

**MONITORING AND EVALUATION  
OF OBJECTIVE 5B REGIONS**

**FINAL REPORT**

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## Foreword

The report is written by the consultants for the use of the Commission. It includes our recommendations for the Commission on a number of issues concerned with evaluation. In preparing the report we have been mindful of two directly conflicting pressures; on the one hand the pressure to simplify evaluation to enable it to be operational and applicable to a diverse range of Objective 5b programmes and programme administrators. On the other hand, the pressure to explain in a comprehensive manner a complex exercise with many potential pitfalls to the unwary. There is no easy way of 'squaring this circle'; simplification can involve dangerous compromises, detailed explanation can result in obfuscation and frustration. The final format for evaluation of 5b services will be determined by the Commission Services over the life of the proposed programme. We trust that this document is a fruitful start.

To begin the process of extending evaluation to the Monitoring Committees, a separate, condensed Explanatory Text has been developed for the Monitoring Committees in collaboration with the Commission Services.



## 1 Introduction

Evaluation or assessment is an often overlooked aspect of public policy. Those concerned with policy analysis frequently encounter policy administrators whose criteria for success is the uptake of any policy. Such a narrow (and naive) criteria is a totally inadequate condition of success. Much more is required if we are to be clear that public money and effort has been well spent. Consequently the Reform of the Structural Funds was a major innovation in Community legislation. The Reform introduced a mandatory commitment to introduce policy assessment to monitor progress towards objectives and a specific requirement for 'monitoring and assessment' including both 'ex-ante' and 'ex-post' evaluations. The precise interpretation of the legislation can be argued over, but here was a specific commitment to consider the quality of policy arising out of concern over the implementation of previous structural programmes.

The scale and the nature of the challenge of introducing evaluation into regional policy is not to be underestimated. Assessing the impact of regional policy is well accepted on a particularly difficult task, even when there is adequate data and full commitment to its implementation. There are many methodological pitfalls and difficulties to be faced (see Folmer and Nijkamp, 1985) and no study can ensure that those who participate in the evaluation process for the Objective 5b regions can avoid all of them.

The aim of this report is to provide a practical and pragmatic approach to this for all those involved in the partnership which the Reform of the Structural Funds has initiated. In doing so it is aimed at two audiences. On the one hand, the overall report meets specific requests of the Commission in relation to the evaluation process; on the other, within the concept of partnership, there is a sharing of responsibility for evaluation and consequently we have identified specific tasks and responsibilities for the Member States and for the Monitoring Committees.

In most considerations of impact analysis of regional policy the issues discussed relate to how to assess the effects of one set of instruments (ie, a programme) on one region. Many possible approaches are feasible and the precise methodology adopted will depend on the local circumstances, resources and the nature of the programme. In general, it is well accepted that there cannot be one single technical methodology or approach which can be adopted. Consequently, we do not (indeed, could not) produce a technical methodological template which can be satisfactorily applied to all circumstances; such an approach would be naive, and ultimately sterile.

However, this report provides a broad framework for monitoring and evaluation which allows the Commission and Member States to meet their obligations under the terms of the legislation. This represents an institutional methodological approach and in order to do this we propose responsibilities for evaluation at various levels of the Reform and procedures for the results at one level to be collated and assembled and related to another (higher) level. Via these procedures the Commission will be able to draw broad

conclusions about the effectiveness and efficiency of the Reform for inclusion in its formal reporting procedures to other Community Institutions. Thus, the approach involves introducing an element of harmonisation in approach, and an element of simplification to facilitate harmonisation.

In this report we provide a broad guide to the issues to be considered. This excludes an exposition of how to cope with the technical methodological details. Clearly this report cannot cope with all the detail necessary to evaluate a programme so diverse as that covering Objective 5b areas. However, Monitoring Committees and those charged with responsibility for evaluation must become familiar with these details. We suggest that they refer to some of the standard Monitoring and Evaluation text books and, even more important, take specialist advice from evaluation consultants.

The approach also relies on the cooperation of the Monitoring Committees and Member States in ensuring that the procedures are implemented in the Objective 5b areas and that they fully participate within the framework of partnership in the evaluation activity. This will mean allowing external evaluators to become involved in the evaluation. However, an implicit underpinning of the approach suggested is that evaluation should not be imposed and considered as an onerous chore; it should be recognised as an essential part of the policy development and administration process. Evaluation is primarily about learning and feedback and within the framework of partnership it is in the interests of all, that there is a common assumption of responsibility for the quality of policy and that policies can be improved with greater understanding through evaluation. The hope is that all will participate in evaluation with a full commitment to evaluation to help them strive for better use of the public funds for which they have responsibility.

One major focus of this study is on objectives; the quality of the objectives are critical to any evaluation exercise. If the objectives are inadequately defined, then evaluation cannot make any contribution. Yet the nature of the goals of regional policy are often a problem. They often aspire to some broad concept of equity (eg, reducing disparities), yet they also often incorporate an element of efficiency in the use of resources. From these goals it is possible to discern more tangible objectives such as those related to employment, population levels, environmental characteristics, income, etc. However, many of these objectives are very vaguely and imprecisely stated (eg, improve economic well-being!) and these have to be converted into something much more concrete if evaluation is to make a less ambiguous contribution. Also, it must be acknowledged at the outset that the effects of policies are very varied and are not easy to 'capture' comprehensively or to measure objectively. Consequently, there is always an element of subjectivity to any evaluation conclusion; a feature which prompts critics of the discipline to doubt its value.

This general criticism is partially conceded, there is no perfect indisputable evaluation process and no evaluation has ever unambiguously measured and weighted pros and cons to produce a single, unique indicator of success. Irrespective of this, much is to

be gained from the evaluation process; both the outputs of evaluation plus the learning from going through the process. In fact, we suggest that the discipline of implementing evaluation contributes as much to improving policy as the evaluation output itself. This is because the comprehensive implementation of the evaluation process ensures that those involved think very deeply about the regional programme and what it is trying to achieve and how to achieve it.

There is one vitally important point about any evaluation activity. It must begin as soon as possible; preferably during the planning phase of the programme. This report provides the basis for implementing evaluation at as early an hour as possible in the current phase of the Reform, and, most important, providing a framework for implementation at the next phase of the Reform. It is to be hoped that at the next stage of the Reform, evaluation will figure even more prominently and will be given every encouragement to be initiated during the very first phases of the policy cycle.

Finally, we should enter a comment about the resources used for evaluation. There is always competition for resources in any programme, and where resources are constrained there is a tendency to say why bother to devote resources to evaluation when this will reduce the amount of money available for projects. Indeed there is a temptation to pose the question for some of the smaller programmes, why bother with evaluation at all? Whilst we sympathise with this view we do not concur with it. Clearly, evaluation costs must not be excessive. However, forethought can greatly reduce the cost of evaluation and a credible evaluation procedure can be introduced relatively cheaply (for example, by ensuring that appropriate data are collected on application forms). In any case, ex-ante evaluation, one of the most potent forms of evaluation, should involve no extra cost if it is correctly positioned at the programme planning stage. The disciplines of an ex-ante evaluation bring benefits at little cost because it places emphasis on improving the clarity of thought about the concept of the programme, its relevance, consistency and coherence. We would urge that adequate funds are made available for evaluation and that the procedures which we suggest will enable an improvement in the policy-making and implementation process.

### 1.1 Terms of reference

This study was devised to assist in this process by providing guidance on the implementation of the commitment for monitoring and assessment to the Objective 5b regions. The terms of reference established by the Commission are as follows:

*The aim of the study is to establish an evaluation methodology with the aim of determining the impact of the different CSFs and Operational Programmes concerning the rural areas covered by Objective 5b.*

*The study should:*

1. *analyse the development priorities of the CSFs and the different Operational*



*Programmes;*

2. *take into account the particular characteristics of the areas and in particular their size;*
3. *analyse the use of indicators (identification and characteristics);*
4. *provide global indicators for all Member States and regional indicators for the different areas concerned;*
5. *provide physical, socio-economical and financial indicators and impact indicators for each type of measure as well as indicators for the follow-up;*
6. *take into account the methodological approach following the orientations defined by the Commission services;*
7. *include in the evaluation the results of the application of Programmes of Community initiative;*
8. *to establish a scheme for the annual evaluation reports on Community level and a scheme for the final report. (NB after commencing the study it was decided that this item should not be included).*

**1.2 The report**

This report covers each of the elements itemised in the research brief. The report comprises the following chapters:

2. **An analysis of the areas under Objective 5b** This is based on an analysis of all of the CSFs and a more detailed review of OPs for 12 regions.
3. **The concepts of evaluation** This chapter indicates the broad concepts involved in evaluation and some of the issues associated with implementing a programme of monitoring and evaluation.
4. **The scheme of indicators** This chapter elaborates the principles behind the selection of indicators. It specifies some global indicators and refers to a wider list of indicators in Appendix 1.
5. **Ex-ante assessment** This chapter provides a format for considering the ex-ante assessment in future stages of the Reform. The ex-ante assessment in the current stage of the Reform is dealt with in a separate study.
6. **Monitoring and on-going evaluation** A format for implementing monitoring and on-going evaluation is developed along with the appropriate tables.

7. **Final on-going evaluation and ex-post evaluation** This chapter elaborates a mechanism for meeting the requirements of an ex-post evaluation in the context of the legislation. We recommend two separate evaluations. One which is appropriate to the termination of the programme; the other which is a genuine ex-post evaluation undertaken 5 years after introduction of the programme.
  
8. **Evaluation of the Community Initiatives** This chapter meets the requirement of our terms of reference by considering the application of monitoring and evaluation to the Community Initiatives.



## 2 Analysis of the areas under Objective 5b

### 2.1 Introduction

An essential preliminary before devising a set of evaluation procedures for the Objective 5b areas is to identify a very clear picture of the nature of the Reform for these areas. A good starting point for developing an understanding of the major strategic aims and orientation of the implementation of the Reform in Objective 5b areas may be achieved by examination of the CSFs. Indeed, in itself, the process of deriving the CSFs and Ops within the framework of partnership can be said to involve many of the components of an ex-ante evaluation. Plans are put forward by Member States, a dialogue is developed with the Commission and the CSF results. During the process of dialogue, the Commission raises questions about the rationale of the proposal and its validity and checks its compatibility with the aims of the Reform and of other Community legislation. From the agreed CSF, the Operational Programme is developed, which equally is subject to critical review from the Commission for its integration with the overall framework of the CSF and objectives of the Reform.

Taken together, the CSFs show the underlying objectives and the stated priorities in those rural areas included in the programme, as well as the allocation of funds by priority axes and by institution. Individually, every CSF reveals much of the information needed to check for its rationale and validity including the quality of its aims and objectives.

In this context, knowledge about the areas' characteristics allows one to analyse the overall rural problems, the similarities and disparities among areas and highlights the information deficiencies which require further development and study.

Unfortunately, in practice, the available CSFs yield only vague and general descriptive material, with a limited indication of the true nature and substance of the problems of the regions and of the actions foreseen as part of the Reform. Much of this analysis is found in the Plans and in the Commission/Member State dialogue which took place between Plans and CSFs by correspondence. Consequently, care must be taken in analysing the CSFs and generalisations from these documents alone<sup>1</sup> can be misleading.

For further details of the nature of the operations and their cohesiveness, a detailed review of a sample of the OPs was also carried out. In summary, twelve OPs<sup>2</sup> among

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<sup>1</sup> However, the critical importance of these documents is underlined in the legislation. They are central to articulating the general character and nature of the implementation of the Reform and are therefore of fundamental importance in any evaluation exercise.

<sup>2</sup> In every case we took the latest version of the OP although in many cases they were unapproved and therefore not the final version. Also, for some of these regions where pluri-fund OPs were prepared, some OPs had not even been submitted.

those available were chosen and studied in greater depth. These covered Bayern and Nordrhein-Westfalen in Germany, specified islands in Denmark, parts of the Grand Duchy of Luxembourg, the Highlands and Islands region of the UK, Wallonne region of Belgium, Cataluña and Pais Vasco regions of Spain, Bourgogne and Lozère of France and, Toscana and Trento regions of Italy. Thus, the analysis in this section is based upon all of the existing CSFs as well as the results obtained from the case-study analysis of the twelve OPs.

## 2.2 Characteristics of the areas

The eligible zones under 5b Objective programme were enumerated by the Commission in May 1989. Final presentation and approval of the CSFs in November 1990 grouped them into 44 areas in nine countries (see Table 2.1).

The criteria for defining homogenous areas and grouping them into single programmes differed between Member States and even between regions depending on the administrative organisation and on the decision of the authorities of the country. Sometimes, CSFs are divided into several OPs, either by sub-areas such as in Spain and Languedoc-Rousillon, or by structural funds, such as in Highlands and Islands of the UK, the Walloon region of Belgium and the Netherlands. This explains why the number of OPs is higher than the 44 CSFs. The diversity of administrative arrangements at this fundamental level is a clue to the substantial variation between the Member States in the way in which they have chosen to develop and implement their programmes. This diversity makes generalisation difficult.

Countries	Number of CSFs
United Kingdom	4
Belgium	2
Luxembourg	1
Denmark	1
Germany	8
The Netherlands	1
France	18
Italy	8
Spain	1
<b>Total</b>	<b>44</b>

The areas included in the CSFs vary significantly in size and characteristics. The Spanish CSF is, by far, the largest in terms of area and population. However, only

Aragon, of the Spanish regions, (39,563 km<sup>2</sup>), exceeds the Highland and Islands, the second largest in surface (38,700 km<sup>2</sup>). On the other hand, the Grand Duchy of Luxembourg and Hageland are the smallest (164 km<sup>2</sup> and 530 km<sup>2</sup>, respectively) (although the Luxembourg programme applies to only a small part of that area). According to population, the largest areas apart from Spain, are Auvergne, Veneto, Dyfed, Gwynedd and Powys, Lazio and Devon and Cornwall, each of which exceed 600,000 inhabitants. At the other extreme, the population covered by the Grand Duchy of Luxembourg programme does not reach 8,000 inhabitants (see Table 2.2).

In addition to the population and area, other data and features of the regions are necessary in order to fully understand the programme evaluation procedures. Among these are the type of employment, unemployment rate, income per capita and other characteristics. Unfortunately, for several regions these are not quoted in the CSF or OP<sup>3</sup>.

The degree of detail in the OPs varies considerably; some include an excessive amount of detail (even down to the project level), for others some of the measures are elaborated in fairly broad terms, although some of this imprecision may be removed after further discussion with the Commission.

Code and name	Area (km <sup>2</sup> )			Population		
	Average	Area	Index (Av. = 100)	Average	Area	Index (Av. = 100)
100 Devon and Cornwall		3,000	41		620,000	180
101 Dyfed, Gwynedd and Powys		14,300	186		686,000	200
102 Dumfries and Galloway		2,402	33		52,300	15
103 Highlands and Islands of Scotland		38,700	530		368,200	107
Total UNITED KINGDOM	14,600	58,402		431,625		
200 Wallonne		3,596	49		173,908	51
201 Hageland		530	7		134,090	39
Total BELGIUM	2,063			153,999		

<sup>3</sup> It is possible that these data may exist in the Plans (not all of which were available to us) or in the responses to the questionnaires sent by the Commission to the Member States.

Code and name	Area (km <sup>2</sup> )			Population		
	Average	Area	Index (Av. = 100)	Average	Area	Index (Av. = 100)
300 Grand Duchy of Luxembourg		164	2		3,409	1
Total LUXEMBOURG	164			3,409		
400 Bonholm and other Islands		1,750			107,039	31
Total DENMARK	1,750			107,039		
500 Bayern		25,443	348		2,339,500	681
501 Schleswig-Holstein		3,887	53		285,700	83
502 Nordrhein-Westfalen		2,152	29		179,223	52
503 Niedersachsen		11,551	158		1,116,000	325
504 Baden-Wurttemberg		2,561	35		274,000	80
505 Hessen		5,067	69		550,780	160
506 Rheinland-Pfalz		4,183	57		346,900	101
507 Saarland		1,031	14		190,900	56
Total WEST GERMANY	6,984			660,375		
600 Friesland		2,413	33		442,978	129
Total THE NETHERLANDS	2,413			442,978		
700 Poitou-Charente		7,800	107		309,300	90
702 P. Loire		2,200	30		67,000	20
703 Midi Pyrenees		29,830	408		920,000	268
706 Massif du Jura		4,540	62		165,000	48
708 Lorraine		4,993	68		178,000	52
709 Limousin		16,450	225		494,000	144
710 Bourgogne		15,700	215		385,000	112
711 Sud-Berry		6,300	86		168,000	49
712 Alsace		828	11		921,000	268

Table 2.2: Data on the CSF areas under the 5b Objective						
Code and name	Area (km <sup>2</sup> )			Population		
	Average	Area	Index (Av. = 100)	Average	Area	Index (Av. = 100)
713 Champagne-Ardenne		3,026	41		62,650	18
714 Languedoc-Rousillon		13,800	189		283,000	82
717 Bretagne		7,020	96		306,000	89
718 Auvergne		20,530	281		877,000	255
719 Basse Normandie		8,630	118		502,000	146
720 Rhone Alpes		9,057	124		287,366	84
724 Franche Comte (Jussey)		1,370	19		48,000	14
725 Aquitaine		22,290	305		626,000	182
727 Provence Alpes Cotes d'Azur		12,474	171		222,400	65
Total FRANCE	10,379			378,984		
800 Lasio		7,360	96		677,696	186
801 Bolzano		6,898	90		245,992	67
802 Marche		4,400	57		535,000	147
803 Veneto		3,423	45		727,055	199
804 Umbria		4,020	52		271,232	74
805 Toscana		5,402	74		265,956	77
806 Piemonte		961	13		36,476	11
807 Trento		2,298	31		166,238	48
Total ITALY	1,732			117,167		
900 Aragon		39,563	541		464,400	135
901 Baleares		2,361	32		200,300	58
902 Cantabria		3,233	44		51,200	15
903 Cataluña		9,100	125		155,500	45
904 Madrid		1,569	21		26,400	8
905 Navarra		4,154	57		70,900	21



Code and name	Area (km <sup>2</sup> )			Population		
	Average	Area	Index (Av. = 100)	Average	Area	Index (Av. = 100)
906 La Rioja		2,103	29		9,500	3
907 Pais Vasco		1,123	15		7,700	2
Total SPAIN	7,901			123,237		
Total ALL AREAS	7,307	379,690		343,557	16,147,213	

### 2.3 The financial dimension of the CSFs

The 'new' financial resources (ie, excluding 'existing commitments') devoted to the programmes total 6,516 Mecu, representing EC, national and private contributions. They represent 77% of the total resources (new plus existing commitments) that, according to the CSFs, finance the implementation of the Reform of the Funds in the 5b Objective areas. The average of new funds per CSF is 71 Mecu although the size varies considerably from one CSF to another (see Figure 2.1). Naturally, if Spain is considered as one single CSF it ranks first, although for better comparisons across EC 5b Objective regions it is necessary to treat each Spanish region separately.

The Bayern region accounts for by far the largest financial resources (14.8% of the total new funds). This is followed by Aragon, 4.9%, Midi Pyrenees, 4.7%, and Toscana, 4.5%. The smallest CSF is that of Saarland, accounting for the 0.12% with Franche-Comte, 0.16% and Luxembourg 0.17% (see Table 2.3 and Figure 2.1).

An analysis of financial resources by area and population provide some interesting descriptive information. The average cost of the programme (new commitments) is 19,800 ECU per km<sup>2</sup> and 605 ECU per inhabitant. The data on these two dimensions for each of the regions are illustrated in Figure 2.2. It will be noted that there are many CSF areas slightly below these two averages, although of particular note are the exceptions to this. The Luxembourg CSF comprises a very high volume of funds per km<sup>2</sup> and per inhabitant. Veneto, Toscana, Marche and Hageland have a relatively high ratio in terms of area but are lower than average in population, whilst Cantabria, La Rioja and Pais Vasco are located high in terms of population but low in terms of area. Highland and Islands appears the lowest in the ranking. Saarland and the French regions, Lorraine, Sud-Berry, Franche-Comte and Aquitaine are also low but closer to the average.

Table 2.3: Financial resources for new actions and ratios by surface and population

Code and name	Mecu		ECU per unit area surface		ECU per inhabitant				
	km <sup>2</sup>	Population	Average	Total Mecu	%	Average	Thousands of ECU/km <sup>2</sup>	Average	ECU/pop
100 Devon and Cornwall	3,000	620,000		31	0.75		10		50
101 Dyfed, Gwynedd and Powys	14,300	686,000		37	0.89		25		54
102 Dumfries and Galloway	2,402	52,300		27	0.66		11		516
103 Highlands and Islands of Scotland	38,700	368,200		52	1.26		1		142
Total UNITED KINGDOM									
200 Walloon	3,596	173,908		59	1.41		16		338
201 Hageland	530	134,090		30	0.73		57		226
Total BELGIUM									
300 Grand Duchy of Luxembourg	164	3,409		11	0.27		68		3,271
Total LUXEMBOURG									
400 Bonholm and other islands	1750	107,039		58	1.33				520
Total DENMARK									
500 Bayern	25,443	2,339,500		960	22.99		38		410
501 Schleswig-Holstein	3,887	285,700		86	2.07		22		302

Table 2.3: Financial resources for new actions and ratios by surface and population

Code and name	km <sup>2</sup>		Population	Average		Total Mecu		%	ECU per unit area surface		ECU per inhabitant	
	km <sup>2</sup>	Population		Average	Total Mecu	Average	Thousands of ECU/km <sup>2</sup>		Average	ECU/pop		
502 Nordrhein-Westfalen	2,152	179,223			78	1.87	36			435		
503 Niedersachsen	11,551	1,116,000			218	5.22	19			195		
504 Baden-Württemberg	2,561	274,000			73	1.75	29			266		
505 Hessen	5,067	550,780			91	2.17	18			165		
506 Rheinland-Pfalz	4,183	346,900			112	2.69	27			324		
507 Saarland	1,031	190,900			8	0.18	7			39		
Total WEST GERMANY												
600 Friesland	2,413	442,978			110	2.62	45			247		
Total THE NETHERLANDS												
700 Poitou-Charente	7,800	309,300			112	2.69	14			363		
702 P. Loire	2,200	67,000			43	1.03	20			644		
703 Midi Pyrenees	29,830	920,000			309	7.39	10			336		
706 Massif du Jura	4,540	165,000			84	2.01	19			510		

**Table 2.3: Financial resources for new actions and ratios by surface and population**

Code and name	Mecu		ECU per unit area surface		ECU per inhabitant		
	km <sup>2</sup>	Population	Average	Total Mecu	%	Average	Thousands of ECU/km <sup>2</sup>
708 Lorraine	4,993	178,000		41	0.97		8
709 Limousin	16,450	494,000		237	5.68		14
710 Bourgogne	15,700	385,000		220	5.26		14
711 Sud-Berry	6,300	168,000		62	1.48		10
712 Alsace	828	921,000		28	0.68		34
713 Champagne-Ardennes	3,026	62,650		31	0.74		10
714 Languedoc-Rousillon	13,800	283,000		248	5.93		18
717 Bretagne	7,020	306,000		105	1.61		15
718 Auvergne	20,530	877,000		234	3.60		11
719 Basse Normandie	8,630	502,000		139	2.14		16
720 Rhone Alpes	9,057	287,366		167	2.56		18
724 Franche Comte (Jussey)	1,370	48,000		10	0.16		8
725 Aquitaine	22,290	626,000		208	3.19		9
727 Provence Alpes Cotes d'Azur	12,474	222,400		178	2.73		14
Total FRANCE							

Table 2.3: Financial resources for new actions and ratios by surface and population

