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Guidelines for

The mid term evaluation

of rural development programmes
2000-2006

supported from the
European Agricultural Guidance and Guarantee Fund

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1. Introduction

This document is aimed at national or regional authorities and independent evaluators involved in the mid-term evaluation of rural development programmes supported from the EAGGF.

It provides clarifications about the requirements concerning mid-term evaluations in Regulation 445/2002 (Articles 56-57-45) and complements the previous guidance documents elaborated as a consequence of this regulation. In particular it aims to ensure that the evaluations are carried out in a manner that will ensure their quality, utility and value for money.

For ease of reference, this document refers to the relevant regulations and existing guidelines as follows:

- Reg. 445/2002
  '*Commission Regulation (EC) No 445/2002 of 26.02.2002 laying down detailed rules for the application of Council Regulation (EC) No 1257/99 on support of rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)',* *OJ L74, 15.03.2002, p.1*
- Guidelines
  '*Evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund – Guidelines',* *STAR document VI/8865/99-Rev.*
- Part A, Part B, etc refer to respectively:
  Part A (*Introduction*), Part B (*Common evaluation questions with criteria and indicators*), Part C (*Economic terminology*) or Part D (*Explanatory sheets*) of the document:
  'Common Evaluation Questions with Criteria and Indicators - Evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund' STAR document VI/12004/00-Final

The mid-term evaluation is a means to improve the quality and relevance of the programmes and their implementation and to identify reorientations to the programming that may be needed to ensure the achievement of the original objectives. It may also help identify components of the programme that would benefit from a follow-up outside the programmes or in the following programming period. Moreover, 'the Commission shall prepare a Community-level synthesis' and 'an update of the mid-term evaluation shall be completed in 2005 where appropriate' (Reg. 445/2002 Article 57(1)).

The mid-term evaluation should follow the usual five STEPS OF THE EVALUATION PROCESS, i.e., structuring, data collection, analysis, judgement and reporting[1].

1 The structuring phase clarifies and grades the effects to be evaluated, defines criteria and chooses observation tools. The data collection must identify the available and relevant information. Moreover, it must specify the validity and use of the quantitative and qualitative data used. The analysis phase process and compares data and estimates effects. The evaluation methods and their limits, as well as the reasoning followed and the underlying hypothesis of this logic and its validity limits must be transparent. Within this context the assessments of the study should be based on the analyses regarding the judgement criteria defined in the structuring phase and the limits and validity of the judgements should be precised. The judgement phase makes assessments based on the analyses regarding the judgement criteria defined in the structuring phase. The limits and validity of the judgement should be transparent. The reporting, in the context of this evaluation is described in Reg 1750/99 Article 45(3). It specifies the minimum elements that must be included

Certain elements of the first step are already partly available thanks to the Guidelines and to the common elements (questions, criteria, indicators) in Part B, and the remainder of this step, to be undertaken at the programme level, is largely explained in Section 2 below. The other steps have been explained in the previous guidance documents and are further detailed for the mid-term evaluation in Section 3 below.

2. The set-up of the evaluation system

The evaluation system as outlined under points **a** to **f** below for the programmes must be established at an *early stage* of the programme in consultation with the Commission as prescribed in Article 56(3) of Regulation 445/2002. The mid-term evaluation must describe this detailed evaluation approach for the remainder of the programming period, or refer to other documents where the system resulting from the consultation is described.

The starting point for the mid-term evaluation is the ex-ante evaluation, the programme itself and the common evaluation questions with associated criteria and indicators. Normally work *complementary* to the programming and ex-ante evaluation will be needed at an early stage regarding the elements **a** to **f**.

These structuring tasks can be *organised* in several ways. They may be carried out by the programme authorities, by research departments linked to these authorities or by an external contractor, for example as an early, separate lot of the mid-term evaluation.

a. Justifications for omitting/replacing common questions, criteria and indicators: It must be established whether all the common evaluation questions with the associated criteria and indicators in Part B are relevant. If not an underpinned justification must be elaborated (cf. Reg. 445/2002, Article 56(1)). Part A explains the principal types of cases that may arise in this context (e.g., Box 2.2).

