a simple but also coherent and sufficiently comprehensive framework. Monitoring and evaluation is a very technical subject, and Member States' expertise is needed in order to assess the feasibility of implementation.

With this in mind and also with a view to engaging stakeholders early in the process, a conference on 'monitoring and evaluation' of the CAP was organized in September 2011 with 230 participants including ministries, paying agencies, statistical offices, evaluators, NGOs and academics. Consultations will continue, including in expert committees, during the process of setting-up the monitoring and evaluation framework.

For Rural Development Policy, where time pressure is particularly strong due to the necessity to carry out an ex-ante evaluation of programmes, the Evaluation Expert Committee on 19 January already started the discussion with Member State experts on the intervention logic for Rural Development. The exchange with Member States and other stakeholders on monitoring and evaluation has continued in the joint meeting of the Coordination Committee of the ENRD and the Evaluation Expert Committee held on 14-15 March. Additionally, a Good Practice Workshop on "Drafting Terms of Reference for Ex-ante Evaluations" took place on 1 March and a Thematic Working Group on "Ex-ante Guidelines" had its kick-off meeting on March 2.

The output of this work will feed the Commissions work on drafting guidance documents on evaluation for Rural Development Programmes as well as related implementing and delegated acts. The indicative timing for the preparation of the future monitoring and evaluation framework would be to have a first round of consultation with Pillar I and Pillar II experts completed by April/May 2012 as well as having a consolidated list of indicators established before Summer 2012. The overall aim would be to have the implementing acts prepared around the same time as the adoption of the basic acts takes place.