Code and name	km <sup>2</sup>		Population	Mecu			ECU per unit area surface		ECU per inhabitant	
	km <sup>2</sup>	Population		Average	Total Mecu	%	Average	Thousands of ECU/km <sup>2</sup>	Average	ECU/pop
800 Lazio	7,360	677,696		186	2.85		25		275	
801 Bolzano	6,898	245,992		239	3.66		35		970	
802 Marche	4,400	535,000		225	3.45		51		420	
803 Veneto	3,423	727,055		280	4.30		82		385	
804 Umbria	4,020	271,232		80	1.23		20		295	
805 Toscana	5,403	265,956		290	4.45		54		1,090	
806 Piemonte	961	36,476		21	0.50		22		571	
807 Trento	2,298	166,238		46	1.10		20		276	
Total ITALY										
900 Aragon	39,564	464,400		321	7.69		8		691	
901 Balears	2,361	200,300		58	1.40		25		292	
902 Cantabria	3,233	51,200		70	1.69		22		1,374	
903 Cataluña	9,101	155,500		87	2.09		10		561	
904 Madrid	1,570	26,400		23	0.54		14		853	
905 Navarra	4,154	70,900		47	1.12		11		659	

**Table 2.3: Financial resources for new actions and ratios by surface and population**

Code and name	Mecu		ECU per unit area surface		ECU per inhabitant				
	km <sup>2</sup>	Population	Average	Total Mecu	%	Average	Thousands of ECU/km <sup>2</sup>	Average	ECU/pop
906 La Rioja	2,103	9,500		28	0.68		13		2,979
907 Pais Vasco	1,124	7,700		21	0.50		18		2,690
Total SPAIN									
Total ALL AREAS	405,791	18,604,188	127.78	6,519		22			581

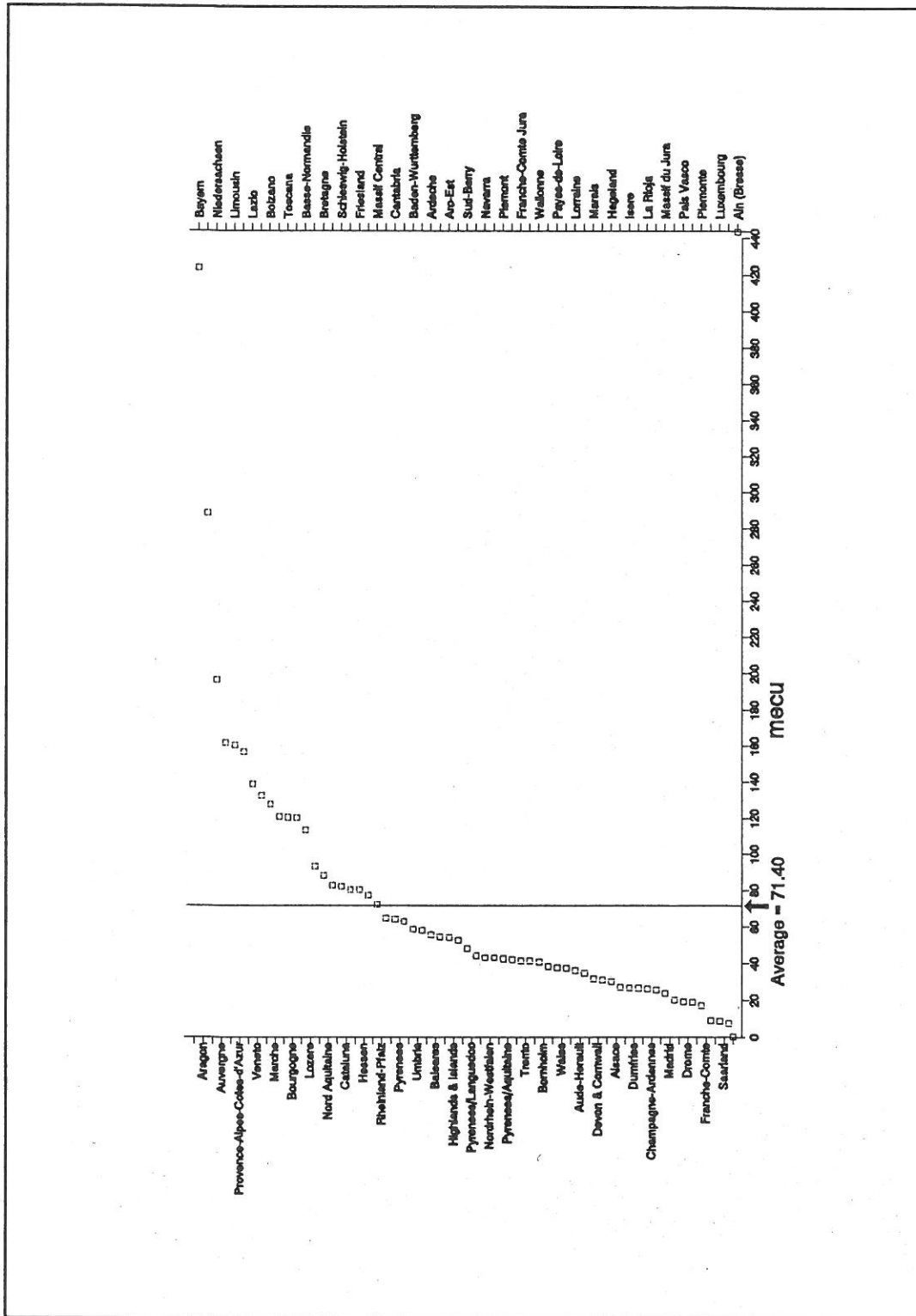


Figure 2.1: Financial dimension of the CSFs areas (new commitments)

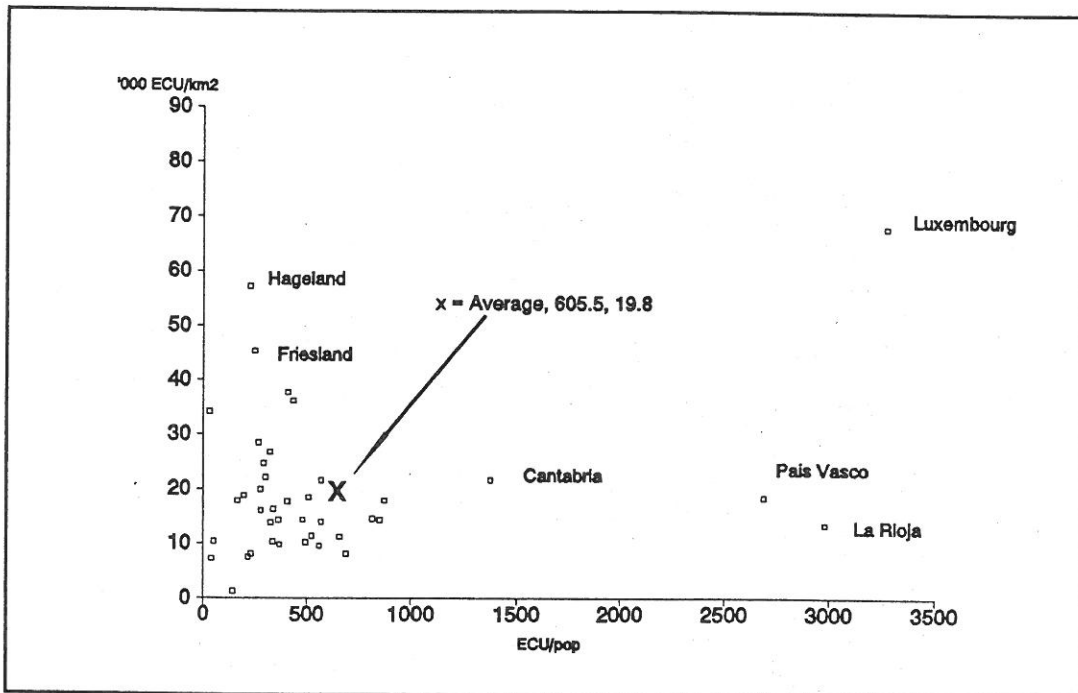


Figure 2.2: Distribution of areas according to their budget (new commitments), population and surface

When considering both new and existing commitments the private expenditure is expected to be around 30% of the total financing, with the national public contributions (3.261 billion ECU) accounting for 55% of the public funds.

Public expenditure includes resources for new actions allocated from the EAGGF, ERDF, ESF and national funds. A total of 4.374 billion ECU was allocated, excluding all existing commitments (these are 1.876 billion ECU, excluding private commitments). The Community contribution is largely provided by the EAGGF and the ERDF in equal proportions (41% and 42% respectively), with the ESF contributing 17%.

#### 2.4 Objectives and priorities

The priority axes for all of the CSFs have been classified and summarised into the categories presented in Table 2.4. Priority axes were grouped depending on the measures they integrated although some (and even some measures) were difficult to classify (for example, some programmes with a priority axes called 'economic development and diversification' included important measures aimed directly at agricultural holdings). Whilst this slightly distorts the analysis of the CSFs (and should be borne in mind when reading this section) the descriptive data are of some value and interest.



Priority axis classification (taken from CSF and OP)	% of CSFs
Development of human resources	100
Agricultural development	82
Tourism	82
Extension and diversification of agriculture	75
Environmental management	66
Economic development and diversification	64
Forestry development and wood industry	61
Support of SMEs	49
Development of infrastructures	35
Improvement of economic activity	33
Water requirements	18
Service development	14
Supply information on new technologies to enterprises	14
Minimising problems of peripherality	12
City/town networks	2

Initiatives which involve the development of human resources are present in all of the CSFs, emphasising that the development of workforce skills is part of the implementation of the Reform in all regions. It will be noted that agricultural development and diversification, together with tourism, are found in most Objective 5b regions; these components are priority axes in at least 75% of the CSFs.

Environmental management components (in various forms) are included in two-thirds of the CSFs. Economic development and diversification, forest and wood processing development and support of SMEs are each roughly half of the programmes. The development of services and enterprise information and spatial networks are less frequent components.

It is clear that the most frequently used approach to rural development involves the stimulation of the agricultural and tourism sectors. It is also worth noting that those measures that act directly on individuals or firms are more prominent than those which attempt to adjust general economic environment and services provision.

An examination of the allocation of total public funds per priority axes reveals a similar ranking. Here we note that agricultural development and diversification was allocated the largest public expenditure (26%), followed by the development of human resources

(16%), development of sectors other than agriculture and forestry (14%), the environment (12%) and tourism (9%) (see Table 2.5<sup>4</sup>).

Non-agricultural activities capture the largest amount of funds in the private sector (36%), followed by agricultural development and diversification (23%), tourism (14%), agricultural and forestry development (5%), human resources (5%) and environment (4%) (see Table 2.6).

On average, private contribution is 30% of the total funds, although substantial variations exist among areas. Bayern, Veneto and Midi Pyrenees are the only areas where the private contribution exceeds 50%. At the other extreme, in 17 areas (seven of the Spanish areas, three in each of the United Kingdom, France and Germany, and one in Belgium) private contributions are expected to be below 10%.

	% of total public funds
Agricultural development and diversification	25.7
Development of human resources	16.1
Development of sectors other than agriculture and forestry	14.4
Environment	11.9
Tourism	8.9
Agricultural and forestry development	5.5
Economic development (general)	4.2
Forestry development	3.1
Development of SMEs and businesses	2.5
Agricultural and fisheries development	2.3
Development of tourism and environment	1.7
Minimising problems of peripherality	0.8
Agricultural and horticultural development	0.7
Implementation and monitoring	0.6
Development of infrastructure	0.6
Management of rural areas	0.4
Miscellaneous	0.4
Improvement of economic life	0.2
<b>Total</b>	<b>100.0</b>

<sup>4</sup> A slightly different classification based only on the description in the CSF is used in Tables 2.5 and 2.6.

	% of total private funds
Development of sectors other than agriculture and forestry	36.1
Agricultural development and diversification	23.2
Tourism	14.2
Agricultural and forestry development	5.3
Development of human resources	5.1
Environment	4.0
Forestry development	3.0
Agricultural and fisheries development	2.7
Development of tourism and the environment	2.2
Development of SMEs and businesses	1.6
Economic development (general)	1.5
Management of rural areas	0.6
Agricultural and horticultural development	0.2
Miscellaneous	0.1
Implementation and monitoring	0.1
Minimising problems of peripherality	0.05
Improvement of economic life	0.05
Development of infrastructure	-
<b>Total</b>	<b>100.0</b>

## 2.5 Hierarchy of objectives, targets and cohesiveness

The Commission is in the process of undertaking ex-ante evaluation studies of the CSFs and OPs. These studies will explore many aspects of the implementation of the Reform. The comments below are preliminary observations as wider and more comprehensive conclusions will be drawn as part of the ex-ante assessments. The examination of the CSFs and OPs was particularly useful as a basis for developing a monitoring and evaluation procedure. An important requirement of any programme is the link between the objective of the Reform, the priority axes and the measures. These links should form a hierarchy of objectives with the objectives of the Reform at the apex and the measures and projects at the bottom of the hierarchy. This hierarchy is critical to evaluation (see Chapter 3) and its structure should be clear in all CSFs and OPs.

In practice, we encountered some inconsistencies in the structure of the hierarchy of objectives. While measures are usually well adjusted to the sub-programmes they

belong to the objectives of the Reform, strategic aims, priority axes and other intermediate objectives are not clearly differentiated at the various levels of the hierarchy. Thus, for example "to create a self-sustaining society and economy" may appear at the same level in the implicit hierarchy of objectives of a CSF as "to value and to diversify agriculture and forestry". Clearly this cannot be the case.

There is a time lag between the preparation of the CSF and the development of the OP and this may partially explain this problem. Certainly, OPs appear to be more comprehensive and coherent in terms of objectives and means, although the problem with the hierarchy of objectives persists. Very often, the priority axes stated in the CSFs are structured as broad sectoral areas for initiating diverse actions, (eg, environmental protection, agricultural development, etc.) with the objectives being equally vague and without quantification. Thus, for instance, all eight regions in Germany and Spain share the same priority axes, although the rural development challenge and the measures chosen to meet this challenge differ substantially. Overall, it is possible to identify a linkage between the different levels in the hierarchy of objectives for each programme but it is difficult to observe the integration of objectives.

The absence of quantifiable targets from the CSF is also a characteristic. This makes it difficult to implement a comprehensive and effective evaluation procedure. As we will see in Chapter 3, evaluation starts with the quality and structure of objectives and it assesses progress towards the intermediate and final impacts. This cannot be achieved if CSF targets are not quantified (and in many cases they are no better at the measure level) and objectives remain broad and general.

The fact that these features are common to all of the reviewed areas suggests that some improvements could be made in the procedures for the development of the programme. There are several issues which should be considered and analysed.

First of all, the results illustrate the need for a more theoretical study on the conceptual basis of rural development policies today. There is a fairly high coincidence of priority axes stated in the CSF areas, in spite of the diversity of the regions and their problems. However, from a more pragmatical perspective, there is little explanation of the mechanism to achieve the higher objectives. There is an obvious need to express how the CSFs, OPs and measures will lead to achievement of the overall objectives and the basis of this underlying assumption. For example, many CSFs specify agricultural development without elaborating how this meets the overall objectives of the Reform.

Clearly this issue is not just linked to the Reform of the structural funds as there are many different components of rural policy (including, of course, FEOGA Guarantee provisions), and many of these other components far exceed the contribution that is made in the Objective 5b CSFs. A clearer general perception of the 'motor' of rural development needs to be at the base of the CSFs in future. An elaboration of this mechanism in the context of each region will greatly assist effective ex-post evaluations. A comprehensive ex-ante study (see Chapters 3 and 5) at the planning

stage should confront and resolve these issues.

Conflict among objectives does not seem to be a major issue, although the generic terms in which objectives are defined and the limited information available means that this issue could not be comprehensively checked. Moreover, the analysis of side effects is not very fully elaborated in the documents, despite the comments on environmental issues which appear in various OPs. We see very little discussion of possible negative side effects (eg, impact on environment of tourist development or of displacement effects such as the negative impact on those already engaged in the activities being promoted). These side effects (positive synergistic effects as well as negative ones) should be explored in some detail.

It would appear prudent that further development of the methodology for the development of the CSFs and programmes by the Commission, as well as the integration of appropriate technical assistance, is a component of future phases of the Reform. Without greater effort in this direction the evaluation procedure cannot be fully or effectively implemented.

Identification of the objectives, the targets and the beneficiaries is the first step for evaluation. Therefore, the hierarchy of objectives and its specification is central to the entire evaluation activity. Objectives and priorities should be the core of the issues in the preparation of the programme and have to be made explicit. They should be clarified early in the programme development process in order to build the evaluation framework.

Objectives can be divided into three groups: immediate objectives (achievable in the short term), intermediate objectives (achievable in the medium term) and ultimate objectives (achievable in the long term). Thus, ultimate objectives express, in concrete terms, the scope of an objective 5b programme (ie, rural development programme). Under ultimate objectives one expects to find statements about expected income increases, stabilisation of population, improvement of health rates, decrease of mortality rates and other objectives which define improvement in the living conditions, quality of life and alleviation of poverty, either in absolute or relative terms. In the terms of the Reform the ultimate objectives are the objectives of the Reform.

Intermediate objectives define those explicitly pursued by the programme in order to reach the ultimate objectives. Thus, under this heading, one might expect statements on improvement of infrastructures, economic activity and training. In the Reform these will comprise the objectives of the sub-programmes or priority axes.

Immediate objectives define outputs which are a means of achieving intermediate and ultimate objectives under the Reform. These are likely to be the objectives of measures. These will comprise statements about the means of improving economic activity or other intermediate objectives. In some areas, the link between immediate and ultimate objectives may be direct and short, whilst in others it may be very indirect

and long term.

Ultimate objectives must be defined at the ex-ante stage, when aims and targets are defined so that their degree of achievement can be checked at the ex-post stage. In most cases, achieving these ultimate objectives will take several years (often well after the programme has been implemented) and hence this is an important consideration in designing ex-post evaluation. It also means that only immediate or intermediate objectives can be evaluated in the on-going stage of evaluation (see Chapter 3).

From the analysis of the existing CSFs, and the implicit or stated aims, we present a very broad hierarchy framework which fits the 5b programmes. It cannot be applied in a mechanistic way but as a common framework it should help when defining more precisely the objectives and priorities.

First, in order to clarify concepts, we summarise in Table 2.7 those which are being used in the programmes and classify them into ultimate, intermediate and immediate objectives.

Table 2.7: The Reform concepts and objectives	
5b Programmes	Objectives hierarchy
Treaty/5b objective	Ultimate objectives
CSF	
Objectives Strategic aims	
CSF	Intermediate objectives
Priority axes	
OP	Immediate objectives
Sub-programmes	
OP	Immediate objectives
Measures	

From Table 2.7 it becomes clear there is a hierarchical distinction between strategic aims (directly linked with objectives) and priority axes in the CSF (directly linked with sub-programmes at the OP level). Both play an important role in the evaluation and have to be clearly separated and measured. Strategic aims define the ultimate objectives of the CSF as a whole and will be relevant in any true ex-post evaluation which takes place. Priority axes or sub-programmes determine the intermediate objectives and will be evaluated when confronting evaluation at the OP level.

<b>Table 2.8: Underlying hierarchy for the 5b programmes</b>	
<b>STRATEGIC AIMS</b>	
1.	To stabilise the level and improve the structure of the population.
2.	To assist in the creation of a viable and self-sustaining economy.
3.	To improve the welfare and quality of life of the population.
4.	To exploit the indigenous human resources and improve workforce skills to meet job opportunities.
5.	To protect and enhance the rural heritage and environment.
<b>PRIORITY AXES</b>	
1.	Agricultural development
2.	Forestry and wood development
3.	Tourism development
4.	Development of human resources
5.	Support to the activity (industry, services, craft)
6.	Development of infrastructures (R&D, industrial land, education, road network, health, housing, welfare)
7.	Environment management

An analysis of the underlying hierarchy identified in the 5b programmes indicates the basic problem we are faced with. Even a superficial review of the Table 2.8 will raise fundamental questions about the implicit mechanism of rural development it reveals. Why, for example, is stabilisation of the rural population an ultimate objective and specified as a strategic aim? Surely population aims such as these are relevant as a means to another higher objective - that of sustaining better economic welfare (and other welfare) targets. If they are not, then what is the rationale for maintaining a rural population, to prevent migration to towns? to preserve traditional rural heritage? or what? Similarly, a major rationale for improving work-force skills is to achieve the higher objectives (eg, economic welfare) and hence it is difficult to see this as an ultimate aim. Within the CSFs there is very little debate about these very fundamental rural policy issues and the basic rural development aims and means.

To a large extent, these deficiencies derive from the legislation and the need to interpret the legislation in a very mechanistic way to achieve evident and obvious compliance. Whilst bureaucratically this may be adequate, it may be less loyal to the overall intention of the Reform. It is our view that an effectively implemented evaluation programme can greatly help this process, (especially when viewing future stages of the Reform), by posing fundamental questions at the ex-ante stage, and by providing evidence of successful strategies through monitoring, on-going evaluation and ex-post evaluation. Even then, there will be many questions posed and new

hypotheses emerging. These questions are an essential output of the evaluation process, and the necessary strategic research and investigation must be initiated to resolve this (see Chapter 3).

## 2.6 Indicators proposed by the areas

The indicators framework proposed in the OPs which we have reviewed is in all senses unsatisfactory although this may reflect the incomplete nature of some of the OPs. Firstly, the OPs do not define those indicators necessary to fulfil the requirements for the evaluation at all levels of the Reform (measure, OP, CSF). When provided, physical and impact indicators are mixed, even at the measure level, suggesting that the proposals were devised more to fulfil administrative requirements than to perform a clear objectives-led control function. Sometimes the expected impacts specified in the OP may be impact indicators of the higher level objectives, although these clearly cannot be achieved directly from the implementation of the OP.

Secondly, indicators are not defined for all of the measures and proposed actions, not even in physical terms. Some measures are particularly poorly quantified. For instance, indicators for training and support of SMEs seem especially weak and inaccurate in the sampled OPs. Furthermore, in many cases socio-economic indicators for the initial situation are not specified and therefore, those indicators which could be acceptable to measure progress cannot be utilised (even if targets for the higher level existed!).

This situation seems to be common in most regions and is a serious deficiency and constraint on the implementation of evaluation. Further development of the OPs (and higher objectives) to improve them in this respect is required as a matter of some urgency.

## 2.7 Institutional arrangements

It is clear that because of the diversity of institutional arrangements and responsibilities in different Member States, devising a harmonised institutional approach is impossible. The institutional arrangements have created many problems in all the regions, especially in relation to the responsibility of federal, national and regional organisations. As a result, the process of development of the CSFs and the OPs has been very costly with many different formulae being used among the different areas and countries. At the member state level, the participation of several bodies in the elaboration of the programme (desirable though this is) could explain the disharmony between the priority axes and the objectives of the Reform, and may, eventually, constrain their implementation and reduce effectiveness.

The allocation of responsibilities within the regional or state departments, as well as the number and composition of the Monitoring Committees, also follow varied mechanisms. Thus, in many cases, different departments share responsibility for implementation of the OP, which further threatens the achievement of an integrated approach to the



management of the regional programme. Also, Monitoring Committees may be very large and with a strong political composition. The latter is important and positive, but due account must be taken of the technical competence of the Monitoring Committees. The means must be found for Monitoring Committees to have a structure which promotes their technical effectiveness and provides adequate support.

From the review of the institutional arrangements in the OPs it appears that there have been no formal ex-ante assessments undertaken (although the dialogue with the Commission should have fulfilled some of the functions of an ex-ante evaluation). Each area had decided the administrative system on the basis of their bureaucratic culture and political arrangements. Whilst this is perfectly understandable, there are some broad Community-made recommendations which could justifiably apply.