Most of the common criteria can be used along with the evaluation question they are associated to. This also applies to the indicators, but more flexibility may be needed in some cases, as explained in Part A (e.g., Box 2.3 and Box 2.4).

b. Programme specific questions: It should also be considered which programme specific questions, criteria and indicators will be necessary in order to evaluate the programme properly (cf. Reg. 445/2002 Articles 56(1), 57(3), Section 2.3.2 of Part A and Section 4.3 of the Guidelines). This will also offer an occasion to review the initial programme specific indicators that were integrated in many of the proposed rural development plans.

c. Target levels: Many of the common criteria are defined in a manner making them applicable across a large number of programmes. In such cases a more precise target level for the criterion-indicator combination in question may be needed and this should also be achieved at this stage (cf. Section 3.12 of Part A and Section 4.3 of the Guidelines).

d. Baselines/comparison: In general it will be necessary for the evaluator to compare the programme indicators to an earlier situation, to a counterfactual situation or to a

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in the report and state that their structure must, as far as possible, follow a recommendation for a common structure for the evaluation reports to be provided by the Commission'. This common structure is in Annex II to the Guidelines

norm (cf. Part A, Section 3.1.2, in particular Box 3.1, and Section 4.3 of the Guidelines). It must at this stage be considered how to achieve the necessary comparisons. Temporal comparisons may involve the situation of a region or sector at the start of the programme (normally 2000) or the situation of the individual beneficiaries before receiving the support (2000 or a later year and possibly differing by beneficiary). This influences the preparations that will be necessary in order to obtain the baseline information. The situation of the individual beneficiaries before receiving the support can often conveniently be obtained from application forms while the estimation of the situation of a region or sector may involve adaptation of existing statistical information, e.g., through sampling. Establishing the counterfactual situation may involve the identification of a suitable comparison group (cf. Section 4 of the Guidelines and Section 3.1.2 of Part A), which sometimes simply can be the average of the population (including the assisted population provided that they do not form too large a proportion of the potentially eligible group). Benchmarking requires information about a relevant norm or a best practice achieved previously or elsewhere.

e. **Context information including context indicators**: It will also be necessary to collect information about the context including exogenous factors in order to be able, later on, to appraise the continued appropriateness of the programme and estimate net-effects. (cf. Reg. 445/2002 Article 57(3), Section 4.3 of the Guidelines and the common rural development monitoring indicator tables[2]).

f. **Systems for data collection/monitoring**: At his stage it must also be considered how to obtain the key elements of the information that will be necessary for the subsequent mid-term and ex-post evaluations. At this early stage it may still be possible to review the format of certain application forms or improve the monitoring system so as to avoid the need for collecting more ad hoc information at the later stages than strictly necessary. It may also be useful to review other evaluations or scientific literature already at this stage in order to identify information such as coefficients that can be used to transform the available monitoring information into the required result/impact indicators.

This segment of the evaluation should hence address:

- The adequacy of the common evaluation questions, criteria and indicators.
- The programme specific adaptations and additions that will be necessary.
- The complementary elements necessary to make the system operational at programme level (target levels, baselines, context information, data collection systems…)

3. Carrying out the actual mid-term evaluation

3.1. Contents of the mid-term evaluation

Reg. 445/2002 lists the key elements of the mid-term evaluation:

[2] STAR VI/12006/00-Rev1.

- 'The mid term evaluation, while covering the evaluation questions, shall in particular examine the initial achievements, their relevance and consistency with the rural development plan and the extent to which the targets have been attained. It shall also assess the use made of financial resources and the operation of monitoring and implementation' (Article 56(1-2)).
- 'The evaluation reports shall explain the methodologies applied, including the implications for the quality of the data and the findings. They shall include a description of the context and contents of the programme, financial information, the answers including the utilised indicators to the common evaluation questions and to the evaluation questions defined at national or regional level, conclusions and recommendations' (Article 57(3)).