Because of the complexity of the organisational task, it is recommended that the objectives are defined precisely, and the interactions and potential conflicts between responsible authorities considered carefully. Also, it is necessary to clarify the tasks to be carried out by the Monitoring Committees (whilst maintaining an element of flexibility) and to appoint technical assistance (either external or internal) to design an information system, help collect information, design evaluation methods, implement evaluation and prepare the appropriate reports, all under the responsibility of the Monitoring Committee (see also Section 3.15).

Because of the complexities, there is no easy and common solution for all areas. Hopefully, experience will promote rationality and simplify the allocation of responsibility in future phases of the Reform. From the Community perspective, greater integration of the funds and a simplified procedure for the programme planning and development is recommended. A simplification of requirements, together with a more stringent and strictly defined guidelines to meet them, could improve the quality of the proposals. The procedure of having, in series, a Plan, CSF and OP may make sense when dealing with large projects, like those under Objective 1 and 2, but for the Objective 5b areas the procedures are too complex, too burdensome and discouraging. We therefore recommend review of the entire procedure of the programme approval for future phases of the Reform.

### 3 Evaluation concepts

#### 3.1 Introduction

Legislation which introduce the Reform of the structural funds included provisions for monitoring and assessment. Under Article 6 of EC Regulation 2052/88 and Title VII, Articles 25 and 26 of EC Regulation 4253/88 (the 'horizontal' regulation covering coordination), it is required that the European Commission and EC Member States monitor and assess assistance from the European Community Structural Funds in support of the Committee Support Framework (CSF) and any operations which are part of the CSF.<sup>5</sup> These provisions were introduced as a contribution towards improving the quality of the current and future stages of the Reform.

Even without the legal requirement to monitor and assess, there are very sound reasons for conducting these activities; the process enables assessment of the effectiveness and efficiency of policy initiatives in terms of overall resource allocation.

The aim of this chapter is to consider in broad terms how the monitoring and assessment requirements should be implemented and to provide some introduction to the concept of evaluation.

#### 3.2 Monitoring and evaluation

Monitoring and evaluation are all part of the same policy assessment process. However, within the legislation which introduced the Reform of the Funds there is a distinction between:

**monitoring:** the tracking of progress against policy targets and objectives, and  
**evaluation:** the identification of whether, and how well, objectives have been specified and met.

**Monitoring** involves the routine collection of data and the implementation of policies; **evaluation** is a more complex exercise which assesses the net effect of the policy and compare these findings with the policy objectives and targets. In other words, it

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<sup>5</sup> Article 6 (1) of EC Regulation 2052/88 specifies monitoring should ensure that commitments entered into as part of objectives in Articles 130a and 130c of the Treaty are effectively honoured. Article 6(2) indicates the need for ex-ante and ex-post assessment. Article 25 (1) of EC Regulation 4253/88 specifies that monitoring should be undertaken within the framework of partnership, there should be jointly agreed procedures and an annual report on progress in implementing assistance. Article 25 (2) refers to the use of physical and financial indicators. Article 26 (1) defines the role of partnership in relation to monitoring and assessment and Article 26 (2) distinguishes between ex-ante and ex-post evaluation and specifies that both of these have to be undertaken at three separate levels: the objectives of Article 130a of the Treaty (strengthening economic and social cohesion); impact of CSFs; impact of operations (programmes, etc.). This Article also refers to the use of macro-economic indicators and information from analytical and descriptive studies and qualitative analyses. Article 26 (4) specifies that the assessment principle and procedures should be laid down in the CSFs and Article 26 (5) indicates that the results of the assessments are to be submitted within the framework of the annual reports referred to in Article 16 of Regulation 2052/88. Article 31 of EC Regulation 4253/80 reinforces this and itemises the coverage of these reports.

attempts to answer the question 'is the policy worthwhile?' In practice monitoring and evaluation should be combined as it is very difficult to make any distinction between them.

There are several different kinds of evaluation which have to be addressed separately and a wide range of methodological approaches.

The legislation recognises two main types of evaluation:

**ex-ante**, which involves assessing in advance what is expected from a policy; and  
**ex-post**, which involves assessing impact after the implementation of the policy.

Ex-ante evaluation is usually a part of the policy development phase (ie, whilst drawing up Plans, prior to agreeing a CSF). Whilst this might be the role of ex-ante in the future development of the Reform, for the current phase ex-ante evaluation will be implemented as a specific exercise undertaken by the Commission. However, some of the elements of an ex-ante evaluation are undertaken as part of the process of approving the CSF and OP within the framework of partnership (see below).

In addition to ex-ante and ex-post evaluation, the Commission has a requirement for another type of evaluation:

**on-going evaluation**, which will make an early assessment of impact.

On-going evaluation is required because the Commission wishes to obtain an early indication of progress towards meeting the objectives before the end of the programme (by which time it will be too late to introduce modifications). It will also assist in the development of any new initiative following the full implementation of the Reform.

Both the monitoring activity and the on-going evaluation are intended as activities which will facilitate modification of policy direction if necessary.

Monitoring and evaluation is an integral part of the policy cycle; it therefore needs to be considered during the planning of policy and, most of all, during the identification of objectives and targets and during the phase of implementation of the policy.

We accept these definitions but wish to make one minor modification. We understand from the legislation that the ex-post evaluation should take place at the end of life of the CSFs (1993). In many cases this is far too early to undertake an ex-post evaluation. Thus, we propose that a final on-going evaluation is undertaken at the end of the life of the CSF and that this is the final on-going evaluation. This will be ex-post in character but cannot be a comprehensive ex-post evaluation. We propose that the ex-post evaluation is undertaken in 1995. We are unsure of the legal commitment for this and therefore suggest that within the framework of partnership all Member States are advised of the importance of undertaking this on a voluntary basis.

### 3.3 Partnership

An important feature behind the Reform of the EC Structural Funds is the concept of partnership (Article 4, EC Regulation 2052/88). Monitoring and assessment will be undertaken within the framework of partnership and consequently the Member States and the Commission share responsibility for these activities in collaboration with the Monitoring Committee established for each CSF.

Clearly it is not practical for responsibility for conducting all activities to be shared. Consequently, it is necessary for the responsibilities to be allocated, again within the framework of partnership.

### 3.4 Levels at which evaluation will apply

Within the Reform there are several levels of objectives. These have a hierarchical framework, as shown in Figure 3.1. At the apex of the hierarchy are the objectives specified in Article 130 of the Treaty (as amended by the Single European Act) which provide the legal force to Community action in the area of structural assistance for disadvantaged regions. At the next level are the specific objectives of the Reform (Objectives 1, 2, 3 etc; 5b = development of rural areas), followed at successively lower levels of the hierarchy by the strategic aims of each CSF, the objectives of the sub-programmes, the objectives of the measures

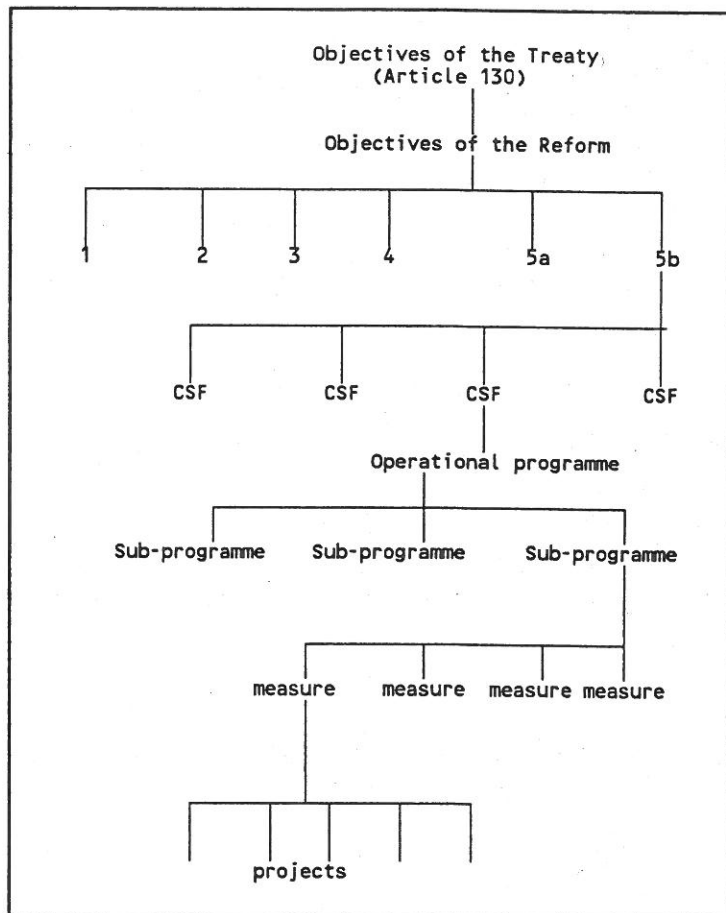


Figure 3.1: Hierarchy of objectives for the reform  
and, finally, at the bottom, the objectives of the individual projects which comprise each measure.

The level at which one applies monitoring and evaluation will greatly influence the nature of the evaluation applied. This is principally because the objectives which are

stated at different levels will vary considerably. At the higher levels of the hierarchy the objectives are more broadly stated; at the lower levels they can be much more specific and quantified. At the upper levels, a wide range of factors may influence stated objectives and confound quantification of impacts; at the lower levels the influence of external factors may be less important or less direct.

It is a legal requirement that monitoring and evaluation is conducted within the Reform of the Structural Funds. This means that all CSFs should be subject to monitoring and evaluation irrespective of their size or the nature of the programmes. All policies can be evaluated.

### **3.5 Allocation of responsibilities and reporting**

In each Member State, Monitoring Committees are established for each CSF within the framework of partnership. These will play an important role in the monitoring and evaluation process. The Commission has certain responsibilities under the legislation to report on the progress of the implementation of the Reform and specifically in relation to reporting the results of monitoring and evaluation. More than this the Commission is responsible for the success or failure of the Reform.

It is proposed that the following allocations of responsibilities for monitoring and evaluation for Objective 5b areas will apply for the different levels of the Reform. It will be noted that most of the evaluation undertaken by the Commission will be based on reports from the Monitoring Committees<sup>6</sup>.

#### **Monitoring Committees**

Monitoring Committees have responsibility for submitting:

- an annual monitoring and on-going report which covers all aspects of monitoring and on-going evaluation at the level of measures, OPs (including sub-programmes) and CSFs;
- a final on-going report also at the level of measures, OPs (including sub-programmes) and CSFs.

#### **The Commission**

Based on the reports provided by the Monitoring Committees the Commission produces:

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<sup>6</sup> Wherever we refer to the responsibilities of Monitoring Committees, it is implicit that they operate within the framework of partnership.

- an annual report to the Advisory Committee on the Development and Conversion of Regions; the Committee referred to in Article 124 of the Treaty (European Social Fund Committee); and the Committee on Agricultural Structures and Rural Development on the progress made in implementing assistance operations under the Funds, including the use made of appropriations in relation to the particulars given in the CSFs (Art 25, Reg 4253/88).

The Commission may also make use of some of the information in the Monitoring Committee reports when it prepares its annual report to the European Parliament, the Council and the Economic and Social Committee on the implementation of the Reform of the Structural Funds (Art 16, Reg 2052/88).

In order to standardise the approach, the Commission will provide guidelines for Monitoring Committees (in the form of an Explanatory Text) and will ask for standardised reports (see section 3.6 below). The proposals are the minimum to meet the requirements of the Reform and Member States are free to do any additional evaluation work if they wish. It will be noted that most of the evaluation undertaken by the Commission will be based on reports from the Monitoring Committees.

It is to be noted that at this stage of the Reform it is anticipated that ex-ante evaluation will be undertaken by the Commission. In the future it should be part of the CSF preparation activity and hence undertaken by the Member States and their delegated regional authorities.

It is also to be noted that we see a role for the Monitoring Committee in both on-going and the ex-post (final on-going) evaluation. This is not necessarily the case for other Objectives of the Reform. It is necessary for 5b regions because they are very varied and because many are small and fragmented with boundaries smaller than that defined at the NUTS III level (the smallest area for Community-wide statistical description). It would be very difficult for the Commission itself to undertake this evaluation because of the difficulties applying macro-economic analytical methods as is proposed for the other Objectives of the Reform. It will be necessary to introduce some safeguards to ensure the quality and objectivity of any on-going or ex-post (final on-going) evaluations by Monitoring Committees to meet appropriate standards. A follow-up full ex-post impact study may also be required as elaborated in Section 7.

### **3.6 Outputs from the monitoring and evaluation exercise**

To help the Commission to draw conclusions for all Objective 5b regions it will be necessary to implement a standardised reporting procedure using report forms designed by the Commission. Some of these standard reports are elaborated in sections 5, 6, 7 and 8 below.

### **3.7 What is involved in implementing the requirements for monitoring and evaluation?**

In order to develop a methodology for monitoring and evaluation it is necessary to implement the following:

- **procedures for monitoring** at the different levels of the hierarchy (primarily the development of representative indicators and arranging procedures to regularly collect these and report them to the Commission. Section 5 of this report will elaborate on these procedures and Section 4 on the indicators which might be appropriate at the different levels.
- **procedures for evaluation** which will involve the collation of monitoring information and other data as part of evaluation studies. The nature of these studies will be dependent on the character of the OPs and measures adopted, but they will follow the same basic framework which will take into account key issues to establish impact and causality. These studies will form the raw material for on-going, final on-going and ex-post assessments.

The evaluation should be preceded by a good evaluation plan. There should be a very clear perception of the objectives of the policy and of the methods which will be applied to assess whether the policies suggested will meet those objectives. There is no single book of rules to be followed in the choice of these methodologies for the analysis and these must be chosen with care. Consequently, it will be necessary for the assistance to have available a skilled and experienced evaluation team.

Evaluation studies can be divided into two different kinds: 'top-down' studies which examine impact at an aggregate level (eg regional, or national depending on the availability of data) and 'bottom-up' studies which generate data from the measures themselves (including both monitoring data and data collected separately from surveys or special investigations). These two approaches are not mutually exclusive and can be combined for the evaluation of any OP or CSF.

Evaluation should not need to be imposed. It is an integral part of any policy implementation which assesses the worth of all the hard work which goes into the establishment of a policy.

The Sections 5, 6, 7 and 8 of this report provide some guidelines on the concepts involved in evaluation planning and implementation for the Reform.

### **3.8 Indicators**

The legislation also specifies the need for the development of indicators which measure progress of the implementation of the Reform. In very broad terms this specifies a requirement for financial indicators (to measure the deployment of financial inputs),

physical indicators (to measure some of the outputs) and impact indicators (which measure achievement of objectives). We will deal with indicators in more detail in Section 4 of this report.

The distinction between physical and impact indicators is critical. The former measure outputs which are a means of achieving some objective; the latter will reflect the attainment of some aspect of the objective of the Reform as stated in either the CSF or OP. Impact indicators will vary, but they may include a number of socio-economic indicators where a specific socio-economic impact is the desired result of the policy. It is useful to distinguish between intermediate impacts and final impacts. Many of the ultimate or final impacts will not be realised until a considerable period of time will have passed.

The legislation refers only to measurements of inputs and outputs whereas it is important that policies are also efficient in the use of resources. This means that efficiency indicators are also required which relate outputs (eg new jobs created) to inputs (eg cost of programmes). Comparisons of efficiency will provide an indication of how good a policy is at achieving objectives and how it compares to other policy alternatives.

### 3.9 Basis of evaluation

It will be apparent from the above that the evaluation procedure has two bases of validity. First, it can have internal validity; in other words, the evaluation is solely designed to assess whether target objectives have been met. Second, it can have external validity; here the evaluation not only assesses whether the objective has been met but also whether this was the most efficient way of achieving those objectives. The concept of external validity will be relevant to considerations of ex-ante, on-going and ex-post evaluations.

### 3.10 Evaluation approaches

There are a number of different approaches to monitoring and evaluation which involve a combination of different techniques. Most monitoring involves the use of a descriptive approach, in other words it involves simply collecting and reporting data which describes inputs and outputs. A descriptive approach can be an important, though very limited, feature of evaluation. Consequently, where possible, it will be necessary to undertake an analytical approach (where appropriate, using some kind of model), or to devise an experimental approach involving a comparison between the two situations, policy-on and policy-off. The standard policy-on/policy-off experiments are:

baseline *versus* post-policy comparison, and  
policy-on group *versus* policy-off control group comparison.

The choice of the most appropriate method will depend on the programme and its



context.

Finally, it is possible to utilise a more subjective, but equally useful approach which examines the policy in some detail. This approach, referred to as rationale checking assesses the coherence of the objectives, their rationality and the basis of the underlying assumptions. This is frequently used in ex-ante and ex-post evaluations.

### 3.11 Data sources

A wide range of data sources are of value to the monitoring and evaluation exercise. Four groups of data can be distinguished:

internal administrative:	this is data available from the normal administration of the schemes (eg, application forms, etc);
internal supplementary (regular):	data collected regularly as part of the monitoring data;
internal supplementary (ad hoc):	data collected occasionally as part of an evaluation exercise, frequently using surveys of direct or indirect beneficiaries;
external data:	data from a wide range of sources external to the project.

### 3.12 Evaluation concepts

Whilst the legislation defines evaluation in very specific terms it will be useful to elaborate some of the concepts and issues. There are several key concepts and these are emphasised in the Figure 3.3. First, it has to be born in mind that evaluation is part of an overall cyclical process in which the results feed back to influence the direction of current (and future) policies. So evaluation has an important role within the entire policy cycle (see Figure 3.4). Thus, monitoring and evaluation can be viewed as separate activities but in fact they are all part of the same process. Monitoring may identify the progress towards a target, whereas evaluation provides much more detail; it should allow you to say something about the net effect of the policy.

A key consideration is the quality of the objectives. Evaluation measures progress against objectives and this implies that objectives should be quantified as far as possible in the form of targets. Some objectives can be quantified in monetary terms, others in physical or attitudinal terms. Even where quantification is difficult (for example in relation to environmental objectives), it should be possible to introduce some quantification. For example, it may be possible to measure the physical changes in the environment or peoples attitudes to those changes. It is also possible to identify a monetary valuation of non-market outputs, such as environment, although specialist assistance will be used in the application of these methodologies. An ex-ante assessment pays great attention to the quality of objectives and to the quantification

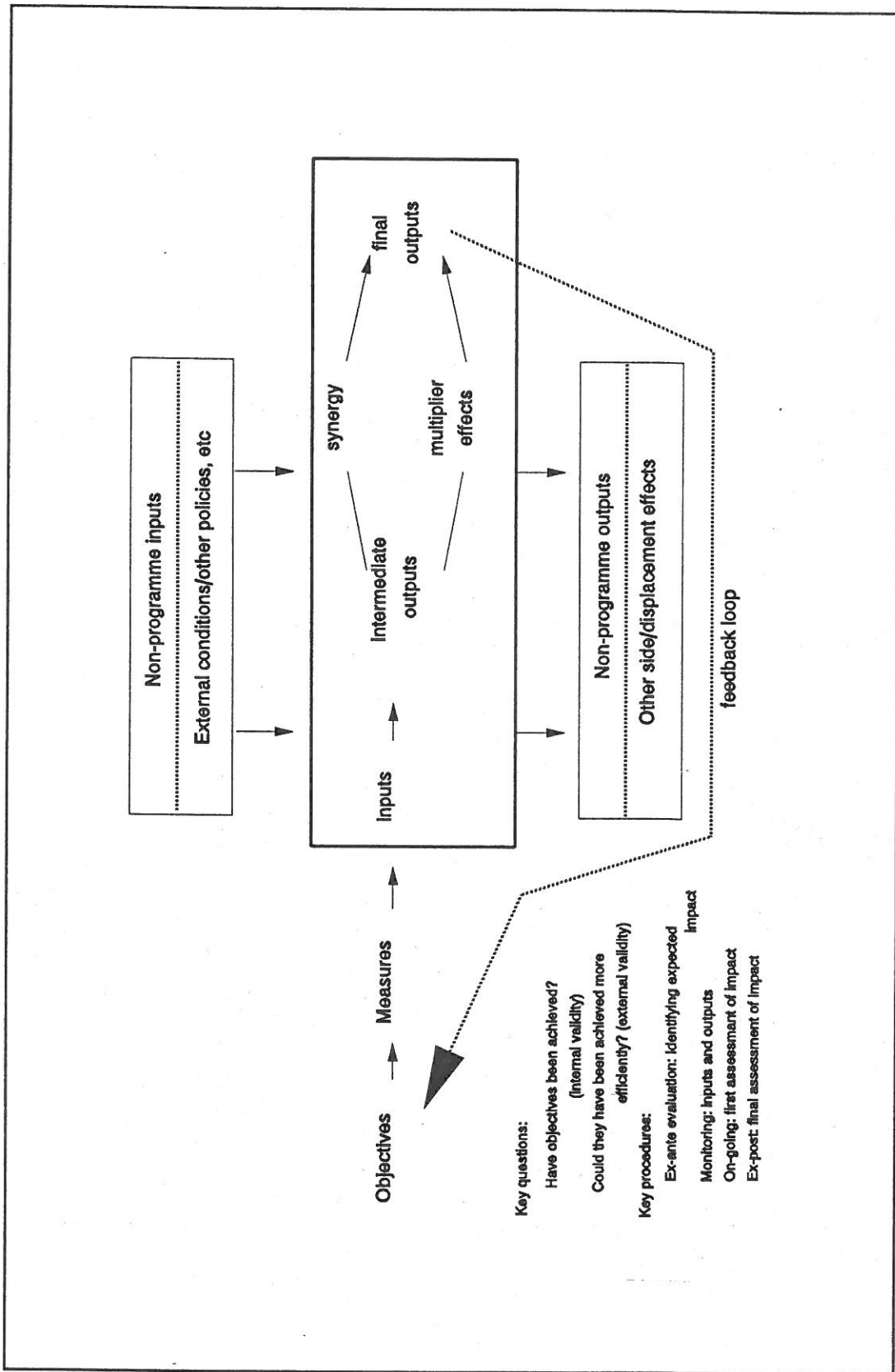


Figure 3.3: Evaluation concept

of targets.

In undertaking any evaluation the key aim is to establish causality. The linking of impacts with policy is the key challenge in any evaluation. The major reason why this is difficult is because there are many changes which are taking place in the external environment. In any rural economy the circumstances are constantly changing. Thus an evaluation is trying to establish the extent to which any impacts are additional to those which would have taken place in any case. This issue is specifically raised in the legislation of the Reform of the Structural Funds (article 9 of Regulation 4253/88 requires the 'increase in appropriations for the Funds has ... genuine additional economic impact'<sup>7</sup>). There are a number of ways in which an evaluator can cope with additionality and these will be discussed later under the heading of ex-post evaluation.

As the external environment is constantly changing, it is necessary to monitor this where possible. This may involve baseline studies and the collation of data on the general economic environment.

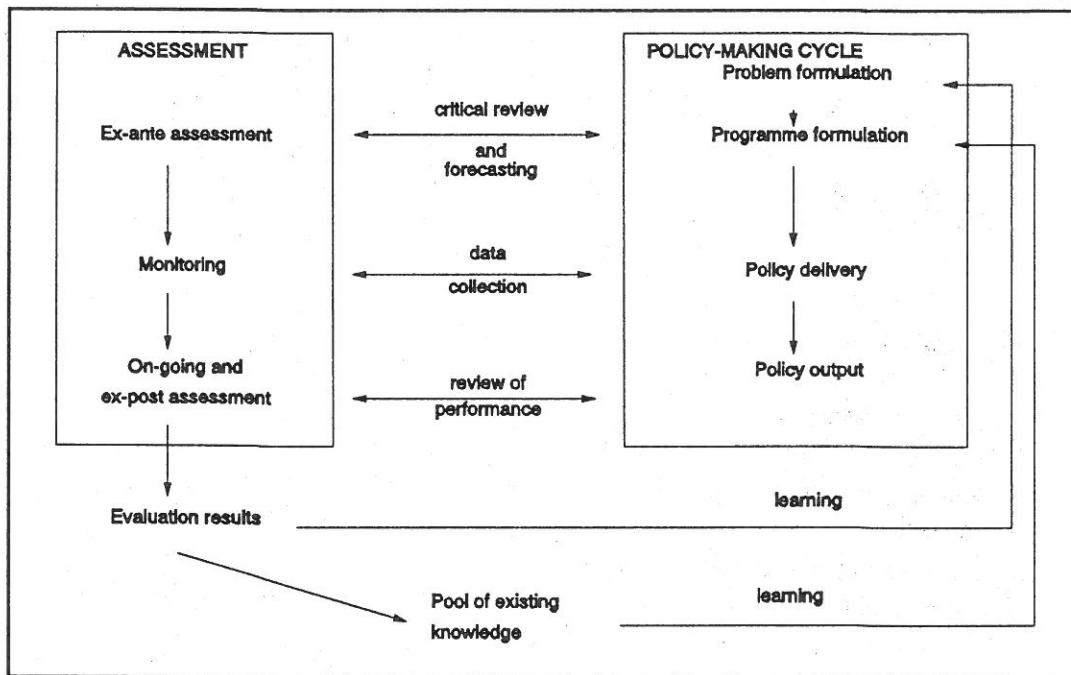


Figure 3.4: The policy cycle

Another common issue in relation to evaluation is the assessment of displacement effects. It is quite common for policy measures to have a displacement effect. In other words, assistance associated with any one region may have an impact on adjacent regions. For example measures to improve unemployment in one region may be so

<sup>7</sup> This is a completely different concept to financial inputs additionality (and follows from a provision in a later part of Article 9 Reg 4253/88 which refers to an increase in the total volume of structural aid applied).

generous that firms from an adjacent region are attracted to move to the detriment of its unemployment rate. Also there may be positive spill-over-effects from actions in one region to a neighbouring region (eg, by reducing air pollution). There are ways in which the issue of displacement can be taken account of, although very substantial evaluation exercises may be required.

There are a wide range of potential side effects and where possible, where anticipated these should be monitored and included in the evaluation. However, many side-effects are difficult to anticipate and evaluations should explore all potential areas where these may emerge. A common side effect might be impact on the environment.

It is important to recognise that any policy may have a multiplier effect. For example, the incentives to develop particular industries may introduce benefits for suppliers of those industries and for their suppliers. Thus, it is important that evaluation takes care not just of the first order effects on the target population, but also attempts to assess what second, third and later order effects might occur.

The basis of the Reform of the structural funds is the integration of assistance from the agriculture, regional development and social funds. The aim is to introduce such integration so that a synergistic effect occurs. Clearly these impacts of synergy between different funds cannot be measured at Operational Programme level when it is financed by one single fund. It is necessary to establish the extent to which assistance to the funds is more effective as a result of the integration of effort as part of the evaluation process.

Some consideration must be given to the timing of the assessment of any individual programme. Clearly there is a time lapse between the implementation of a programme and the generation of benefits and evaluation must take this into account. Initial or intermediate benefits can be assessed, although the problems of identifying ultimate benefits on the basis of results collected at an intermediate stage have to be borne in mind. Some benefits occur a long time in the future and ex-ante assessment may be the only realistic way of assessing the programme with the assistance of some on-going assessment of intermediate outputs (eg, for forestry investment or education).

Finally, it must be added that no evaluation will allow full quantification of the effects and it is inevitable that some subjective assessments will be required. However, subjective judgements should be clearly identified in the evaluation exercise.

As indicated earlier, evaluation is part of a process. It is an integration of different activities which when applied to a policy enable a full assessment of that policy. Whilst it is feasible to identify an overall framework for evaluation, it is not possible to identify a methodology for each evaluation study. Each measure will be different and each will demand a unique approach, although some of the principles adopted will be similar.

### 3.13 Special considerations for Objective 5b regions

In undertaking any evaluation of policies of the Objective 5b regions it is important to bear in mind their special characteristics. The following can be considered to be particularly relevant to evaluation:

- in certain regions, the absence of data to describe the current socio-economic characteristics;
- the substantial diversity of the OPs;
- the relatively small scale of some of the programmes;
- the extent of overlapping assistance from other EC, national and regional programmes;
- the scale of existing commitments in some areas;
- the different administrative traditions and arrangements;
- the element of partnership between the Member State and the Commission;
- the sharing of responsibilities between different local authorities;
- the different nature of the CSFs (mono and pluri-fund OP approaches).

Each of these has relevance for the monitoring and assessment activity which is undertaken and will be explored below.

#### **Absence of data;**

This will be relevant to:

- the establishment of a baseline set of indicators within the region;
- the extent to which it will be possible to assess the change in external circumstances;
- the extent to which the evaluation will need to build in the collection of primary data in order to both monitor and evaluate.

Where specific socio-economic or other data is required and does not exist a decision has to be made as to whether to initiate new data collection procedures or to restrict the nature of the evaluation. This decision is linked to the availability of resources for evaluation.

#### **Diversity:**

The diversity of the CSFs means that there is a limit to the extent to which a common evaluation methodology and procedures can be adopted. Some basic principles can be given and a broad framework of requirements and procedures can be laid down within which this can operate. However, the methodology must be adapted to the special circumstances of the CSF and OP. This inevitably means that some specialist assistance with evaluation will be required.

**Overlapping assistance:**

In many of the CSFs there are several layers of assistance in operation from different sources. In all areas where there is an agricultural programme the farms are subject to the CAP and both guarantee and guidance policies. These policies have a profound effect on the nature of the farms and farming systems. In some areas (eg, the Highlands and Islands of Scotland) direct subsidies (headage payments on livestock from both FEOGA Guarantee and Guidance Funded Programmes) can represent more than 75% of gross margins and this does not take into account the substantial subsidy resulting from other actions to support markets funded by the Guarantee Fund. This poses a considerable problem when trying to unscramble impacts, especially when the other measures swamp the Objective 5b resources. In many cases the Objective 5b measures are highly dependant on the other FEOGA measures (eg, any livestock improvement measures is reliant on the livestock support arrangements). This problem does not just apply to farm policy as a wide range of different policy influences also apply to other measures. This does not mean that evaluation cannot be effectively applied. As long as clear unambiguous objectives are defined for each measure, careful evaluation design can be utilised to differentiate the contribution of the measure.

**Scale:**

As shown in Figure 2.1 the scale of the CSFs varies considerably. For example, the difference between the Luxembourg CSF (the smallest) and that of Bayern (the largest) is considerable and it is inconceivable that one would approach evaluation of these programmes in exactly the same manner. Unfortunately the cost of evaluation is not linked to size of commitment. Even for the smallest CSF a commitment to evaluation will involve a minimum level of resources for it to be effective. Inevitably, with the smaller programmes it is difficult to justify allocating a substantial part of the funds to evaluation when resources are limited. In these circumstances we consider that evaluation should be pursued energetically, although with greater emphasis on the less expensive aspects (particularly the rationale checking of the ex-ante study).

**Existing commitments:**

Some CSFs have a very substantial allocation of existing commitments. These pose some problems because they were committed before the Reform of the Funds and the provisions for evaluation were less specific. Also, they are much more difficult to evaluate because much longer time has passed since their initiation. In some cases Member States argue that the Reform requirement applies only to 'new' money and that evaluation requirements are not necessary for the existing commitments. This would appear to contradict the concept of the CSF of which they are part.

**Administrative traditions with respect to evaluation:**

In some Member States the concept of policy evaluation is not well established as an

administrative procedure. There is concern that the process is impractical and inconclusive. We encountered a strengthening of this view as a result of the experience of the MIPs. Such scepticism is understood, but dismissed on the basis of the many positive contributions of evaluation. In the face of any resistance to the proper introduction of evaluation from Member States, the spirit of the framework of partnership should be invoked by the Commission to encourage its adoption as a regular and integral part of management of agricultural and rural development policies.

**Partnership:**

The framework of partnership should be a positive force in promoting the use of evaluation. However, partnership does involve protracted administrative procedures which inevitably slow down planning and implementation of programmes and of evaluation implementation. It imposes considerable responsibilities on the Commission to define the shape of evaluation at every stage in the development and implementation of the Reform and this may have prevented national initiatives aimed at improving the quality of the programmes from taking place. On the other hand, in those countries where there is resistance to evaluation the concept of partnership could encourage more productive evaluations.

**The sharing of responsibilities:**

Within each CSF there are many institutions involved in implementation and responsibilities are often shared. The implementation of evaluation therefore demands a considerable communication and administrative effort on the part of the Member States and Monitoring Committees. Thus, procedures should be as simple as possible. In many cases, this problem will be minimised if the Monitoring Committee can establish a specialist section which can be concerned with evaluation issues. It is inconceivable that the Monitoring Committee itself can cope with the details of implementing an evaluation plan without such help. It is also important that the Monitoring Committee has available the appropriate specialist technical assistance for evaluation.

**The different nature of CSFs (mono and pluri-fund approaches):**

Some CSFs comprise separate OPs for each fund (eg, Highlands and Islands and Walloon), this is the pluri-fund approach. The pluri-fund OP approach represents a much more challenging evaluation task. In some cases it may be necessary to modify the approach taken to ensure that the various assessments of sub-programmes which are part of different Operational Programmes are undertaken in a coordinated manner.

**3.14 Administrative considerations**

As mentioned earlier, evaluation of regional policies is a complex activity which has many pitfalls. We consider it is very important that the responsibilities for monitoring

and evaluation is shared and that the Monitoring Committee and Member States play an active and participative role (see Section 3.5). A number of concerns have been raised about the involvement of the Monitoring Committees in evaluation. It has been questioned whether they would be objective in their approach of evaluation and whether they would be competent in this area. We have doubts as to whether the Monitoring Committee will have the necessary expertise. Therefore, we propose that there must be the possibility of establishing a technical sub-group (which should be interdisciplinary) to oversee the development of an evaluation plan and the implementation of any appropriate evaluation studies and obligations. These can be serviced by specialist evaluation consultants who can provide much of the technical input for the Monitoring Committee. Objectivity is a problem whichever institution is concerned; it could be argued that the Commission is subject to the same pressures as the Monitoring Committee to show the Reform and its implementation in a good light. We consider that there is a simple way round this concern. We propose that the principle is established that all 'evaluations' are published and that only Commission approved and accredited evaluation practitioners are engaged for the evaluation tasks. This accreditation need not be a very onerous task and the publication principle and its associated 'peer pressure' will ensure that quality standards are maintained.

### **3.15 Possibility of use of technical assistance**

Under Article 16 (3) of Regulation 4253/88 the Commission may fund technical assistance 'with a view to assessing the impact and effectiveness of assistance provided under the relevant CSFs'. Specific reference to this facility is also made in Regulations 4254/88 and 4256/88 covering the ERDF and the EAGGF. Monitoring Committees can thus apply for this assistance to undertake evaluation.

### **3.16 Implementing a monitoring and evaluation plan:**

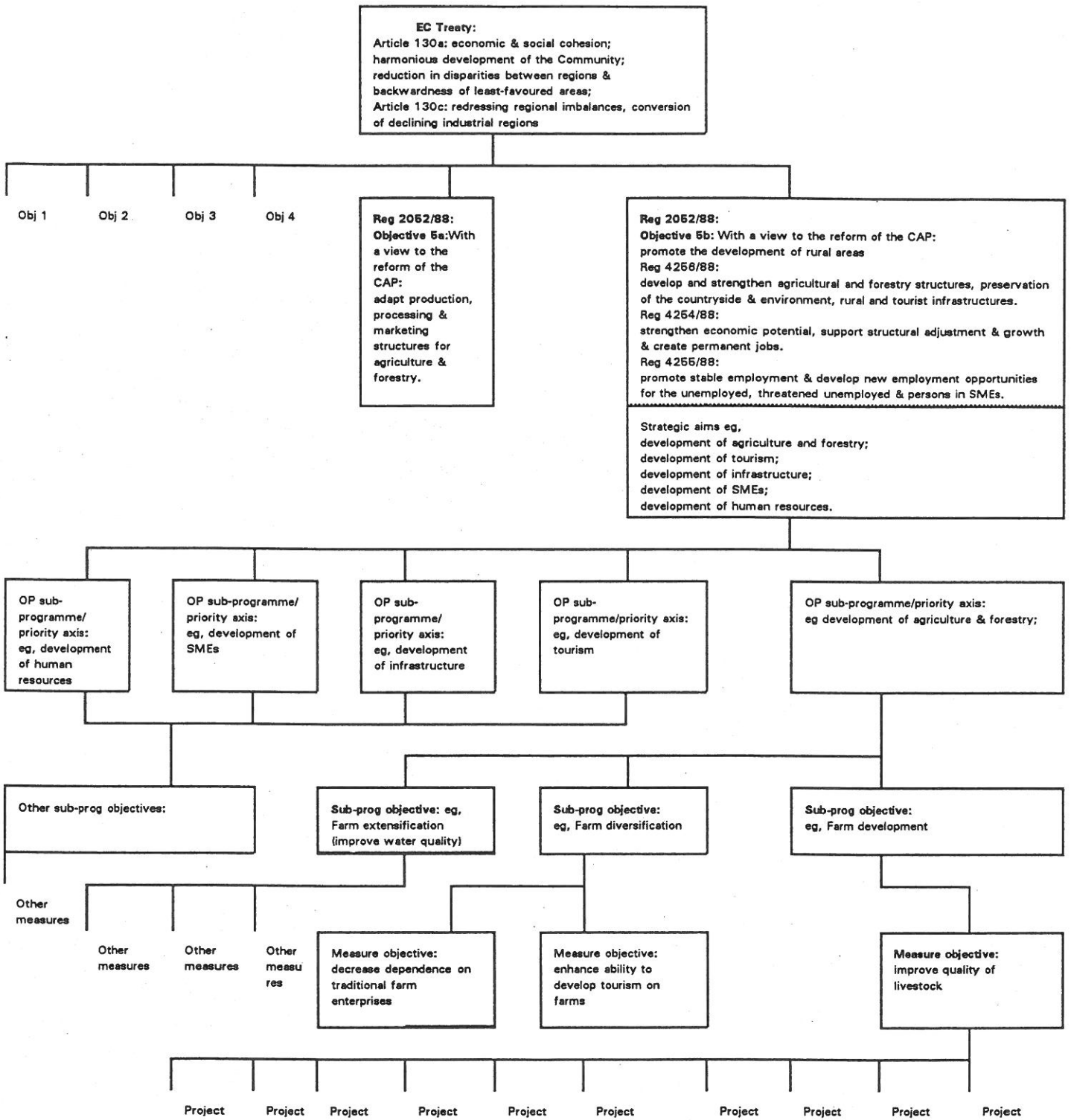
The implementation begins with the objectives. Here we must remind ourselves of the objectives of the Reform as they apply to Objective 5b areas. These are elaborated in schematic and hierarchical form below, as is discussed in Section 2.5. At the higher levels of the hierarchy all regions will have common objectives but the needs of the region are different depending on the strengths and weaknesses. However, at the CSF level the objectives will vary depending on the precise definition of the priority axes chosen for the CSF in the region. Similarly at sub-programme and measure level, the solutions chosen to meet the objectives at the CSF level will vary from region to region. The examples chosen in the diagram below are therefore for illustrative purposes only.

This objectives hierarchy therefore serves as the starting point for considering any of the evaluation activities considered in the following chapters. This should be followed by a full consideration of how the programme will be evaluated. The basis of this should be identified in the ex-ante study and should be made operational in the form of procedures for monitoring, on-going, final on-going and ex-post evaluations. The following sections (5, 6 and 7) elaborate a minimum framework and section 4 provides



guidelines on the choice of relevant indicators.

The objectives hierarchy





#### 4 The scheme of indicators

The development of appropriate indicators is an important part of any scheme for monitoring and evaluation. Indicators serve as targets and regular monitoring of these can provide information on progress towards objectives. In this section we analyse the use of indicators for the purposes of monitoring and evaluation and propose different kinds of indicators for assessment. We start with some general criteria for selection of indicators and discuss different types of indicators based on a scheme which takes into account the:

- level of aggregation: global or regional;
- dimension of measurement: monetary or physical;
- contents of measurement: policy inputs (mainly financial fund) or policy outputs (physical outputs, intermediate and final impacts).

##### 4.1 General criteria for selection of indicators

The selection of indicators is crucial for effective monitoring and evaluation. The indicators should be defined when actions (CSFs, OPs and measures) are planned or, at the latest, in the early stages of the implementation since an information system has to be established. Choosing appropriate indicators does not imply utilising a long list. The number of indicators should be kept to a minimum to keep the evaluation procedure as simple as possible.

This is particularly important for small programmes where the funds available are limited and where the creation of an information system would be costly. Indicators will have a contextual validity, such that some may be adequate and appropriate for one area but may not be required for some others. Therefore, it is not possible to present an exhaustive list of indicators to be used in all cases. Measures and external conditions vary across regions and over time. However, it is important to have in mind some key criteria for the choice of adequate indicators.

Because of the nature of evaluation one cannot rely only on quantitative physical or socio-economic indicators. For some aspects of the evaluation these criteria may provide only a partial picture. It may be necessary to add additional indicators which reflect qualitative views, (for example, on the beneficiaries view on those aspects of the programme they are aware of and their perception of the outcome). The attitudes and perceptions of beneficiaries and other interested parties are important to the evaluation since they are the main agents to the final outcome. Attitudinal data can be obtained from surveys and can be expressed in quantifiable form in exactly the same way as physical or socio-economic indicators. Moreover, the incorporation of qualitative views into an assessment are especially relevant in the on-going phases of the evaluation when data on effects and impacts are usually scarce or uncertain and more complex analytical techniques may not be affordable.

The basic criteria for the selection of indicators would include the following issues:

**Ease of collection.** The data needed should be available or easily gathered by the responsible authority. This will avoid diverting large resources from other parts of the initiative. An information system which is too burdensome may also weaken motivation.

**Sensitivity.** Indicators should be able to show the progress in the implementation of the programme and be sensitive to small quantitative and qualitative changes.

**Unambiguous definition and consistency.** The indicators must be defined in such a way that interpretation is clear and unambiguous and that collection under similar conditions gives identical results.

**Comparability across areas.** Harmonised methods for the measurement of variables should be used to facilitate comparison across countries and regions.

**Specificity.** Indicators must be defined for each circumstance in order to capture changes in specific targeted variables. Thus, for example, indicators may include qualitative attributes and spatial distribution.

#### 4.2 Types of indicators

Below we clarify the terms used for different types of indicators and specify their application. The overall scheme is specified in table 4.1 which illustrates the level at which the different types of indicators apply.

- a. **Financial inputs.** This information is available in the financial tables of the OPs for each measure and can be aggregated to the level of Member States and the Community. Later on, financial inputs should be related to physical outputs and impact indicators to indicate efficiency of the policies at different times and within different regions (see ex-ante and ex-post evaluation sections). The Commission of the EC has already put a considerable amount of work into this area and no further amendment is appropriate for use with 5b regions.
- b. **Initial conditions (geographical, socio-economical and ecological).** These data are partly available from CSFs and OPs and statistics at the NUTS III level. Specification of initial conditions should be undertaken by the authorities of the Member States as part of the ex-ante assessment and planning procedures. Prior to the beginning of the programmes it is required to analyse geographical, socio-economical and ecological conditions to identify the weaknesses and strengths of the regions as a basic need for the formulation of strategic aims and priorities of the rural policy. Data on initial conditions are essential as a comparison with the situation after termination of the programmes and this will serve as a basic source of information for any final on-going or ex-post evaluation. Similarly the change in

socio-economic conditions (GDP in agriculture, total GDP per head, unemployment rates, etc.) may be compared between 5b zones and other neighbouring regions.

- c. **Physical outputs.** Data should be collected for quantities (number of projects, capacities of public and private facilities for production and services) and for qualities (different categories of capacities in qualitative terms) to measure target achievement. Such indicators are essential to aggregate capacity effects resulting from realisation of projects and to link these with appropriate impact indicators. Physical monitoring (checking of target values) can mainly be done at the level of single projects; in the case of larger projects this also could be applied at the measure level.
- d. **Intermediate impacts.** Through these indicators immediate effects can be observed during on-going evaluation in terms of quantities and qualities at the project level and sometimes at the measure level depending on the size of projects. By using external information (expert knowledge) it is possible to calculate immediate socio-economic effects. For example, the number of new tourist beds multiplied by utilisation per season multiplied by income per bed results in an income effect of the region in the tourist sector. Some of these effects can be aggregated from the measure level to the level of OP and CSF and may be compared between regions of different Member States.
- e. **Organisational and legal indicators.** These are primarily qualitative assessments of the quality of delivery and implementation of policy.
- f. **Final impacts.** Because the realisation of OPs takes time, and because many effects of OPs are interrelated (new jobs in "other sectors" can change agricultural structures, new public infrastructure can change living conditions and thereby reduce out-migration rates, which together result in a synergistic effect), the main impacts of OPs on socio-economic conditions can only be observed some time after termination of operations. Therefore, it is suggested that the change in population, GDP, employment in agriculture (changing number of farmers), unemployment rate, etc, in comparison to the initial conditions (point b) for each 5b zone (NUTS III level as far as possible) is used as one source for the ex-post evaluation. Another source will be the aggregated socio-economic effects derived from the list of indicators of intermediate impacts (point d). Both sources of information are useful not only for ex-post evaluation of each single OP, but also for the discussion of efficiency of the Structural Funds Reform with regard to the 5b policy.

Selection of specific types of indicators and collection of data for the different types of indicators should be left to the appropriate regional or national authorities involved within the framework of partnership of the Monitoring Committees. In Appendix 1 we present indicative lists of indicators for initial conditions, physical outputs and intermediate impacts. These are examples from which Monitoring Committees may

make a suitable selection. In cases where aggregation of impacts is possible (eg, change in the level of GDP and in employment by creation of new jobs or extended production and service capacities) the same indicators must be chosen from the indicative list of intermediate impact indicators to quantify final impacts after termination of the programme. These can be used to assess the efficiency of the Structural Funds Reform with regard to Objective 5b when compared with inputs. Of course indicators alone are of limited value. Indicators have a role as part of a general scheme of evaluation which includes evaluation studies. This is considered in more detail in the following chapters where the way in which indicators are incorporated into evaluations are discussed.

**Table 4.1: Explanatory scheme for the use of indicators for monitoring and evaluation of 5b policy - type and level of aggregation (see Appendix 1 for indicative list of indicators)**

Type of indicator (see Appendix 1)	reference in Appendix 1		global level		regional level		
	EC	Member State	5b zone			part of the 5b zone/local area(1)	
			CSF	OP	Sub-programme/measure		
1 Financial inputs - funds (EAGGF, ERDF, ESF) - sources (EC, MSt, private) - time (1 year...last year)	X	X	X	X		X/X	
	X	X	X	X		X/X	
	X	X	X	X		X/X	
2 Initial conditions (2) - geographical - socio-economical - ecological	X	X	X	X			
	X	X	X	X			
	X	X	X	X			
3 Physical outputs related to target values - quantity - quality							
						Y	
						Y	
4 Intermediate impacts related to initial conditions - quantity - quality - socio-economical improvements - ecological improvements							
	X	X	X	X		Y	
						Y	
5 Final impacts (3) related to initial conditions - socio-economical improvements - ecological improvements							
	X	X	X	X		Y	
						Y	

X = data collection by authorities involved or statistical offices

Y = information partly based on estimation, case studies, surveys

(1) = as defined by implementation of the programme

(2) = additional data can be collected from certain reference regions when comparisons are required.