This means that the mid-term evaluation will, inter alia, revisit the main elements of the programming as examined in the ex-ante evaluation. It will review them for continued relevance and it will moreover examine interim results and review the likely or emerging impacts asked for in the common evaluation questions as outlined in points **a** to **c** below:

a. Continued appropriateness of the programme strategy

The continued relevance and consistency of the programme strategy should be briefly reviewed in relation to changes in the contextual situation since the design or starting phase of a programme which may necessitate modifications to the eligible actions or to the budget allocation to different parts of the programme (cf. the last question of Part B).

This step involves an appraisal of the evolution of the context within which the programme is being implemented: for example, is the SWOT-analysis (strengths, weaknesses, opportunities, threats) that was conducted in the planning or ex-ante phase still valid? A programme may for example be successful in relation to its own objectives, but no longer justified because of changes to the setting in which it is implemented. This is discussed in Section 3.3.2 of Part A; and Part D (in the rubric 'context information') gives numerous examples of context including exogenous factors that may affect the programme.

This phase should also examine previous evaluation results, in particular those regarding the ex-post evaluation of the similar measures[3] in the period 1994-99 that meanwhile have become available and which may provide new insight in how best to apply this type of measures in different situations or vis-à-vis different types of beneficiaries.

3 Regulation 950/97 (Less favoured areas, young farmers…), Regulation 951/97 (processing & marketing), Objective 5b, the EU level evaluation of Reg. 2080/92 (forest measures)as well as certain evaluations of these measures within Objective 1.

This segment of the evaluation should hence address:

- the continued validity of the analysis of disparities, gaps and potentials to which the programme is designed to respond;
- the continued relevance of the objectives in relation to the needs as well as the continued (external) coherence between the objectives of the interventions and the objectives of other public interventions (for example having been launched after the programming phase) that are likely to interact with the programme;
- the continued (internal) coherence between the objectives of the programme (the balance of the combination of schemes/policies and activities being financed as well as their contribution to the overall objectives, the programme logic…);
- identification of new factors or other changes influencing the needs, or the effectiveness and efficiency of the policy delivery instruments.

b. The provision of and use of the programme inputs (financial and other resources)

This part of the mid-term evaluation must examine the actions undertaken in order to launch the programme, and examine the use made of the programme resources, in particular the financial resources. It should review the adequacy and quality of the management and delivery mechanisms of the programme. One of the cross-cutting question ('Transv. 6') with its criteria and associated indicators is specially designed to investigate this type of issues.

The quality of the monitoring must hence also be reviewed from two points of view: Firstly whether the monitoring is appropriate for the task of continuously surveying the delivery, thanks to the inputs (i.e., financial and administrative means mobilised), of programme outputs (i.e., goods or services financed and accomplished by the programme) to the intended beneficiaries in order to be capable of correcting deviations from the operational objectives and of improving programme performance. Secondly, whether the monitoring is capable of providing the information required for the evaluation process where this depends on monitoring. This appraisal must not only assess how it has functioned until the mid-term stage, it must also ensure that it can facilitate the ex-post evaluation in cases where information particularly required for the ex-post evaluation will depend on monitoring. The latter means that it must be verified that the right information will be collected, also for effects that cannot be expected to have materialised to any significant extent yet at the mid-term stage.

This segment of the evaluation should hence address:

- the existence or setting up of regulations and mechanisms possibly necessary for the right implementation of the programme;
- the clarity and adequacy of responsibilities for the implementation (management, consultation, control, subsequent evaluations…) as well as the adequacy of the monitoring system to the implementation and evaluation needs;
- the transparency and appropriateness of the procedures and criteria for project selection in relation to the effectiveness and efficiency of the programme;
- the spending of the financial resources as compared to the rhythm foreseen and to the allocation foreseen for the different parts of the programme.

c. The initial achievements and effectiveness and efficiency to date

C.1. Purpose and contents of the mid-term evaluation

A key part of the work will be the assessment of how well the assistance has performed in reality vis-à-vis the different categories of beneficiaries in order to achieve the objectives. This part of the evaluation examines the effectiveness and efficiency and other evaluation concepts in relation to the programme through its outputs (or types of output aggregated according to typologies) and through the results and impacts that have emerged already (or can be predicted) and their consistency with the rural development programme itself and in relation to the common questions defined on the basis of the rural development regulation.