(3) = after termination of the programmes





## 5 Ex-ante: an approach

### 5.1 What is ex-ante assessment?

Ex-ante assessment is identified as a specific and mandatory part of the Reform of the Structural Funds. The two main aims of an ex-ante assessment are to check the rationale of the components of a policy and to estimate or forecast the future impact of a policy in order to make an initial assessment of its potential efficiency in meeting the objectives. This is particularly important when developing a policy and when impacts are envisaged well into the future.

An ex-ante assessment is therefore critical as a foundation stone for the development of a programme. It is the basis upon which targets and quantifiable objectives are set. The ex-ante assessment is therefore not only the basis of the entire evaluation process but also an integral part of the planning process. It is a component of the programme plan itself and the outputs which we suggest represent a statement to accompany the programme (CSF and OPs).

### 5.2 When should it take place?

Normally, ex-ante evaluation is undertaken at the beginning of the policy cycle. At this stage it contributes to the quality of the policy planning process. Whilst no formal ex-ante evaluation was undertaken at the current stage of the Reform, some of the components were included in the process of approving the CSFs and OPs. The ex-ante assessment undertaken as part of the current stage of the Reform will be dealt with by a separate exercise which will not be covered by this report although the procedures adopted will resemble those proposed (see Appendix 2). In the rest of this document we restrict our attention to the contribution of an ex-ante assessment in future implementations of Objective 5b.

Under the terms of the Reform of the Structural Funds, the planning of rural development initiatives under Objective 5b have to follow those of all the other objectives. Consequently, a three-phased programme development system has been followed: development plans; agreement on the basis of the plan of a CSF; and preparation of an Operational Programme. On the assumption that this procedure is adhered to in the next phase of the Reform, it suggests that a two stage ex-ante assessment is required. The first, prior to the preparation of the CSF (which focuses on the highest objectives and strategic aims) and the second, prior to the development of the Operational Programme (which assesses the priority axes and measures). This is not ideal as the rationality of the entire programme, from broadest aims through to measures, is the main component of ex-ante assessment. It will be instructive to think through strategic aims and priority axes into component measures as part of the same planning process. In fact, although the current legislation contains two elements (preparing CSFs and preparing OPs) we recommend that Member States undertake it as a single exercise and consequently we refer to them as one exercise here although

the separate CSF component is easily identifiable. The ex-ante study should therefore be initiated as an integral part of the preparation of both CSFs and OPs and should begin when these are prepared.

### **5.3 At what level of the Reform should the ex-ante assessment be applied?**

It is proposed that an ex-ante evaluation is undertaken at the level of the CSF and the OPs. Whilst the focus of the ex-ante study is on the CSFs and OPs it is inevitable that it also examines the composition of the OPs through its constituent measures.

### **5.4 Who undertakes the ex-ante assessment?**

It is proposed that the ex-ante study is initiated by the Member State within the framework of partnership. The rationale for this is that the ex-ante exercise is part of the planning process which is essentially, at least initially, a 'local' activity. The Member States should involve who they think are appropriate. This will depend on the administrative structure and tradition and the availability of regional or local based expertise. Some technical assistance may be required to resolve certain issues (for example, forecasting future impact) but the assessment does not involve external judgement of the plans except by the Commission in the framework of partnership and as part of its approval of the plans.

The involvement of the Commission is in the checking that the exercise is comprehensive, and consistent with the legislation and the overall objectives of the Reform. There should be little concern that the Member State does the job conscientiously and thoroughly as long as a meaningful evaluation programme is introduced throughout the life of the CSF. The ex-ante assessment provides the basis of the programme. It will therefore be the baseline for further evaluation activities, several of which should be undertaken by accredited independent evaluators and published. Any misleading rationale or anticipated impacts will be revealed in the course of time if an effective evaluation programme is implemented.

### **5.5 What is the basis of an ex-ante assessment?**

There are two main components of an ex-ante assessment; rationale checking the concept of the CSFs and OPs and forecasting their future impact.

The rationale check involves an examination of the relevance of the CSF, OP and associated measures, its consistency and compatibility with other Community legislation, other policies and the external 'environment', coherence of the initiative with special emphasis on the objectives of the Reform, the CSF, OP and measures, the extent to which different actions are administered in an integrated and coordinated manner and the likely programme validity. Each of these terms are explained in Section 5.6.

The assessment of the potential outcome of a policy is very closely coordinated with the rationale checking but involves the identification of expected results of the programme to serve as a basis for establishing programme targets and quantifiable objectives and to anticipate any effects which might be non-quantifiable. In developing policies (especially the instruments), policy-makers must go through this process, even though they will often try to avoid quantification of targets. The procedure is particularly important as it forces those involved in policy-making to think through the logic and assumptions behind the proposed policies. Likely programme validity can only be assessed after going through the procedure of setting targets.

#### 5.6 What is involved in the ex-ante assessment?

There are several key concerns when examining the rationale of the CSF, OP and measures:

relevance:

- that the regional policy needs are adequately diagnosed;
- that the programme objectives are relevant to the issues to be addressed;
- that the assumptions concerning the link between policy inputs and outputs underlying the objectives are relevant;

'external' consistency:

- that the policy objectives meet the aims of the Reform and the appropriate legislation;
- that the objectives are externally consistent in respect to other Community and national and regional policies;
- that the objectives are compatible with the general socio-economic and natural environment.

coherence:

- that the objectives are adequately defined;
- that the objectives are 'internally' consistent and coherent both vertically, between different levels of the Reform and horizontally, between initiatives at the same level of the Reform;

administrative integration and coordination:

- that the policy is prudently organised so that actions can be integrated and coordinated upon implementation.

programme validity:

- that, on the basis of current assessments, the programme represents an efficient allocation of resources (in the financial and economic sense).

The ex-ante study must therefore assess these aspects of the proposed actions. As such, the assessment will spell out a logical framework for the proposed programme of operations.

### 5.7 What is involved in the future impact assessment?

Forecasting the anticipated impact will force those preparing plans into spelling out the logic of the programme which is proposed. Whilst in many cases impact will be very difficult to predict, this will be instructive to the policy maker. It will indicate where the magnitude of the effect is uncertain and it will underline the need for additional strategic studies to help quantify the overall anticipated effect.

Assessing future impact involves forecasting potential outputs. A wide range of formal and informal techniques are involved. Where time and data availability allow, the development and use of models may be appropriate, although for most 5b areas, scale and the nature of the assistance means that the programmes may not be amenable to this approach. More qualitative and subjective approaches may be necessary, based on previous policy experience and expert opinion. The components are as follows:

- **Future impact assessment: CSF level**  
Issues covered:
  - quantification of strategic aims, the objectives representing priority axes and the key external factors influencing performance
  
- **Future impact assessment: OP level**  
Issues covered:
  - quantification of the objectives of measures and specification of the key external factors influencing performance;
  - consideration assessment of the key effects, multiplier, environmental, displacements, impact additionality and synergy.

### 5.8 What steps are involved?

Because of the wide range of different challenges which exist in the Objective 5b regions it is not possible to specify a single approach to cover all possibilities. However, we consider that the ex-ante evaluation carried out in each region follows an identical framework. This framework can serve as a means of standardising the approach and reporting procedure to the Commission. The Commission requires ex-ante assessments from the regions so that it can complete its own ex-ante assessment report on the implementation of the Reform at the CSF and higher levels.

We propose the following steps in each of the above components of the ex-ante study. Each involve the completion of the table appended to the end of this chapter and referred to in parenthesis after each step. Guidelines for completing this table provide

more detail on the issues to be covered at each step<sup>8</sup>.

**Rationale checking: CSF**

- a) Specification of the current economic position of the region and identification of its policy needs on the basis of an analysis of strengths and weaknesses (Table 1).
- b) Identification of strategic aims and priority axes in the light of policy needs (relevance), explanation of the basic concept of implementation (underlying assumptions) (Table 2).
- c) Explanation of the basic concept of implementation through the priority axes (Operational Programmes) and its underlying rationale (coherence) and consideration of compatibility with other Community policies and the external environment (external consistency) (Table 3).
- d) Summary of the check on rationale of the CSF (relevance, external consistency, and coherence) (Table 4).

**Future impact assessment: CSF**

- e) Identification of impact of the CSF and the specification of targets and key external factors which could influence the performance (Table 5).

**Rationale checking: OP**

- f) Identification of measures as the components of sub-programmes in the light of the 'higher' objectives of the CSF (relevance and coherence) (Table 6).
- g) Specification of the main organisational components (administrative integration and coordination) (Table 7).

**Future impact assessment: OP**

- h) Forecast the physical outputs of the measures and the specification of targets and key external factors which could influence the performance (Table 8).
- i) Forecast on the basis of the content of the programme other impacts as a result of the programme such as an environmental impact, additionality, displacement, multiplier effects, synergy and other side effects (Table 9).

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<sup>8</sup> An identical approach was used in the ex-ante examination of the first stage of the Reform. Ex-ante evaluations of 11 regions followed a similar structure although the results were reported in narrative form. For information the framework followed in those studies is appended in Appendix 2.

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**Overall summary of rationale and impact of CSF and OP**

- j) Specify the cost in terms of public funds of achieving each of the anticipated measure outputs as a basis of considering efficiency and overall programme validity (Table 10).
- k) Summarise the rationale check of the CSF and the OP and its associated measures (relevance, programme validity, external consistency, coherence, and administrative integration and coordination) (Table 11).

**5.9 What is involved in completing the tables?**

The completion of the tables will involve drawing on a very wide range of sources and experiences. This will include the experience of previous policies, the views of interested parties, the views of experts and the theoretical expectations of such policies. Where possible it should be completed on the basis of studies although, at the planning stage it will not be possible to initiate and complete new studies. It must be emphasised that major gaps in information should prompt the initiation of strategic studies the results of which will contribute to the existing pool of knowledge and input into future rural development initiatives.

**5.10 What are the outputs required?**

For each zone the Commission will require a comprehensive ex-ante study which will form the basis of the plan of actions for the region. It is proposed that the following tables are prepared and presented to the Commission.

The tables are specified on a conceptual basis only and will need to be further developed by the Commission before despatch to the Member States. We are particularly aware that the Commission would like to include tables in a similar house style to their own, and there may be a need for harmonisation with certain tables prepared by the DGs responsible for other parts of the Reform. Clearly, greater space will be required in some instances for responding in narrative form to some of the points. Alternatively, the reports may be completed entirely in narrative form. This narrative will follow the main and sub-headings of the tables.

## Suite of tables for ex-ante assessment

### Rationale checking: CSF

Table 1: Zone character and rural development challenge

Table 2: Strategic aims and priority axes

Table 3: Basic concepts of implementation through the OP

Table 4: Rationale check summary

### Future impact assessment : CSF

Table 5: Summary of anticipated outputs: CSF

### Overall summary: CSF and OP

Table 10: Inputs and outputs (efficiency)

Table 11: Summary of rationale check of CSF and OP

### Rationale checking: OP

Table 6: Basic concept of implementation of OP through measures (coherence)

Table 7: Integration and coordination

### Future impact assessment: OP

Table 8: Summary of anticipated outputs: OP

Table 9: Other impacts of the OP

## Suite of tables for ex-ante assessment



### 5.11 Rationale checking: CSF

Rationale checking elaborates the main line of thinking behind the actions proposed for the region. In very broad terms it elaborates the hierarchy of objectives for the implementation of the Reform in the region and identifies the nature of the actions and the concepts which are involved. Tables 1-4 should provide a clear summarised narrative account of this to accompany the CSF.

Table 1

Please enter key characteristics of each of the zones in the table. In column 10 paint a broad and general picture of the zone characters which indicate in very broad terms the nature of the challenge. For columns 3, 4, 5, 6, 7, 8 and 9 please provide the most up-to-date data. For agricultural income provide data in terms of agricultural value added per work unit (AWU). This is collected in harmonised form in most Member States. Where possible also provide the equivalent information for the Member State as a whole. Itemise strengths and weaknesses which the actions will address. Specifically address the following whilst considering the strengths and weaknesses: natural resources, human resources, economic activity by sector, infrastructure and public services, other critical issues (entrepreneurial resources, regional dynamism, public-private partnership).

**Table 1: Zone character and rural development challenge**

Area (sq km)	Population ('000)	Population density ('000/sq km)	Employment (% of working population)			Unemployment (% of working population)	Income per capita	Agricultural income	Other characteristics/strengths/weaknesses/nature of challenge
			Primary	Industry	Tertiary				
1	2	3	4	5	6	7	8	9	10

**Table 2**

In column 1 specify the strategic aims of the CSF. These must directly address the problems of the region itemised in Table 1.

In column 2 identify the links with the objectives of the Reform and specify how these strategic aims will contribute to these objectives. In column 3 define the priority axes which are necessary to address the strategic aims. In column 4 indicate the underlying rationale of these priority axes and spell out the assumptions on how they will lead to achievement of the strategic aims bearing in mind the conditions and circumstances of the region and the identified strengths and weaknesses. This latter is the basis of the assessment of the relevance of the CSF and it will also contribute to a consideration of external consistency through consideration of the compatibility with the external environment. The completion of this table will allow programme planners to concisely state the rationale of their approach which will provide the basis of future assessments of performance. There is no measurement involved. If there are difficulties completing this table, then some reconsideration of the need, direction or structure of the proposed initiative should be undertaken.

CSF			
Strategic aims	Link with objectives of the Reform	Priority axes	Underlying assumptions of the Initiative
1	2	3	4

**Table 2: Strategic aims and priority axis**

**Table 3**

In column 2 describe the sub-programme. Indicate the main components (which will be developed later as measures). In column 3 specify the link with the strategic aims. This is important in terms of coherence of the programme (vertically). Also specify any links with other parts of the programme so that the horizontal coherence of the programme may also be checked. In column 4 specify the extent to which the policy is consistent with other policies (CAP, competition, environmental, social policy, etc); emphasise potential conflicts and contradictions. Here also indicate the innovativeness of the proposed programme and why the objectives cannot be met through other policies.

<b>Table 3: Basic concept of implementation through priority axes( Operational Programmes)</b>			
<b>Sub-programmes (priority axes)</b>			
<b>Name</b>	<b>Description</b>	<b>Link with the strategic aims</b>	<b>Consistency with other policies</b>
1	2	3	4
Sub-programme 1			
Sub-programme 2			

**Table 4**

The purpose of this table is to summarise the overall rationale of the CSF as a base for preparing the detailed OP. Complete table 4 as briefly as possible in narrative form. In column 2 indicate how adequately the action can be justified in terms of relevance, external consistency and coherence (as defined in Section 5.6). Each must receive a comment. Under the heading 'relevance' comment on the way in which the concept of the CSF addresses the challenge of the region and its circumstances. Under the heading 'external consistency' address the compatibility with other EC rules and policies (eg, CAP, competition, State aids), national and regional policies and with the socio-economic and natural environment. Under the heading 'coherence' address the (vertical) links between the objectives of the Reform, the strategic aims and the priority axes. The rationale check of the OP will extend this exercise to the lower levels of the objectives hierarchy. Also consider the (horizontal) links between different priority axes. In column 3 identify the relative strengths of the programme in terms of these components. Specify whether the programme scores high, medium or low on each of these points. If it does not score high on any points, indicate the reasons why (eg, resources available, deficiencies in other policies, political difficulties, etc).

Table 4: Overall review of CSF		
	Comment	Relative strengths
1	2	3
Relevance		
External consistency		
Coherence		

### 5.12 Future impact assessment: CSF

An attempt must be made to forecast the outcome of the programme. In many cases quantification will be very difficult but, even so, the process of providing estimates of impact will greatly improve the quality of the programme. Completion of Table 5 below will elaborate the targets, the basis of these targets and the link between different levels of the hierarchy. An attempt must be made to complete this table as the basis of the plans which are prepared by the Member States and the CSF developed in the framework of partnership.

Table 5

In column 1 repeat the statement of strategic aims. In column 2 provide (a) the initial and (b) anticipated impact indicators which will result from the programme. These must reflect concern about the quality of the anticipated output and be time-bound. The difference between the two indicators represents the achievement of the overall strategic aims. In column 3 enter the basis of the forecast (in other words, how the targets were derived). There are several possibilities. Some of these may be quantitatively based (eg, from the experiences of other policies), others theoretical. The basis of the logic underpinning the anticipated outcomes will be revealed by the answers given. If the basis is very uncertain, or even a guess, acknowledge this. In column 4 specify the key external factors which are critical to success. There are a wide range of factors which could influence the outcome (eg, macro-economic factors, conditions in other regions). In column 5 itemise the potential other impacts. Specify environmental effects, displacement, multiplier effects and synergy. In this table simply acknowledge the broad expectations of these impacts at the CSF and priority axis level. Wherever possible provide a quantitative indication of the impact. More detail of each of these impacts will be elaborated in table 9 at the measure and sub-programme (priority axis) level. However, in this table it is necessary to detail the synergistic-effects in more detail as these are more likely to be evident at the CSF level. Complete columns 7, 8 and 9 in the same way for priority axes. In column 7 enter (a) the initial and (b) the anticipated intermediate impact indicators and in column 8 the basis of the forecast. For column 9, 'key external factors', there may be other more specific influences which need to be specified (eg, effect of weather on tourism). In column 10, again consider the environmental effects, displacement multiplier effects and synergy.

Table 5: Summary of anticipated output: CSF

Statement of strategic aims	Strategic aims				Priority axes				
	Initial and anticipated impact indicators	Basis of forecast	Key external factors critical to success	Other impacts	Priority axis	Initial and anticipated intermediate impact indicators	Basis of forecast	Key external factors critical to success	Other impacts
1	2	3	4	5	6	7	8	9	10

**Table 6**

In column 2 describe the measure and the manner in which it will operate. In column 3 elaborate on the underlying assumption of the measure. How will it contribute towards achievement of the priority axis. Explain the rationale of this measure in terms of the priority axis and thereby its relevance to achievement of the strategic aims (and hence if the logic of the CSF holds, a contribution to the development of the region). The different levels of the Reform must be integrated logically and it is this vertical integration which indicates the vertical coherence of the Reform. In column 4, specify the links with other measures (horizontal coherence).

<b>Table 6: Basic concept of implementation of OP through measures (coherence)</b>			
<b>Sub-programme 1</b>			
<b>Measure:</b>	<b>Description</b>	<b>Link with priority axes</b>	<b>Link with other measures</b>
1	2	3	4
Measure 1:			
Measure 2:			
Measure 3:			
etc...			
<b>Sub-programme 2</b>			
<b>Measure:</b>	<b>Description</b>	<b>Link with priority axes</b>	<b>Link with measures</b>
Measure 1:			
Measure 2:			
Measure 3:			

**Table 7**

In columns 1, 5 and 10 specify the lead department at each level of the programme. In columns 6 and 11 indicate other organisations involved, and in columns 2, 7 and 12 the coordination and reporting procedures. We recognise that the administrative arrangements in each region are complex and it is very difficult to develop a standardised administrative format. However, a clear indication of responsibilities and coordinating features of the different levels of the Reform are essential. If the administrative arrangements cannot be put into the format of the table draw a separate organigram, specifying coordination and reporting roles. Include the responsibilities at the CSF level for overall completeness. In addition, specify any constraints which may lead to legal or procedural delays in implementing the OP, sub-programme or measures (eg, acts of parliament, local laws, local planning concessions, etc). It is very important to itemise these different constraints at an early stage so that provisions for delays are realistically made.

<b>Table 7: Integration and coordination of OP</b>												
CSF				Sub-programmes				Measures				
Lead organisation	Coordination and reporting arrangements	Legal or procedural constraints	Sub-programmes	Lead organisation	Other organisations involved	Coordination and reporting arrangements	Legal or procedural constraints	Measures	Lead organisations	Other organisations involved	Coordination and reporting arrangements	Legal or procedural constraints
1	2	3	4	5	6	7	8	9	10	11	12	13
			Sub-programme 1					Measure 1				
								Measure 2				
								Measure 3				
			Sub-programme 2					Measure 1				

**5.13 Future impact assessment: OP**

Table 8 specifies more detail of the output of the OP at the measure level and Table 9 elaborates in more detail the indirect effects of the OP as a whole.

**Table 8**

It is assumed that the anticipated output of the priority axis is determined at the CSF level. This provides the point of focus for the OP and will define the target.

In column 2 specify the anticipated physical indicators of output. These can be any of those itemised in the Appendix referred to in Section 4. It may be necessary to select other appropriate indicators for some measures. The choice depends entirely on the nature of the measure, its context and the data availability. They will serve as a target for the measure and must be time-bound. They should be specified as precisely as possible. Wherever possible they must be defined to provide an indication of 'quality' of output. Thus, for example, measures to improve tourist accommodation provision, must specify the standard of accommodation as well as the number of rooms.

In column 3 elaborate the basis of the forecast. There are many possible sources of these forecasts. In some areas previous policies may give an indication of the potential take-up and output, whereas in other cases estimates may come from local interest groups and trade representatives. Where possible, a full descriptive account of current provision must be given as a base from which to estimate the changes resulting from the programme.

In column 4 specify those external factors which are critical to the success of the measure. For example, these may be natural factors (such as weather), the results of other legislation (eg, institutional reform) or macro-economic factors. Specification of these at this stage will help clarify the requirement for monitoring the most important external conditions.

Table 8: Summary of anticipated outputs			
Measure name:	Physical Indicators of output	Sub-programme	
		Basis of forecast	Key external factors critical to success
1	2	3	4
Measure 1:			



**Table 9**

For each measure and sub-programme there are many potential effects which are not captured in Tables 5 and 8. These will be elaborated in Table 9 for all measures and sub-programmes. Most of these are 'additional' effects which are critical considerations when developing a programme. This table provides a framework to consider these effects and it serves as an important qualification to the details provided in Table 8. As this is an attempt to anticipate future impact some attempt at forecast of effect should be made. Some of these may be obvious and hence identification of the effects will involve careful thought. If the answer is 'no indirect effect' please specify the grounds for concluding this under each heading. Wherever possible give some quantification of the possible impact (even subjective or qualitative assessment) but also give a summarised description of impacts.

**Environment (column 2):** A clear indication of the environmental effects should be given. This will involve a detailed consideration of the outputs of the programme. Consider separately effects on pollution (noise, atmospheric, water), landscape and ecology. Here indirect effects may be important (increased tourism, extra traffic, more people, etc). Where necessary undertake an environmental audit. In any case specify sources of information.

**Other side effects (column 3):** There are likely to be other side effects additional to those itemised in the column headings of this table of any proposed measures. Where possible, these should be described, elaborated and, if possible, quantified.

**Additional impact (column 4):** Some of the effects may have happened anyway. Try to estimate this. The examination of past trends, past policies, discussion with interested parties will all contribute to this assessment. Add a comment on the likelihood of this.

**Displacement effects (column 5):** It is likely that there will be displacement effects. These need to be specified in any ex-ante assessment so that the true overall worth of a programme can be identified. Particular attention needs to be paid to effects within a region as well as to those outside a region. For example, giving help to farmers to diversify will often penalise those who have already diversified without subsidy; giving general help to support tourism in one region may deflect tourists from another region.

**Synergy (column 6):** Many of the measures and sub-programmes rely on a synergy to produce the desired final output. In other words, the rural development impact of a forest road programme and a forest development programme are greater when they are combined than when they are implemented separately. The expected synergistic elements of the programme should be elaborated in the table. At this point it may be useful to develop a matrix which itemises the strength of interactions between each measure within the programme.

**Multiplier effects (column 7):** Many programmes have important multiplier effects. For example, assistance to help forestry owners also may provide assistance to any contractors which they use. Further order effects are experienced by their suppliers, etc. These knock-on effects provide momentum to economic units in a region and this represents a multiplier effect. These are notoriously difficult to estimate but some attempt should be made to provide these assessments to reveal the full rationale of the programme. A distinction must be made between the 'expenditure impact'; in other words, the immediate impact on the local economy as a result of the injection of public funds, and the wider 'rural development impact' which arises as a result of the injection of public funds. These latter effects will incorporate production, employment and incomes as well as other broader consequences. Uptake of assistance is an inadequate measure of success and wider (and enduring) impact criteria are required.