Also for this part of the work, the foundation is expected to have been established well before 2003 as explained in Section 2, through the work on setting-up of the evaluation system (i.e., assessing the relevance of the questions criteria and indicators, definition of context indicators, defining or refining quantified objectives at the operational, specific and overall level.

C.2. Quantified objectives and other programme specific elements

This examination of *effectiveness* and *efficiency* involves in particular the contribution to the quantified objectives (overall, specific, operational, cf. Section 3.2 of the Guidelines) of the specific programme and the extent to which the individual measures of this programme achieve their objectives. Moreover, if more instruments contribute to an objective, which is the more effective in terms of efficiency and effectiveness? This work assumes that the quantified objectives have been made operational during programming, at the ex-ante stage or at the latest in connection with the preparatory phase described in section 2 of the present guide.

As regards *efficiency*, it should be examined for core elements of the programme through the relationship between key outputs (if possible also for key results) and the inputs necessary for producing them. This involves the establishment of unit costs and contrasting them with a suitable benchmark or other base for comparison as explained in section Box 3.1 of Part A. Further efficiency concern regards dead-

weight, displacement, substitution and leverage effects (cf. also cross-cutting question 'Transv. 6', in particular its criteria 3 and 4).

Moreover, the evaluation must respond to the *programme specific* evaluation questions, criteria and indicators.

C.3. Using the common elements in the context of the mid-term evaluation study

The expectations of the Commission services concerning the manner in which the evaluation will deal with the common questions, criteria and indicators (cf. Part B) and hence the type of answer to be provided for the common evaluation questions are set out in Reg. 445/2002:

- Co-financing of national or regional level evaluations is limited to 'evaluations that effectively **contribute to the evaluation at Community level** owing to their scope, in particular through their **replies to the common evaluation questions**, and through their **quality** (Article 51).
- 'The mid-term evaluations, while **covering the evaluation questions**, shall in particular etc…' (Article 56(2). This wording differs from that concerning the ex-ante and the ex-post evaluation in the same regulation: 'the ex-ante shall … have **regard to the issues** raised in the common evaluation questions' and 'the ex-post evaluation, while **answering** the evaluation questions…' (Article 55(1), 56(2)).
- 'The evaluation reports shall … shall include … the **answers** including the utilised **indicators** to the common evaluation questions' (Article 57(3)).

This demonstrates a requirement to deal with the questions to the extent possible at the mid term stage. It also demonstrates that the evaluation strategy for rural development, as set out in the regulation and in the subsequent guidance documents, right from the start of the programme integrates the mid-term and *ex-post* evaluations into a unified strategy by from the beginning focusing on the effects the evaluation must examined at the end of the programming cycle (as explained in Section 3.1.3 of Part A).

However, the mid-term and ex-post evaluations will have to differ because there are important differences in what is feasible to do and what is most relevant to do, and this will necessarily influence the manner of responding to some common evaluation questions and using the criteria and indicators. Moreover some answers may have to be partial at the mid-term evaluation stage. This may be because certain actions are not yet implemented or because the intended effects cannot yet be quantified or otherwise verified at the mid-term stage. In such cases the independent evaluator must:

(a) ensure that this problem is not due to a badly conceived or badly managed programme (e.g., using methods suggested in point (b) just below);
(b) use proxy- methodologies, for example by verifying the extent to which the actions constituting the initial steps of the delivery mechanisms for the intended/expected effects have been engaged by the programme;
(c) if the effects cannot yet be expected to have materialised, it must be ensured that the necessary procedures in terms of monitoring or other types of data collection are in place for fully answering the questions at the *ex-post* stage.