**Table 9: Other impacts of the OP**

	Environmental	Other side effects	Additional impact	Displacement	Synergy	Multiplier effect
	2	3	4	5	6	7
1						
Measure 1						
Measure 2						
Measure 3						
Measure 4						
Sub-programme 1						
Sub-programme 2						
Sub-programme 3						
Sub-programme 4						

5.14 Overall summary: CSF and OP

Table 10

Table 10 should be used to summarise the input/output (efficiency) relationships of the proposed programme. This table simply relates the anticipated outputs (targets) of tables 5 and 8 to the inputs. This is particularly useful when comparing alternative approaches to achieve policy objectives and will be of value when comparing programmes in different zones. Such criteria are important when considering value for money. Key value for money indicators will include cost (in terms of public funds) per additional job gained, cost per additional percentage increase in GDP, etc. The cost should be specified in ECU with a breakdown of Community national and private funds. The targets specified should be those identified in table 5 and 8. In columns 2 and 3 enter the figures for the sub-programme and in the other boxes enter figures for each component measure of each sub-programme. The costs should refer to those allocated for the duration of the sub-programme.

		Table 10: Inputs and outputs											
		Sub-programme (total)		Measure 1		Measure 2		Measure 3		Measure 4			
1	2	3	4	5	6	7	8	9	10	11			
Sub-programme 1	Community												
	National												
	Private												
Sub-programme 2	Community												
	National												
	Private												
Sub-programme 3	Community												
	National												
	Private												
Sub-programme 4	Community												
	National												
	Private												

**Table 11**

Table 11 is a repeat of table 4 but refers only to the OP (the CSF element is included in table 4 and should be viewed with this table). Subject each of the sub-programmes to detailed review according to the criteria of relevance to the rural development challenge of the region and its circumstances, the external consistency of each sub-objective, the overall coherence both horizontally between OP and measures and vertically between different levels of the programme and the degree of integration and coordination in the management and organisation of the programme. Each of these concepts are explained in Section 5.6.

Indicate whether the OP scores high, medium or low and provide reasons why it scores high. Whilst answers apply to individual sub-programmes, itemise any concern over specific component measures.

**Table 11: Summary of rationale check of CSF and OP**

	Relevance	Programme validity (efficiency)	External consistency	Coherence	Administrative integration and coordination
1	2	3	4	5	6
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					
Sub-programme 4					



## 6 Monitoring and on-going evaluation

Monitoring and evaluation are all part of the same process of policy assessment. Monitoring introduces procedures to assess (and ultimately control) progress in the fulfilment of measures, programmes and CSFs. The role of on-going evaluation is to make early assessments of impacts during the realisation of the OPs, to analyse the effects of the programme and to facilitate possible modification if required.

### Monitoring

#### 6.1 What is involved in monitoring?

After the adoption of the CSFs and with the progressive approval of the OPs, it is necessary to track and control the progress towards policy targets and objectives. Monitoring involves undertaking a regular review of the progress made in the implementation of OPs (sub-programmes, measures, actions/projects) and the CSFs, taking into account both the control of financial and physical implementation as well as the legal, operational and procedural elements.

It involves the collection of data and the creation of an information system on the progress in the implementation of the programmes. This monitoring information system should enable:

- the review and description of the basic financial data on inputs: by year; financial source; and measure;
- the control of expenditure by those responsible for individual projects;
- the control of the overall flow of public expenditure;
- the control of the progress of implementing measures/OPs/CSFs (in terms of physical resources);
- the control of the legal, operational and procedural elements in the implementation of the programme.

The main characteristics of monitoring are:

- it takes place at the level of measures (in some cases actions/projects) and consequently it may be, possible to aggregate at the level of sub-programmes, OPs and CSFs;
- the approach is absolutely descriptive; it involves only collecting and reporting data;

- it makes use of financial and physical indicators;
- the data sources are mainly internal, administrative prepared by the management of the OPs. The financial inputs and the physical outputs resulting from the realisation of the OPs and CSFs are the data sources that should be collected. These should allow the checking of the achievement of anticipated quantitative (financial or physical) objectives.
- It may also be possible to collect supplementary data related to physical outputs of the actions or to legal, operational and procedural elements in the implementation of the programme. These are likely to be internally derived (ie, from the existing administrative procedures).
- Monitoring should be undertaken under the overall responsibility of the Monitoring Committees (MC) at the level of measures, OPs and CSFs.
- The Commission will propose the general framework, the guidance and the format for reports and together with the Member States will collaborate with MCs in the monitoring tasks. From the monitoring reports of MCs the Commission will be in a position to report on the overall progress of the Reform at the level of the CSFs and final objectives.

## 6.2 How are indicators used?

Monitoring should use financial and physical indicators to illustrate the degree of progress towards completion of the measures/OPs/CSFs. It should control:

- the management of financial inputs from the financial tables of the OPs at the different levels (measures/sub-programmes/OPs/CSFs);
- the degree of attainment of physical outputs that had been foreseen to measure/check target achievement. The control of realisation of physical output implies the existence of a formal system of reporting, involving the completion of control sheets. Monitoring of physical outputs is clearly feasible at the level of measures (actions/projects). At higher levels (sub-programmes, OPs and CSFs) it is more difficult to aggregate physical indicators. Physical indicators may be only quantitative (number of hotels, number of actions, etc), but should integrate both quantity and quality characteristics (for instance, number and category of hotels). In some cases, the lack of physical output targets in the OPs represents a substantial constraint on the implementation of the monitoring of physical outputs. A scheme of indicators is discussed in Section 4 and an indicative list of these indicators is referred to in Appendix 1.
- the progress and management of the projects/measures included in OPs, taking into account a qualitative perception of existing problems and deficiencies

(legal, procedural, operational) caused by the management and organisational methods which are utilised.

The generation and reporting of indicators should take into account:

- the responsibility for their production;
- the timing of their collection and reporting.

The responsibility for the production of indicators depends on the type of indicator and of the level of intervention. The figure summarises the different possibilities.

Intervention level	Measure	Sub-programme	CSF
Type of indicator		OP	
Financial	MC/MS/COM	MC/MS/COM	MC/MS/COM
Physical	MC	MC (if possible)	
Qualitative management/organisation	MC	MC	MC

MS = Member State, MC = Monitoring Committee, COM = Commission

In relation to the timing of the production of indicators our proposal is as follows:

Intervention level	Measure	Sub-programme	CSF
Type of indicator		OP	
Financial	12 months	12 months	12 months
Physical	12 months	12 months (if possible)	
Qualitative management/organisation	12 months	12 months	12 months

### On-going evaluation

#### 6.3 What is involved in on-going evaluation?

The implementation of the measures and sub-programmes is not enough. All responsible should ensure that the implementation of operations will attain the objectives and results foreseen. An on-going evaluation provides an early assessment



of impact, the first identification of whether, and how, objectives are being met; and it is the basis for identifying possible adjustments or changes in the implementation of the programmes. On-going evaluation consists of an analysis of the quantitative results of monitoring, together with the collection and analysis of some additional quantitative or qualitative immediate or intermediate impacts and of the qualitative aspects of implementation (legal, operational, procedural questions). It is the first step to check the consistency, the efficiency and effectiveness of the measures in relation with the objectives of the programmes.

The main characteristics of on-going evaluation are as follows:

- As indicated in the monitoring section above, financial data will be available at the level of measures (in some cases actions/projects) and by aggregation at the level of sub-programmes, OPs and CSFs. These data will be available for use in the on-going evaluations. At the sub-programme level, the objectives must be clearly defined if progress is to be quantitatively measured. If they are not, then it may be possible to make a qualitative evaluation at the sub-programme and OP levels. Clear quantified definitions of objectives of sub-programmes and a precise specification of the relationship between these objectives and measures facilitate the tasks of quantitative on-going evaluation. Chapter 5 on ex-ante evaluation elaborates such an approach.
- On-going evaluation is principally concerned with an analysis of internal validity; that is, to assess whether target objectives have been met. However, in some cases it may also consider if there is a better way of achieving the objectives; (ie, the external validity of an action).
- It means a descriptive approach but it may also be analytical, using quantitative or qualitative data to analyse possible impacts, inconsistency, inefficiency or ineffectiveness or the delays in the implementation of programmes.
- It makes use of and analyses the financial and physical indicators and qualitative assessments (concerning procedural, operational and legal constraints on implementation) collected in the monitoring process and it gathers quantitative immediate/intermediate impact indicators (see Chapter 4)
- On-going evaluation also means the analysis of quantitative intermediate indicators and the fulfilment of a qualitative analysis of consistency, efficiency and effectiveness of programmes.
- In this case, the data sources may be threefold: they may be internal administrative data such as the financial, physical and qualitative information collected in monitoring or administering the tasks; they may be internal, but supplementary to the normal administrative activities and involve a special data collation from internal sources of quantitative and qualitative intermediate

impact indicators; or they may be data collected from external sources (eg, to construct additional indicators).

- At the level of measures and OPs the responsibility of on-going evaluation will be on **Monitoring Committees (MCs)**, with the guidance of the Commission; at the level of CSFs the responsibility will be on the Commission within the framework of partnership with the Member States and utilising the reports of MCs. In both cases, the Commission will propose the general framework, the guidance and the format for the on-going evaluation reports and both Commission and Member States should collaborate with MCs in on-going evaluation tasks.

#### 6.4 How are indicators used?

Apart from the use of indicators gathered in monitoring (ie, financial, physical and qualitative implementation indicators), on-going evaluation should also use immediate /intermediate impact indicators (quantitative and qualitative).

We have provided a substantial indicative list of these latter quantitative indicators in Chapter 4 and Appendix 1. The limitations of existing data sources and the budget limitations of OPs will restrict the use of indicators and a judicious and prudent choice must be made.

In Chapter 4 we provide some criteria for selecting and assembling criteria. However, this choice will depend on other factors such as availability, administrative and management system capabilities and capacities, operational structures, the partnership between different institutions and, most important, the budget.

The immediate/intermediate impact indicators may be both quantitative and qualitative at the level of measures (actions/project). This may also be the case at the level of sub-programmes, if the objectives are precisely defined. If objectives are adequately defined it is possible to relate immediate/intermediate impact indicators at the sub-programme level to those at the measure level. However, because of problems of aggregation (see Chapter 4), the on-going evaluation at the level of OPs and CSFs is likely to be qualitative.

The methods for deriving quantitative impact indicators involve assembling internal and external data to the programmes and preparing from these simple criteria (eg, percentages, indexes). The development of qualitative impact indicators will involve the analysis of the management and implementation of the programmes and also, where necessary, surveys and interviews of the various beneficiaries of the actions/projects. Appropriate material and human resources will be necessary to ensure that these surveys and interviews are undertaken professionally and the facilities to process and analyse the data are available.

The responsibility for the production of immediate/intermediate impact indicators depends on the level of intervention. Table 6.3 summarises the different possibilities within the framework of partnership. With respect to timing, it will be necessary to collect indicators annually and this target should be aimed at in all areas.

	Production responsibility	Timing
Measure	MC	Annual
Sub-programme/OP	MC/MS	Annual
CSF	MC/MS/COM	Annual

### 6.5 What does on-going evaluation involve?

We can summarise what is involved in on-going evaluation:

- a) to assess the degree of achievement of anticipated financial inputs, each year;
- b) to assess the degree of fulfilment of anticipated physical outputs at level of measures and, by a qualitative aggregation at the level of sub-programmes, OPs and CSFs, each year;
- c) to assess, largely by qualitative means, the deficiencies, the delays and the constraints in the implementation of the programmes at the legal, procedural and operational levels, each year;
- d) to assess the achievement of targets in quantitative intermediate impact indicators, at the measures, sub-programmes and OPs levels, each year;
- e) to assess, in a qualitative way, the impacts of the implementation of the programmes (measures, sub-programmes, OPs) each year, taking into account:

At the level of sub-programmes and OPs (from measures) for each of the following:

- \* **Coherence:**
  - **Vertical integration:** The degree of integration of each measure with the objectives of the OP and CSF
  - **Horizontal integration:** The degree of integration between measures
- \* **Programme validity:**
  - **Efficiency:** In the economic sense the rational use of resources, and in the more restricted financial sense, the outputs per unit of funds applied (inputs)
  - **Effectiveness:** The capacity to achieve the output objective
- \* **External consistency:**
  - **Compatibility:** With other legislation

- **Compatibility:** Between measures and the general socio-economic and natural environment

## 6.6 The implementation of monitoring and on-going evaluation

Monitoring and on-going evaluations need an accurate, precise and consistent definition of objectives presented in a hierarchical structure which incorporates the measures and sub-programmes (priority axes) and CSFs (strategic aims). It needs a precise and detailed evaluation plan.

The limitations of the current OPs in this sense are an important constraint on the tasks of evaluation, mainly in view of the lack or inadequacy of the physical and intermediate impact indicators. The next steps in the Reform of the Funds should take these deficiencies into account and this will enhance the role of monitoring and evaluation (especially the ex-ante phase). The problem is also apparent at the higher (OP and CSF) levels of the Reform.

The Monitoring Committee, in partnership with Member States and the Commission, will collect continuously, the financial data necessary to produce financial indicators every year. The mechanisms of control should be financial controls sheets as presented in Table 1.

The Monitoring Committee is responsible for the production of physical indicators. It should gather the physical data necessary to obtain these physical indicators, from those responsible for the different measures and sub-programmes every year at the measure and sub-programme level (if it is possible) for reporting to the Commission annually. The OPs should include clear measure/sub-programme objectives so that physical indicators can be used at these levels.

The instrument to control the progress of physical indicators is a technical control sheet illustrated in Table 2. This form has two main parts: the first facilitates the tasks of monitoring (involving the regular assembly of physical indicators); the second part may be used to undertake the on-going evaluation of physical inputs.

The Monitoring Committee should also elaborate qualitative management and organisation indicators to check deficiencies and delays, and the legal, procedural and operational problems existing in the implementation of the measures/sub-programmes. The definition of these qualitative indicators will involve interviews (and surveys) of the beneficiaries and those operating the programmes. This type of indicator should be elaborated for reporting to the Commission annually. The instrument to check qualitative management and organisation indicators is a qualitative management/organisation control form and is shown in Table 3.

Monitoring Committees should analyse and assess the progress in the implementation of the OPs and CSFs from the financial, physical and qualitative

management/organisation indicators every year.

Monitoring Committees should obtain every year a set of immediate/intermediate impact indicators, both quantitative and qualitative<sup>9</sup>) from internal and external sources at the level of measures. This should also be carried out at the level of sub-programmes where the quality of the objectives allow it. At the next stage of the Reform this should be applied in all sub-programmes if the objectives of measures and sub-programmes are adequately defined.

For each OP, indicators should be selected which reflect the anticipated economic-social importance of different sub-programmes and measures. Also, taking into account the available resources, a decision should be made on what, which, and how many indicators (from Chapter 4) will be required or how many and which measures or sub-programmes will be checked. Ideally, all will be subject to on-going evaluation.

In any case, on-going impact evaluation with intermediate indicators at the level of the global OP and CSF (and in some cases at the level of sub-programmes) seems only possible at a qualitative level. This will involve assessments being made of the degree of achievement of objectives at the measure/sub-programme level (Tables 4 and 5). These assessments will involve a review of progress and can take a number of different forms. In some cases, it may involve discussions with programme administrators, in other cases it may involve a wider range of formal and informal surveys of interested parties. In all cases the evaluator (see below) will take a pragmatic view of the technique adopted.

The on-going evaluation may be made by the Monitoring Committee itself. However, independent evaluators could play an important role in providing technical assistance and objectivity. The Member States or Monitoring Committees are very heavily involved in the process of implementation and may not be able to look at achievements objectively, especially in a procedure which relies very substantially on qualitative assessments. The collaboration of Member States and the Commission, who should define the framework, will always be necessary for providing general guidance and devising the reporting format.

From the analysis of the financial, physical and qualitative management indicators collected in monitoring and the analysis of immediate/intermediate impact indicators, the Monitoring Committee should propose and decide on (in partnership with the Member States and Commission) the modifications needed to improve the implementation of the programme. In undertaking a qualitative assessment such as this, there is considerable emphasis on judgement (especially in completing the scoring system referred to in Tables 4 and 5). Wherever judgement is used the evaluator

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<sup>9</sup> Qualitative evaluations have been successfully applied in an assessment of the PIM of Emilia-Romagna (Italy), and has prompted us to propose the use of these methods more generally.

should provide a description of the basis (evidence) of that assessment.

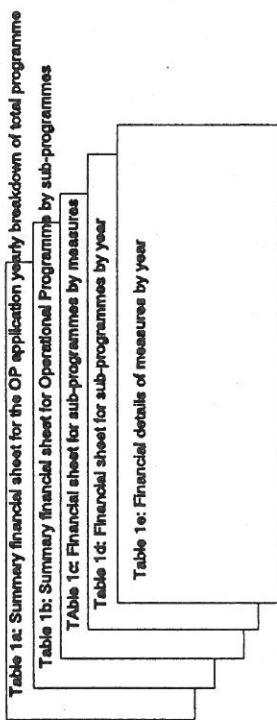
The Monitoring Committee in collaboration with the external evaluator should prepare a monitoring report and an on-going evaluation report within a common format defined by the Commission. This report should review the financial, physical and legal/procedural/operational indicators of progress in implementing the programme. It should include:

- a review of indicators (financial, physical and impact) by measure and sub-programme/OP/CSF (the latter where possible) by completing Tables 1, 2 and 4;
- a descriptive note related to implementation, management and organisational issues and completion of Table 3;
- a descriptive note on the issues of coherence, external consistency, and programme validity (efficiency) and completion of Tables 5;
- a descriptive note on any necessary changes and modifications to improve the programme results.

The following figure illustrates the full suite of tables required.

**Suite of tables for monitoring and on-going assessment**

**Table 1: The financial control sheets**



**Other tables:**

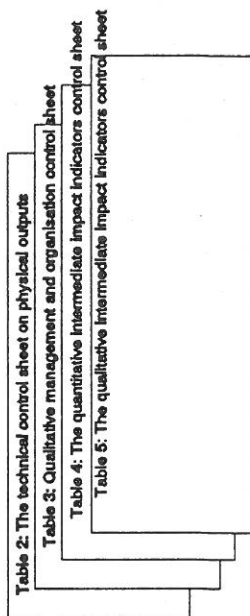


Figure 6 Suite of tables for on-going assessment

**Table 1: The financial control sheets**

Financial control sheets are applied in the same way that they are used for monitoring and assessment of other Funds and Reform objectives. This sheet provides monitoring information on the financial indicators (budget financial data, commitments, expenditures and payments) by year, by financial source and by level of implementation of the programme (measure, sub-programme, OP, CSF).

Tables 1a to 1e should be prepared using absolute values for budget financial data, commitments, expenditures and payments and also in percentages of realisation for commitments, expenditures and payments over the total budget.

On-going evaluation: Table 1a: Summary financial sheet for the OP application yearly breakdown of total programme (Mecu)														
OP title	CSF number	PUBLIC EXPENDITURE												
		Total cost	Total	Community grants				National administrations				Private funds	EIB, ECSC loans	
ERDF	ESF			FEOGA	Other	Total	State	Region	Other					
		1 = 2 + 12	2 = 3 + 8	3 = 4 + 5 + 6 + 7	4	5	6	7	8 = 9 + 10 + 11	9	10	11	12	13
Year 1														
Year 2														
Year 3														
Year 4														
TOTAL														



On-going evaluation: Table 1b: Summary financial sheet for Operational Programme by sub-programmes (Mecu)													
Operational Programme													
PUBLIC EXPENDITURE													
	Total cost	Total	Community grants				National administrations				Private funds	EIB, ECSC loans	
			ERDF	ESF	FEOG A	Other	Total	State	Region	Other			
Sub-programmes	1 = 2 + 12	2 = 3 + 8	3 = 4 + 5 + 6 + 7	4	5	6	7	8 = 9 + 10 + 11	9	10	11	12	13
Sub-programme 1													
Sub-programme 2													
Sub-programme n													
TOTAL													

On-going evaluation: Table 1c: Financial sheet for sub-programmes by measures (Mecu)

Operational programme title													
Sub-programme number													
PUBLIC EXPENDITURE													
	Total cost	Total	Community grants				National administrations					Private funds	EIB, ECSC loans
			Total	ERDF	ESF	FEOG A	Other	Total	State	Region	Other		
Measures	1 = 2 + 12	2 = 3 + 8	3 = 4 + 5 + 6 + 7	4	5	6	7	8 = 9 + 10 + 11	9	10	11	12	13
Measure 1													
Measure 2													
Measure 3													
Measure n													
TOTAL													

On-going evaluation: Table 1d: Financial sheet for sub-programmes by year (Mecu)

Operational programme title													
Sub-programme number													
PUBLIC EXPENDITURE													
	Total cost	Total	Community grants				National administrations				Private funds	EIB, ECSC loans	
			Total	ERDF	ESF	FEOGA	Other	Total	State	Region			Other
	1=2+ 12	2=3+8	3=4+5 +6+7	4	5	6	7	8=9+ 10 +11	9	10	11	12	13
Year 1													
Year 2													
Year 3													
Year 4													
TOTAL													

On-going evaluation: Table 1e: Financial details of measures by year (Mecu)

Operational programme title														
Measure number and title														
PUBLIC EXPENDITURE														
	Total cost	Total	Community grants					National administrations					Private funds	EIB, ECSC loans
			ERDF	ESF	FEOG A	Other	Total	State	Region	Other	Total			
	1 = 2 + 12	2 = 3 + 8	3 = 4 + 5 + 6 + 7	4	5	6	7	8 = 9 + 10 + 11	9	10	11	12	13	
Year 1														
Year 2														
Year 3														
Year 4														
TOTAL														

**Table 2: The technical control sheet on physical outputs**

1. The table is required to be completed once a year. The format for the final report will be determined at a later stage.
2. To assess the degree of achievement of physical indicators a technical control sheet is to be completed for each year of the programme. The technical control sheet is Table 2.
3. Table 2 comprises:
  - in the first column, the different measures grouped by sub-programmes and the total OP;
  - in the second column, enter the percentage of total funds assigned to each measure and each sub-programme over the total OP;
  - in the third column, by measures (and by sub-programmes if it is possible) enter the objectives and targets in physical outputs during the year. Each measure can have more than one objective and target;
  - in the fourth column enter the physical output (as defined by the chosen indicator) achieved during the year;
  - the fifth column enter the percentage achievement (ie, physical output achievement divided by the target physical output multiplied by 100).
4. Progress at the sub-programme and OP level can be indicated by the number of measures which are at different levels of achievement (eg, between 0% and 20%, between 21% and 40%, and so on). In a more quantitative way, a simple average degree of achievement at the sub-programme and OP level can be obtained by weighting the percentage achievement of each measure according to the percentage of funds it captures (see example table which follows).