Several common questions do already contain indicators that are suitable for the situation in point (b) above. This is especially commonplace in Chapter VI (agri-environmental measures) where many questions contain indicators situated at different points along the chain transforming the inputs to outputs, results and finally

to impacts for the direct beneficiaries or for the rural community. Proxy-methodologies may also involve the use of trends or qualitative information to temporarily replace a common indicator.

C.4. Criteria and target levels

The reply that can be given to a given question depends on the extent to which the corresponding criterion is fulfilled -or at the mid-term stage a verification of whether the level attained at this stage is commensurable with the target-level[4] that can be expected to be attained at this stage of the programming cycle. In this context it will sometimes also be relevant to examine prospective effects that very plausibly will emerge thanks to the actions already launched and to the outputs that have become manifest already.

C.5. Programme adjustments at the mid-term stage

The independent evaluator must also respond to the common question on the possible need for programme adjustments at the mid-term evaluation (i.e., the last question of Part B). This particular question inquires whether the programme needs adjustment at the mid-term stage…

- *in terms of its eligible actions and/or the budget allocation to different parts of the programme?*
  - due to changes in the contextual situation since the design/starting phase of the programme
  - due to other reasons
- *in terms of its implementing arrangements?*
  - due to changes in the contextual situation since the design/starting phase of the programme
  - due to other reasons

This segment of the evaluation should hence address:

- The *effectiveness* and *efficiency* of key elements of the programme through the relationship between inputs and the outputs, result and impacts produced to date and through the adequacy between these elements and the quantified programme objectives (overall, specific, operational):
  - By quantifying of outputs (as well as results and impacts where possible) produced to date and their contribution to the operational objectives.
  - By identifying first achievements and effects according to the *common chapter-specific* and *cross-cutting* questions as well as the *programme-specific* evaluation questions
- Necessary programme adjustment at the mid-term stage in order to improve the effectiveness and efficiency of the programme.

3.2. Managing the mid-term evaluation, reporting and follow-up

The evaluation process is described in the Guidelines, which in Section 7 discusses the regulatory and practical requirements regarding: responsibility, the terms of reference, the independent evaluator, follow-up, quality assessment and the time-table (a report must be transmitted to the Commission before 31 December 2003).

4 Defined at the programme level for certain criteria-indicator combinations.

It is important to note that the Guidelines explain several key concepts contained in Articles 51-57 of Reg. 445/2002 regarding the evaluations and their eligibility for co-financing. This is for example the case for the concepts of 'scope' and 'quality' of the evaluation. This is also the case for reporting, (Section 6 and Annex II of the Guidelines) where the common structure for the evaluation reports foreseen in Article 57(3) of Reg. 445/2002 is provided. It should be noted that this common format calls for clearly identifiable answers to the common evaluation questions in order to facilitate the Commission's task of elaborating the Community level synthesis.

4. The possible update of the mid-term evaluation

This section examines the possibilities and requirements deriving from the provision in Article 57(1) of Reg. 445/2002, stating that 'an update of the mid-term evaluation shall be completed by 31 December 2005 where appropriate'. Such an update can be useful or necessary for several reasons such as:

- the initial mid-term evaluation displays significant weaknesses;
- facilitating the readjustment of the budgetary allocation to different parts of a programme at its closing phase;
- draw conclusions necessary for drafting a follow-up programme after 2006;
- a need for specific information regarding certain types of programmes or zones.

The formulation ('where appropriate') in the regulation implies that both partners concerned -or possibly none of them- may propose or request such an update, for example based on the types of concern listed above.

The contents of such an evaluation must normally go well beyond the preceding mid-term evaluation, e.g., in its effort to answer the common evaluation questions and quantify and use the common indicators, because all types of results and impacts inherent to the programme will normally be perceptible in 2005. Such an evaluation will furthermore be subject to the normal requirements regarding rural development evaluations described in Reg. 445/2002 and explained in the present and previous guidance documents.

It is hence also subject to the general obligation to consult the Commission as specified in Article 56(3) of Reg. 445/2002. This consultation may, for example, involve the opportunity and need for such an evaluation, its focus and the possibility of co-funding (always from within the program), etc.