On-going evaluation: Table 2: Technical control sheet (physical outputs)					
	Percentage of funds in relation to total OP	Physical output targets (b)	Physical output achieved (a)	Achievement of the target after 1 year	
				% of achievement (a)/(b) x 100	(1) (2)
Measure 1.1					
Measure 1.2					
Measure 1.n					
Sub-programme 1					
Measure 2.1					
Measure 2.2					
Measure 2.3					
Measure 2.n					
Sub-programme 2					
Measure n.1					
Measure n.2					
Measure n.n					
Sub-programme n					
Total OP					

(1) and (2) are optional and may be submitted by a descriptive analysis  
 (1) % achievement of sub-programme = weighted summation of % achievement by measure  
 (2) % achievement of OP = weighted summation of % achievement by sub-programme

**Example**

On-going evaluation: Table 2: Technical control sheet (physical outputs)					
	Percentage of funds in relation to total OP	Physical output targets (b)	Physical output achieved (a)	Achievement of the target after 1 year	
				% of achievement (a)/(b) x 100	(1)
					(2)
Measure 1.1	10%			25%	$\frac{10 \times 25 + 10 \times 100 + 10 \times 40}{30}$
Measure 1.2	10%			100%	
Measure 1.n	10%			40%	
Sub-programme 1	30%			x	55%
Measure 2.1	10%			20%	
Measure 2.2	10%			80%	$\frac{10 \times 20 + 10 \times 80 + 10 \times 40 + 10 \times 60}{40}$
Measure 2.3	10%			40%	
Measure 2.n	10%			60%	
Sub-programme 2	40%			x	55%
Measure 3.1	10%			60%	
Measure 3.2	10%			80%	$\frac{10 \times 60 + 10 \times 80 + 10 \times 0}{30}$
Measure 3.3	10%			0%	
Sub-programme 3	30%			x	47%
Total OP	100%			x	53%(3)

(1) and (2) are optional and may be submitted by a descriptive analysis

(1) % achievement of sub-programme = weighted summation of % achievement by measure

(2) % achievement of OP = weighted summation of % achievement by sub-programme

(3)  $\frac{30 \times 55 + 40 \times 55 + 30 \times 47}{100}$

100

**Table 3: The qualitative management and organisational control sheet**

1. On-going evaluation also implies a check on the progress in implementing the programmes. Three separate types of constraints are recognised: legal, where legislative requirements of any kind hinder implementation (eg, local laws requiring granting of permission to build, regional land planning laws; national laws or Community legislation); procedural, where administrative procedures serve as a constraint (eg, where regional authorities require national agreement before proceeding); operational, where all legal and procedural requirements are met but other factors delay implementation (eg, delays in staffing, problems preparing application forms, lack of interest of beneficiaries, etc). A number of different types of delays or other problems can arise during the progress of the programme. These should be noted as soon as possible and modifications made.

2. A single scoring system is the basis of the qualitative on-going evaluation. This involves:

a) Assigning a value for each measure and for each column on the basis of an analysis of the progress of the measures and any supplementary interviews and surveys. The scoring system proposed is:

- 3 - No constraints or delays exist
- 2 - Some constraints and delays exist, none are of major significance
- 1 - Some constraints and delays exist, some are of major significance
- 0 - Many constraints and delays exist, most are of major significance

b) To value the actions constraints and lacks and delays by measures, sub-programmes and OP, obtaining

- (1) *The total value, by summation of values of measures*
- (2)  $\% \text{ value of subprogramme} = \frac{\text{Maximum possible value of subprogramme}}{\text{Total value of measures}} \times 100$
- (3)  $\% \text{ value of OP} = \frac{\text{Summation \% value of subprogrammes}}{\text{Number of subprogrammes}}$

The assigned values for each measure has only a qualitative base, but this facilitates a numerical synthesis at several levels (ie, measures, sub-programmes and OP).



On-going evaluation: Table 3: qualitative management and organisation control sheet

	Action constraints			Indices		
	Legal	Procedural	Operational	(1)	(2)	(3)
Measure 1.1						
Measure 1.2						
Measure 1.n						
Sub-programme 1						
Measure n.1						
Measure n.2						
Measure n.n						
Sub-programme n						
OP						

- (1) Summation of values by measure, plus by columns: subprogrammes, OP
- (2) % value of subprogramme =  $\frac{\text{total value of measures}}{\text{Maximum possible value of subprogramme}} \times 100$
- (3) % value of OP =  $\frac{\text{Total value of subprogrammes}}{\text{Maximum possible value of OP}} \times 100$

**Example**

**On-going evaluation: Table 3: qualitative management and organisation control sheet**

	Action constraints			Indices		
	Legal	Procedural	Operational	(1)	(2)	(3)
Measure 1.1	2	1	3	6		
Measure 1.2	3	0	1	4		
Measure 1..n	0	1	0	1	11/27	
Sub-programme 1	5	2	4	11	41%	
Measure n.1	0	1	1	2		
Measure n.2	1	2	1	4		
Measure n.3	1	0	3	4	10/27	
Sub-programme n	2	3	5	10	37%	21/54
OP						39%

- (1) Summation of values by measure, plus by columns: subprogrammes, OP
- (2) % value of subprogramme =  $\frac{\text{Maximum possible value of measures}}{\text{total value of measures}} \times 100$
- (3) % value of OP =  $\frac{\text{Total value of subprogrammes}}{\text{Maximum possible value of OP}} \times 100$

**Table 4: The quantitative intermediate impact indicators control sheet**

1. To control and assess the achievement of target quantitative intermediate output indicators we use a sheet similar to the technical control sheet described in Table 2.
2. It comprises:
  - in the first column we have the different measures grouped by sub-programme and the total OP;
  - in the second column, enter the percentage of total funds assigned to each measure and each sub-programme over the total OP;
  - in the third column, by measures (and by sub-programmes if possible) enter the objectives and targets anticipated and described by quantitative intermediate impact indicators by year;
  - in the fourth column enter the intermediate impact (as defined by the chosen indicator) achieved during the year;
  - in the fifth column enter the percentage achievement (ie, the intermediate impact divided by the target intermediate impact multiplied by 100).
3. Progress at the sub-programme and OP level can be indicated by the number of measures which are at different levels of achievement (eg, between 0% and 20%, between 21% and 40%, and so on). In a more quantitative way, a simple average degree of achievement at the sub-programme and OP levels can be obtained by weighting the percentage achievement of each measure according to the percentage of funds it captures (see the example given for Table 2).

On-going evaluation: Table 4: The quantitative intermediate impact indicators control sheet						
	Percentage of funds in relation to total OP	Objectives and targets by year of intermediate impact indicator (by measure and sub-programme)		Intermediate impact achieved (a)	% of achievement of the targets after one year	
		Objectives	Targets (b)		% achievement (a)/(b)x100	(1)
Measure 1.1						
Measure 1.2						
Measure 1.n						
Sub-programme 1						
Measure n.1						
Measure n.2						
Measure n.n						
Sub-programme n						
OP						

(1) and (2) are optional and may be substituted by a descriptive analysis

(1) % achievement of sub-programme = weighted summation of % achievement by measure

(2) % achievement of OP = weighted summation of % achievement by sub-programme

Table 5: The qualitative intermediate impact indicators control sheet

1. The goals of this qualitative evaluation are the analysis of the COHERENCE, the EXTERNAL CONSISTENCY and the PROGRAMME VALIDITY at the level of the OPs. These attributes are analysed through the following policy variables:
  - COHERENCE: Vertical integration (see 4a below)  
Horizontal integration (see 4b below)
  - EXTERNAL CONSISTENCY: Compatibility with other legislation (see 4c below)  
Compatibility with socio-economic and natural environment (see 4d below)  
Efficiency (see 4e below)  
Effectiveness (see 4f below)
  - PROGRAMME VALIDITY:
2. Table 5 will be completed for each of the policy variables.
3. The general method for on-going evaluation is the same as described in Table 3: by assigning a value for each measure according to the type of qualitative variable or attribute being analysed.
 

Scoring will be on the basis of a 4 point scale as above; where a score of zero represents no evidence of achievement of the variable or attributes and a score of 3 represents full confidence that the variable or attribute is achieved or present. Scores of 1 or 2 represent more qualified expressions of confidence in the achievement of the variable or attributes.

The assigned values are based on the qualitative assessment of the evaluator from the analysis of the progress of the different measures and from undertaking surveys and interviews to the beneficiaries and those accountable for measures. The score should reflect the evaluator's view based on all the information to hand.
4. The variables to assess and the qualitative evaluation to undertake in each case should be at the level of **sub-programmes and OPs (from measures)** in relation to:
  - a) **Coherence (vertical integration):** to measure the degree of integration of each measure with the general objectives of the OP. No vertical integration implies that it is impossible to identify a contribution of the measure to the OP objectives. At the other end of the scale, high integration implies a very clear-cut and obvious link between the results of the measures and the OP objectives.
 

No vertical integration	0
Low	1
Medium	2
High	3
  - b) **Coherence (horizontal integration):** to measure the degree of integration between different measures so that they reinforce each other as a means of achieving the OP objectives. No integration implies that it is not possible to identify any integration with other measures.
 

No integration	0
Integration with one measure	1
Integration with two-three measures	2
Integration with more than three measures	3
  - c) **External consistency (compatibility with other legislation):** to measure the compatibility between the measures and between other legislation external to the Reform (eg, the Common Agricultural Policy, other national and Community policy initiatives)
 

No compatibility	0
Low compatibility	1
Medium compatibility	2
High compatibility	3

example below for the attribute coherence).

d) External consistency (compatibility with the socio-economic and natural environment: To measure the compatibility between measures and environment

- No compatibility 0
- Low compatibility 1
- Medium compatibility 2
- High compatibility 3

e) Programme validity (efficiency): to measure the efficient use of financial resources. Here the evaluation will have to make a judgement of whether the effects of the programme represent an efficient use of public funds. In making this assessment the evaluator should be comparing the efficiency criteria (outputs in relation to inputs) with those of policies elsewhere.

- No outcomes/effects 0
- Low outcomes/effects for the resources utilised 1
- Medium outcomes/effects for the resources utilised 2
- High outcomes/effects for the resources utilised 3

f) Programme validity (effectiveness): to measure the capacity to achieve the output objectives

- No possibility to achieve the output objectives 0
- Low possibility to achieve the output objectives 1
- Medium possibility to achieve the output objectives 2
- High possibility to achieve the output objectives 3

5. Finally, at the level of OP, an overall analysis of the degree of coherence, external consistency and programme validity can be carried out by analysing the results for each pair of attributes. The higher the percentage, the higher the level of rationality in the implementation of the programme. Each feature (coherence, external consistency and programme validity) should be expressed in a two axes graph representing the scoring value obtained by each of the two attributes (in percentage over the maximum achievable) (see

**Example**

**On-going evaluation: Table 5: The qualitative intermediate impact indicators control sheet**

	Policy attribute assessed:	
	Score	(1) (2)
Measure 1.1		
Measure 1.2		
Measure 1.n		
Sub-programme 1		
Measure n.1		
Measure n.2		
Measure n.n		
Sub-programme n		
OP		

$$(1) \% \text{ value of subprogramme} = \frac{\text{Total value of measures}}{\text{Maximum possible value of subprogramme}} \times 100$$

$$(2) \% \text{ value of OP} = \frac{\text{Total value of subprogrammes}}{\text{Maximum possible value of OP}} \times 100$$

**On-going evaluation: Table 5: The qualitative intermediate impact indicators control sheet**

	Policy attribute assessed: Coherence (vertical integration)	
	Score	(1) (2)
Measure 1.1	3	
Measure 1.2	3	
Measure 1.n	0	6/9
Sub-programme 1	6	67%
Measure n.1	0	
Measure n.2	2	
Measure n.n	2	4/9
Sub-programme n	4	44%
OP	10	10/18 56%

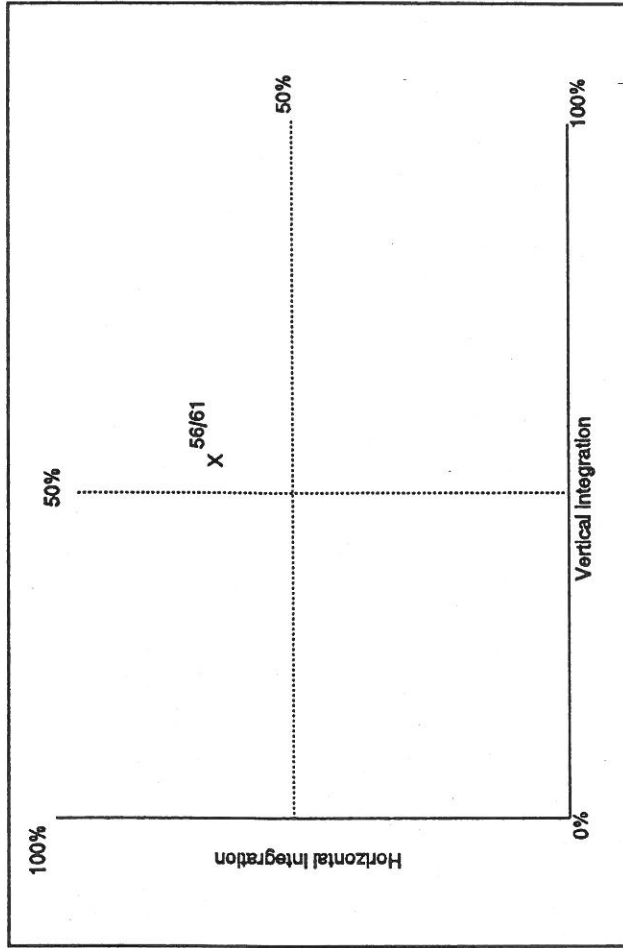
$$(1) \% \text{ value of subprogramme} = \frac{\text{Total value of measures}}{\text{Maximum possible value of subprogramme}} \times 100$$

$$(2) \% \text{ value of OP} = \frac{\text{Total value of subprogrammes}}{\text{Maximum possible value of OP}} \times 100$$

**Example**

**On-going evaluation: Table 5: The qualitative intermediate impact indicators control sheet**

	Policy attribute assessed: Coherence (horizontal integration)	
	Score	(1) (2)
Measure 1.1	2	
Measure 1.2	2	
Measure 1.n	1	5/9
Sub-programme 1	5	56%
Measure n.1	0	
Measure n.2	3	
Measure n.n	2	6/9
Sub-programme n	6	67%
OP	11	11/18
		61%



**Example of analysis at OP level using data from previous two tables for coherence**

$$(1) \% \text{ value of subprogramme} = \frac{\text{Total value of measures}}{\text{Maximum possible value of subprogramme}} \times 100$$

$$(2) \% \text{ value of OP} = \frac{\text{Total value of subprogrammes} \times 100}{\text{Maximum possible value of OP}}$$





## 7 Final on-going evaluation and ex-post evaluation

### Final on-going evaluation

The final report of the programme is required by the legislation (Article 25 (3) section 4 of Reg 4253/88) to be submitted within 6 months of the completion of the operations. The final annual report (Article 16 of Regulation 2052/88) is required before 1st November after the completion of programmes and should incorporate any results of ex-post studies. We propose that the report of the final on-going evaluation shall provide the basis of both these submissions. We shall refer to this as the final on-going evaluation.

The ex-post study is required by Article 26 (2) of Reg 4253/88. It requires assessment to be undertaken at all levels of the Reform and to be undertaken by reference to macro-economic indicators and descriptive and analytical studies and qualitative analyses. In effect, the final on-going evaluation will be ex-post in nature and character and could meet the requirements of the legislation. It also will apply comprehensively throughout all stages of the Reform and all 5b regions. However, because of its timing, it cannot capture the enduring effects of the programme and therefore should be supplemented by another more specific ex-post evaluation.

Therefore, the reasons for specifying the final on-going evaluation as a separate exercise to the ex-post study are as follows:

- a comprehensive ex-post evaluation will require the lapse of a longer time period than is available within a three year programme (especially as many of the actions do not come into operation until well within the programme);
- undertaking the same format as the on-going evaluation will provide a continuity of approach which will ensure that a sound understanding of impact is identified;
- the basis can be laid for a fuller ex-post study to follow at a later stage;
- the on-going evaluation is an ex-post study and meets all the requirements of the legislation;
- the use of on-going evaluation as a vehicle for the final on-going evaluation will facilitate the introduction of surveys or other information collection to meet experimental designs for assessing impact.

Consequently, reference should be made to the section of this report covering on-going evaluation for the full methodology. The reporting and other procedures for the final on-going evaluation will be exactly as those proposed for on-going evaluation.

## Ex-post evaluation

### 7.1 What is ex-post evaluation?

An ex-post evaluation assesses the impact of a policy after the implementation of that policy. The exact form and content of any ex-post evaluation will depend on the nature of the CSF and OP. As noted earlier, the Objective 5b OPs vary considerably and the precise approach will be determined by their nature. Thus, only a very broad guideline can be provided describing what should be done at the regional level. However, we elaborate a format for collating the contribution of the regions so that the Commission can draw conclusions at the level of the Community.

### 7.2 Ex-post: when does it take place?

Ex-post evaluations are undertaken after a programme has been implemented. Deciding when to undertake the ex-post study may be dictated by legislative requirements but is primarily a matter of judgement, consequently, there is no single best time for an ex-post assessment. It is critical that sufficient time should have passed for the overall effects of the policy to have emerged and clearly, to understand and measure 'effects' it may be necessary to wait several years. Thus, we propose that for the Objective 5b regions a full ex-post evaluation should be undertaken five years after initiation of the programme.

### 7.3 At what level of the Reform should ex-post assessment be applied?

It is proposed that ex-post evaluation takes place at the level of the CSF and the OPs. In order that assessment is made at this level, it will be necessary to undertake specific examination of individual measures. As for ex-ante assessment, the CSF ex-post assessment builds on the assessment of lower levels of the Reform.

### 7.4 Where should ex-post assessment be applied?

An important issue is whether ex-post assessments are required for all Objective 5b regions. A consideration here is the timing and the institutional arrangements. In five years time, this phase of the Reform will be complete and the institutional arrangements in the 5b areas is uncertain. Thus, the Monitoring Committees may be disbanded and the residual local interest will be maintained by the Member State or the region. Given such uncertainty, it seems likely that the initiative for any ex-post activity will have to come from the Commission.

Another factor is the development of the current stage of the Reform. One implication of the approach which we are proposing is that all regions should have gone through the process of elaborating an ex-ante evaluation such as we have proposed in Section 4. Unfortunately, we know that few comprehensive ex-ante studies were undertaken at the planning stage and that the Commission intends to meet the requirements of the

legislation at the current stage of the Reform as far as ex-ante evaluation is concerned by initiating studies itself in a small number of representative regions<sup>10</sup>. This means that a slight modification of the proposed approach will need to be undertaken at the current stage of the Reform.

Therefore, we consider there is an argument for restricting full ex-post assessments to a small number of regions. This will enable the Commission to focus resources, rather than spread them widely across many regions. We propose that all other regions are encouraged to go through the ex-ante and ex-post processes but their participation is not mandatory. We do not consider that this will compromise in any way the commitments to evaluation included in the legislation. Here we emphasise a point included in the introduction to this report, namely the concept of evaluation should not be seen as an imposition; it is essential in all good policy development and delivery systems. Thus, it is expected that ex-post evaluations are undertaken in each of the regions.

What then should be the basis of selection of these regions? The full ex-post assessments could be restricted to either the largest programmes (on the grounds that these are likely to be more productive and cost effective) or on some other criteria (such as representativeness of different types of programme). The argument for the latter appears strong. It would be useful to undertake ex-post evaluations in regions which illustrate the diversity of conditions and approaches. On this basis there is as much an argument to include the very small (eg, the highly integrated Luxembourg CSF) as the large (eg, the diverse Bayern CSF). Indeed the detailed work on the ex-ante assessments in 11 different regions which is due to start immediately provides an excellent opportunity to do the essential groundwork for effective later ex-post assessments. We recommend ex-post work in these same 11 regions; indeed the ex-ante studies can provide recommendations for the later ex-post study in the individual regions.

In the rest of this section we continue to assume that ex-post assessment will involve the Member States or Monitoring Committees, although clearly the broad framework is appropriate to whoever undertakes the exercise.

#### **7.5 Who undertakes the ex-post assessment?**

We propose that the format for ex-post assessment is drawn up within the framework of partnership and under the responsibility of the Monitoring Committee, together with the Member State. In these circumstances the Monitoring Committee and the Member State would be responsible for undertaking the detailed assessment of the measures, OP and CSFs, but a standardised report should be prepared for the Commission so that

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<sup>10</sup> Although, for these regions the ex-ante studies will follow a brief outlined by the Commission which will fit into the format outlined in Section 5.

the Commission can draw its conclusions for all CSFs. Commission-accredited independent evaluators should be closely involved in the Monitoring Committee ex-post evaluations and reports should be published to ensure an objective evaluation.

If the case-study approach is a more acceptable course of action, in view of the institutional uncertainty, it is the Commission which will inevitably have the responsibility for undertaking the studies with the aid of technical assistance from evaluation consultants.

#### **7.6 What is the nature of ex-post evaluation?**

An ex-post evaluation should build on all the other monitoring and evaluation activities which have been undertaken (ie the output from the monitoring, on-going and ex-ante assessments). Where possible it should use evaluation studies which explore net costs and benefits (where feasible, expressed in monetary terms), and issues in relation to impact such as displacement, multiplier effects and synergy. Due regard should be given to all the points mentioned in Chapter 3.

We do not consider that it is possible to specify a standard approach to the ex-post evaluation. However, a standard methodological framework can be identified to arrive at a systematically defined statement of impact at the CSF level, and we make a proposal to this end. This framework provides guidance of what is required to undertake a full evaluation and serves as a means of reporting the results to the Commission in standardised form.

The ex-post evaluation is the most comprehensive of the evaluation actions. However, it is also one of the most demanding, with substantial pit-falls for the unwary. Because of this it is suggested that evaluation consultants are employed to assist.

#### **7.7 What is involved in an ex-post assessment?**

As with all evaluations, the ex-post evaluation focuses on the objectives, and uses these as the starting point. It will be noted that the ex-post study incorporates many of the components of the ex-ante study. The rationale checking of the ex-ante study is an integral part of the ex-post evaluation and some of the analytical tools which may have been used to forecast impact can be used in the ex-post assessment but incorporating the results of actual experience.

The basic questions are:

- What are the objectives and targets?
- What was involved in the programme?
- What is the baseline for key impact indicators and conditions?
- What are the programme inputs?
- How have conditions changed?

- What are the programme outputs (intermediate and ultimate)?
- What is the situation at the time of the evaluation?
- What part of the change is due to the programme?
- Was the programme an efficient way of achieving the objectives?

It is useful to address these components within a single framework. In order to structure the ex-post assessment at the level of the CSF for reporting to the Commission, we propose that the basis is an Ex-post Impact Statement. The Statement will follow the format of the ex-ante assessment but will include opportunities for including and incorporating, in summarised form, answers to each of the above questions. Thus, it will provide an opportunity to compare expected outcomes (as was shown in the ex-ante study), and the observed outcomes, and to relate them to inputs. The Statement format will allow for the elaboration of any differences between the stated targets of the ex-ante evaluation and those identified in any ex-post study. It is proposed that the format of any ex-post evaluation submission will include both the original ex-ante targets and the ex-post outcomes. The Ex-post Impact Statement will summarise the reasons for differences between the two and give an account of all the evaluation issues (eg, the extent to which the changes resulted from the programme, displacement, side-effects, multipliers, synergy) and will provide a framework in which to capture the various impacts. The importance of the Ex-post Impact Statement format is that it will be standardised and it will be in summary form and therefore can be used by the Commission to draw some general conclusions for the Objective 5b regions as a whole.

In view of the absence of quantifiable targets in some of the current CSFs and OPs, ex-post assessment will be difficult to complete effectively. Consequently Monitoring Committees should be encouraged to look again at their indicators with a view to improving the quantification. Unless this is undertaken ex-post evaluation cannot be effective.

#### **7.8 What is the nature of output?**

The full ex-post evaluation will comprise much more than the Ex-post Impact Statement. This summary of impact included in the Statement must be accompanied by a full narrative report which will elaborate key evaluation findings and issues of impact. In particular, the report should incorporate a descriptive note defining the effectiveness and efficiency of the programme in terms of its objectives. As a control on quality we propose that all evaluation reports should be made publicly available.

#### **7.9 Evaluation techniques**

As noted earlier there are a wide range of possible techniques which can be used to examine the impact of regional policies. It is not the purpose of this report to elaborate all of these, indeed the task would be very demanding given the wide range of applications. The key issue in any study is to capture all the effects (outputs), record

all the inputs and identify causality. The latter is difficult because of the intervention of many external factors. The regional 'system' is subject to inputs of both policy instruments and non-policy variables and its outputs are (hopefully) the policy objectives and a number of intended and unintended side effects. The issue of causality becomes even more confused when we consider impacts over time with first, second and later order effects. As noted in Section 3 there are three basic approaches: descriptive, experimental, analytical. These are combined in most technical ex-post evaluation studies.

In very broad terms the technical studies will involve one or other of the following methods (see also Folmer and Nijkamp, 1985).

**Informal methods:**

- **ad hoc assessments:** usually undertaken by experts with specific knowledge of a region or a sector, or a review of global indicators;
- **cross-regional or area comparisons:** usually involving a review of the data upon which comparative statements can be based.

**Formal methods:**

- **micro-studies which involve some degree of experimental design:** It may be possible to set up a control group specifically for the study as part of the experimental design. However, precise matching of controls is very difficult and expensive to implement (and often technically unachievable). Consequently less structured controls may be used which involve comparing policy-on and policy-off situations. These studies rely entirely on survey-based techniques, of which there are many;
- **macro-studies with no models:** There are many different forms of these. The simplest are those which are basically descriptive and do not involve any model. A second non-model type may involve an experimental design as in the micro studies, but with the policy-on, policy-off comparison applying at the regional level rather than the micro firm or individual level.
- **macro-studies with models:** A number of macro studies will involve development of models. These vary in terms of sophistication from extrapolation of existing trends in policy-on and policy-off situations to the adoption of complex statistical methods. The latter may involve both single or simultaneous equation models. In the last category are input-output models which analyse inter-sectoral transactions and more general simultaneous models which examine several different interactions with a single model framework.

All of the model approaches demand a considerable amount of data, far more than would be available in most of the Objective 5b regions. Because of the nature of the

Objective 5b regions the evaluator/analyst will normally be restricted to the informal approaches or to the less data-demanding micro-studies. It is our view that informal methods and surveys will represent the most cost-effective and productive armoury for the evaluators involved in ex-post evaluations in many of the Objective 5b areas, although in some of the larger areas an approach which involves using an economic model may be adopted. The decision on this will need to be taken by the evaluator/analyst. A critical factor in the choice of methods is the availability of resources. Model development can be expensive and involve a considerable amount of time. A particularly important source of information will be the outputs of the monitoring and on-going evaluations and the ex-ante study. The monitoring and on-going evaluation outputs will provide clues as to which issues might be worthy of more detailed examination in the ex-post assessment. They should have put up markers of possible problems in relation to displacement, environmental effects, multiplier effects, other side effects and synergistic effects and they should also have raised questions in relation to additionality and explored aspects of this important subject.

#### **7.10 Where will the data come from?**

Much of the information required to complete the Ex-post Impact Statement comes from the other monitoring and evaluation thrusts (on-going and ex-ante). The indicators will have been reviewed annually in the on-going evaluations and the results of these will make a considerable contribution. However, it will be necessary to pull together other data. Some data will come from published sources, but these are not extensive in Objective 5b areas therefore it will be necessary to use programme monitoring information and surveys and other investigations. As noted above, it is inevitable that surveys of some kind will be needed to assess the net impact.

#### **7.11 Ex-post Impact Statement**

The Ex-post Impact Statement should summarise the answers to each of the questions posed in Section 7.7. This is formalised by compilation of the following tables. The tables are specified on a conceptual basis only, and will need to be further developed by the Commission before despatch to the Member States. We are particularly aware that the Commission would like to include tables in a similar style to their own, and there may be a need for harmonisation with certain tables prepared by the DGs responsible for other parts of the Reform. Clearly, greater space will be required in some instances for responding in narrative form to some of the points. Although completion of the tables relies on some subjective interpretation, it is necessary that as far as possible the answers reflect the outcome of specific evaluation studies.

The Ex-post Impact Statement comprises the following elements:

**Objectives, targets and activities (tables 1, 2 and 3):**

This is a restatement of the objectives and rationale of the actions and their means of



implementation, and for this purpose we can utilise slightly amended tables 2, 3 and 6 from the ex-ante assessment of Section 5. This will provide a clear statement of the concept behind the activities in the CSF, OP and measures and also the activities which were undertaken. An addendum to this should be a comment on any changes which have taken place in the objectives or targets and a statement of the reasons for this. This information can be attached to these tables in narrative form.

**External environment changes, programme output and vertical linkages (tables 4, 5 and 6):**

These tables record the output from the programme alongside the anticipated output reflected in the targets and also records changes in external conditions. In addition it will record the vertical linkages in the programme, a very critical component in the overall evaluation. The measures may have been very successful but had little or no effect in achievement of strategic aims.

**Organisation (table 7):**

This table will review any organisational constraint identified in the implementation of the programme.

**Other outputs and impacts (table 8):**

This table will capture the other key impacts of the programme. The result will be derived from any evaluation studies undertaken.

**Review of effectiveness and efficiency (tables 9 and 10):**

Table 9 brings together the information which can form the basis of an efficiency statement. This efficiency statement will be added to the report to provide a broad overview of the extent to which the programme was effective and also an efficient way of achieving the objectives. Each objective must be considered in turn in this review. The results of the overall programme can then be summarised in Table 10 according to the criteria: relevance, programme validity (efficiency) external consistency, coherence and administrative integration and coordination.

The Ex-post Impact Statement must be accompanied by a full narrative report which will elaborate key evaluation findings and issues of impact. In particular, the report should incorporate a descriptive note defining the effectiveness and efficiency of the programme in terms of its objectives.

## Suite of tables for ex-post assessment

### Objectives, targets and activities

Table 1: Strategic aims & priority axis

Table 2: Basic concept of implementation through OP (coherence)

Table 3: Basic concept of implementation of OP through measures (coherence)

### Organisation

Table 7: Integration and coordination of OP

### Review of effectiveness and efficiency

Table 9: Review of effectiveness and efficiency

Table 10: Overall review

### External environment, programme output & vertical linkages

### Other outputs and impacts

Table 4: Programme effects at measure level

Table 5: Programme effects at sub-programme level

Table 6: Programme effects at CSF level

Table 8: Other outputs and impacts

Figure 7.1: Suite of tables for monitoring and ex-post assessment

**Table 1**

Tables 1, 2 and 3 summarise the main rationale behind the CSF, OP and measures. A review of these is a useful starting point for the ex-post evaluation. Ideally, they will be derived from an ex-ante study undertaken during the planning phase of the CSF and OP. Where the ex-ante study was not undertaken, they must be derived from the CSF and OPs.

In column 1 specify the strategic aims of the CSF.

In column 2 identify the links with the objectives of the Reform and specify how these strategic aims were expected to contribute to these objectives. In column 3 define the priority axes which were necessary to address the strategic aims. In column 4 indicate the underlying rationale of these priority axes and spell out how they were to lead to achievement of the strategic aims bearing in mind the conditions and circumstances of the region and the identified strengths and weaknesses. Add in narrative form any differences which emerged in the course of the programme.

Ex-post evaluation: Table 1: Strategic aims and priority axis			
CSF			
Strategic aims	Link with objectives of the Reform	Priority axes	Underlying assumptions of the initiative
1	2	3	4

**Table 2**

In column 2 describe the sub-programme. Indicate the main components (which were developed as measures). In column 3 specify the link which was anticipated with the strategic aims (defining the vertical coherence of the programme). Also specify any anticipated links with other parts of the programme so that the horizontal coherence of the programme may also be checked. In column 4, specify the extent to which the policy was anticipated to be consistent with other policies (CAP, competition, environmental, social policy, etc); emphasise the foreseen potential conflicts and contradictions. Here also indicate the innovativeness of the proposed programme and why the objectives cannot be met through other policies. Add in narrative form any differences which emerged in the course of the programme.

Ex-post evaluation: Table 2: Basic concept of implementation through Operational Programmes (coherence)			
Sub-programmes (priority axes)			
Name	Description	Link with the strategic aims	Consistency with other policies
1	2	3	4
Sub-programme 1			
Sub-programme 2			

**Table 3**

In column 2 describe the measure and the manner in which it was anticipated it would operate. In column 3 elaborate on the foreseen underlying assumption of the measure. How was it expected to contribute towards achievement of the priority axis. Explain the anticipated rationale of this measure in terms of the priority axis and thereby its potential relevance to achievement of the strategic aims (and hence, if the logic of the CSF held, a contribution to the development of the region). The different levels of the Reform must be integrated logically and it is this vertical integration which indicates the vertical coherence of the Reform. In column 4, specify the anticipated links with other measures (horizontal coherence). Add in narrative form any differences which emerged in the course of the programme.

Ex-post evaluation: Table 3: Basic concept of implementation of OP through measures (coherence)			
Sub-programme 1			
Measure:	Description	Link with priority axes	Link with other measures
1	2	3	4
Measure 1:			
Measure 2:			
Measure 3:			
etc...			
Sub-programme 2			
Measure:	Description	Link with priority axes	Link with measures
Measure 1:			
Measure 2:			
Measure 3:			

**Table 4**

**External indicators (columns 2 and 3):** This will specify the initial and final external conditions to the policy. Include any additional important changes in the external environment which were not specified in the ex-ante work (eg development of the CSF and OP.

**Physical indicators of output (columns 4 and 5):** Provide the anticipated output indicators as specified in the CSF and OP. Also indicate those indicators of output which reflect the current situation.

**Comment on reasons for differences (column 6):** Indicate the extent of the difference between anticipated and actual output and provide reasons for these differences. Outline the basis of these conclusions. Did they arise from a commissioned study, if so indicate the precise nature of this study and its conclusions? Emphasis the extent to which the achievement of the objectives arose from the policy input or from external factors. Indicate any difficulties associated with the delivery or implementation of the measure.

**Link with sub-programme objectives (column 7):** Indicate the extent to which the anticipated linkage between the measures and the sub-programme of which they are part have been achieved. If the original logic underlying the assumptions of the programme has been supported, clarify the extent to which this follows directly from the programme input.

<b>Ex-post evaluation: Table 4: Programme effects at measure level and links between the measures and the sub-programmes</b>						
Measure name:	Initial external indicators		Physical indicators of output		Comment on reasons for differences	Link with sub-programme objectives
	Initial	Final	Anticipated	Final		
1	2	3	4	5	6	7
Measure 1:						

**Table 5**

**Intermediate impact indicators (columns 2 and 3):**  
Specify the anticipated outcome from indicators included in the development of the CSF and OP, and also the corresponding indicators the final outcome.

**Comment on reasons for differences (column 4):**  
As for measures, provide a comment of the performance of the targets. If the target was not achieved, give an indication of the reasons why. Provide indications of the extent to which this was a result of problems in implementation, in external conditions or because of the absence of other supporting components of the policy. Similarly, explain why the result was positive.

**Link with CSF strategic aims (column 5):** Specify how the linkage indicated in the ex-ante work (eg in the development of the CSF or OP) was expressed through the life of the programme. If the linkages are no longer relevant, please indicate the reasons why.

Ex-post evaluation: Table 5: Programme effects at sub-programme level and links between the sub-programmes and the CSF				
Measure name:	Intermediate impact indicators		Comment on reasons for differences	Link with CSF strategic aims
	Anticipated	Final		
1	2	3	4	5
Sub-programme 1:				

**Table 6: CSF rationale and objectives:**

**Impact indicators (columns 1 and 2):** Specify the anticipated and final impact indicators. If there has been little change in these please provide an account of why this might be the case.

**Comment on reasons for differences (column 3):**  
 Again indicate why there is any difference between the anticipated and actual output. At this level of the reform it is very difficult to quantify effects. Indicate the nature of the changes which have taken place during the course of the programme and factors which will have influenced the output.

**Link with objectives of the Reform (column 4):** To what extent have the overall objectives of the Reform been achieved as a result of this measure. Itemise the evidence for an impact, providing quantifiable evidence where possible.

Ex-post evaluation: Table 6: Programme effects at CSF level and links between the CSF and the objectives of the Reform			
CSF			
Anticipated	Impact indicators		Link with objectives of the Reform Specify whether the anticipated linkage was achieved
	1	Final 2	
		3	4



**Table 7**

Table 7 summarises the organisational structure in broad terms and should be used to summarise any organisational problems which arose. In columns 1, 5 and 10 specify the lead department at each level of the programme. In columns 6 and 11 indicate other organisations involved, and in columns 2, 7 and 12 the coordination and reporting procedures. We recognise that the administrative arrangements in each region are complex and it is very difficult to develop a standardised administrative format. However, a clear indication of responsibilities and coordinating features of the different levels of the Reform are essential. If the administrative arrangements cannot be put into the format of the table draw a separate organigram, specifying coordination and reporting roles. Include the responsibilities at the CSF level for overall completeness. On the basis of the programme results, specify any specific constraints or difficulties which led to problems in implementing the OP, sub-programme or measures (eg, legal, procedural or operational/organisational) in columns 3, 8 and 13. The sources of information will be various, but may include the programme management team, the appropriate Commission Services and recipients and other interested parties. Add additional comments in narrative form if necessary.

**Ex-post evaluation: Table 7: Integration and coordination of OP**

Lead organisation	CSF			Sub-programmes					Measures			
	Coordination and reporting arrangements	Constraints identified	Sub-programmes	Lead organisation	Other organisations involved	Coordination and reporting arrangements	Constraints identified	Measures	Lead organisations	Other organisations involved	Coordination and reporting arrangements	Constraints identified
1	2	3	4	5	6	7	8	9	10	11	12	13
			Sub-programme 1					Measure 1				
								Measure 2				
								Measure 3				
			Sub-programme 2					Measure 1				

Table 8

This table summarises the impacts which have been identified in the ex-post evaluation studies. Each of these represent critical aspects of the ex-post evaluation and the overall assessment of the effectiveness and efficiency of the policy. The results should be identified from formal evaluation studies. Provide responses where possible in quantitative and narrative form.

**Environmental effects:** There are two broad measures which can be utilised to assess environmental effects. On the one hand one can adopt a technical assessment of the changes which have been introduced. The nature of this will depend upon the type of programme which has been introduced. For example, if the programme has the objective of reducing the pollution of water then the criteria will be water quality indicators. Similarly, if there are ecological objectives then broader ecological criteria may need to be utilised. The second method of assessing the environmental effects is to use economic criteria for assessing costs and benefits. The methodologies to achieve this are well established although they are controversial. The main thrust of such studies are to identify a demand curve for environmental goods with a view to establishing the value which is placed on improvement in those goods. Great care needs to be taken in using such techniques. However, they are of value and an indication of the benefits of environmental programmes represents a valid and achievable objective.

**Other side effects:** There are a wide range of possible side effects of the policy. Where possible these should be identified. Many will be difficult to anticipate in advance and consequently these effects will be derived from evaluation studies which have explored other possible impacts.

**Additional impact:** Specific research may be necessary to explore the true impact of the programme. In some cases an indication of impact can be obtained by judicious choice of experimental design. The use of control groups can clarify how those not subject to the policy act and this can provide clues to the magnitudes of impact resulting from the programme. In many cases this will be derived from surveys which will explore the decision-making of participants in measures. Of critical importance here is the need to identify the nature of the decision making early in the policy life as retrospective recall of the decision may be defective.

**Displacement:** There are a wide range of possible displaced effects as a result of the programme. These can be vital to the overall assessment of the effectiveness or efficiency of a programme. Initial assessments of impact on the main objective may need to be discounted by the cost of these displaced effects. For example, the promotion of one sector of the regional economy may reduce the economic well-being of a competing sector. All ex-post evaluations should explore this issue in substantial depth using both experimental design and analytical techniques.

**Synergy:** Indicate the extent to which the achievement of the objectives can be ascribed to the combination of measures. Specify the extent to which these measures have combined to produce a more productive output. Indicate the defects of the programme in terms of complementary or supporting components. Particularly useful here is to develop a matrix which analyses inter-measure and inter-sub-programme interactions. Within this matrix it should be possible to score the strength of each interaction (strong, moderate, weak) on the basis of the evaluation work during the programme life (on-going evaluation) and any ex-post evaluation.

**Multiplier effect:** If possible the ex-post evaluation should assess the extent to which the programme resulted in second or higher order effects. Such effects can be established by surveys. Provide a broad indication of the nature of these effects from any informal sources if no quantifiable assessment can be made.

Ex-post evaluation: Table 8: Other outputs and impacts

	1	2	3	4	5	6	7
	Environmental effects	Other side effects	Additional impact	Displacement	Synergy	Multiplier effect	
Measure 1							
Measure 2							
Measure 3							
Measure 4							
Sub-programme 1							
Sub-programme 2							
Sub-programme 3							
Sub-programme 4							
CSF							

**Table 9**

Complete this table on the basis of the outcome of the programme in terms of change in indicators. It should be possible to identify the cost in terms of public funds (inputs) to achieve the change in output. In addition, and in narrative form, comment on the efficiency of the CSF level. This assessment must consider efficiency from the point of view of budgetary cost as well as economic efficiency. The results of the latter will draw on the techniques identified in Section 7.9.

Ex-post evaluation: Table 9: Review of effectiveness and efficiency												
	Sub-programme 1 (total)			Measure 1		Measure 2		Measure 3		Measure 4		
	Cost	Outcome		Cost	Outcome	Cost	Outcome	Cost	Outcome	Cost	Outcome	
1	2	3	4	5	6	7	8	9	10	11		
Sub-programme 1	Community											
	National											
	Private											
Sub-programme 2	Community											
	National											
	Private											
Sub-programme 3	Community											
	National											
	Private											
Sub-programme 4	Community											
	National											
	Private											

**Table 10**

Table 10 applies to the CSF and should be completed as briefly as possible in narrative form. The aim is to provide an overall summary of the outcome of the programme. In column 2 indicate how adequately the action can be justified in terms of relevance, programme validity (efficiency), external consistency, coherence and administrative integration and coordination (as defined in Section 2.2). Each must receive a comment. Under the heading 'relevance' comment on the way in which the concept of the CSF has addressed the challenge of the region and its circumstances. For 'programme validity' (efficiency), sum up the general conclusions of Table 9 above. Under the heading 'external consistency' address the compatibility with other regional, national and Community rules and policies (eg, CAP, competition, State aids, environmental policy etc). Under the heading 'coherence' address the vertical links between the objectives of the Reform, the strategic aims, the priority axes and the measures. Also consider in commenting on this criteria the horizontal links of the programme. For 'administrative integration and coordination' address the degree to which the management and organisation of the programme has functioned efficiently. In column 3, identify the relative strengths of the programme in terms of these components. Specify whether the programme scores high, medium or low on each of these points. If it does not score high on any points, indicate the reasons why (eg, resources available, deficiencies in other policies, political difficulties, etc).

Ex-post evaluation: Table 10: Overall review		
Criteria	Comment	Relative strengths
1	2	3
Relevance		
Programme validity (efficiency)		
External consistency		
Coherence		
Administrative integration and coordination		

## 8 Community Initiatives

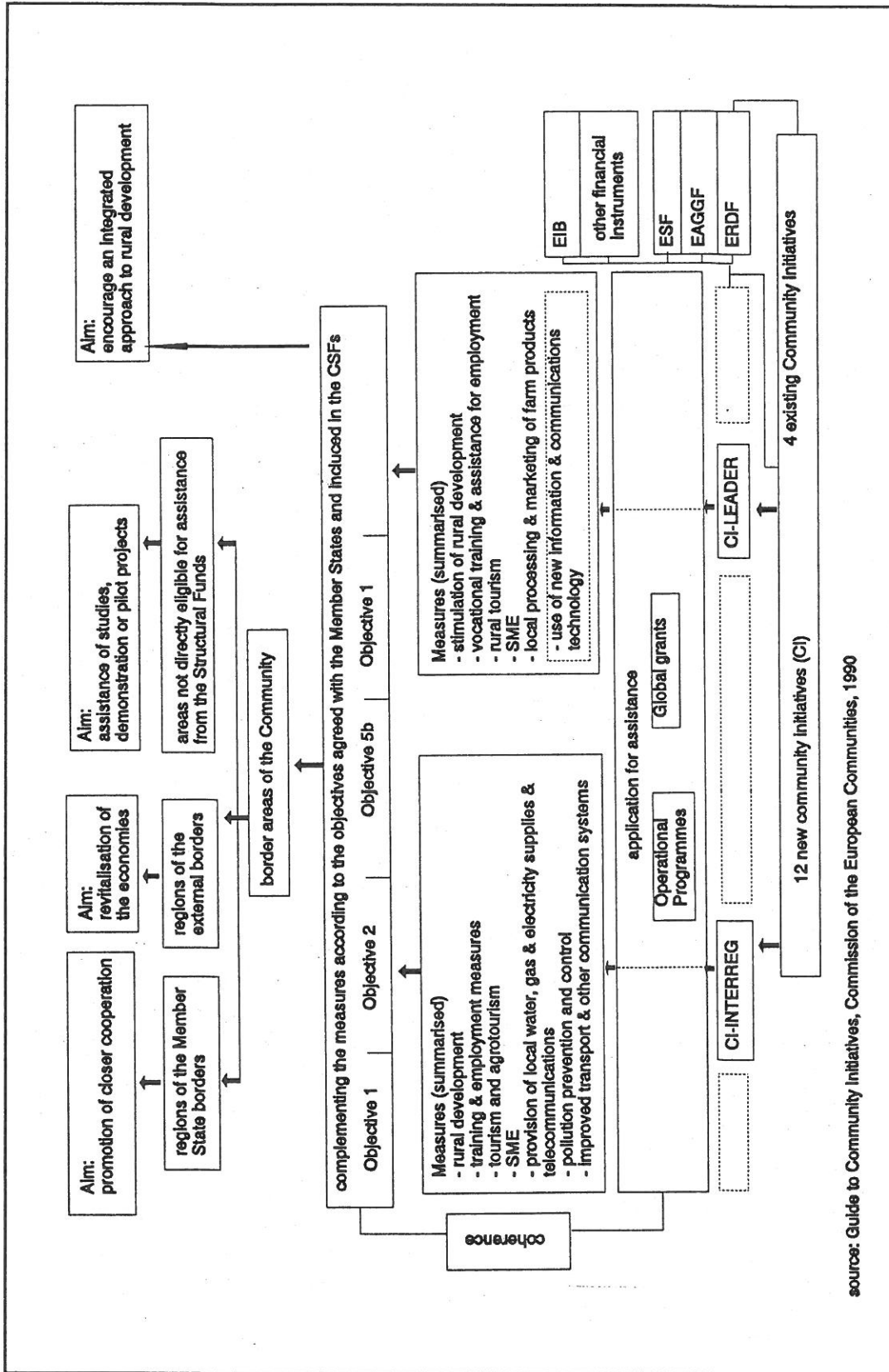
### 8.1 Legislative basis of the Community Initiatives

Regulation (EC) No 4253/88, Art 11 permits the Commission to develop its own Community Initiatives to complement the measures agreed with the Member States in the framework of the reform of the Structural Funds. These Community Initiatives (CIs) can be used as supplementary elements to the measures of Community Support Frameworks (CSFs) to strengthening the economic and social cohesion as part of the completion of the single market. CIs are not new elements of Community policy. Before the reform of the Structural Funds four CIs (STAR, VALOREM, RESIDER and RENAVAL) have been created, based on Regulation (EC) No 1787/84, Art 7 of the former ERDF. After the Reform 12 new CIs had been added specifically in conjunction with the reform of the structural Funds. Two of these CIs are of relevance to measures of assistance under Objective 5b to promote rural development: these are INTERREG and LEADER.

Figure 8.1 indicates in a comprehensive form the summarised measures and objectives of these CIs. In both cases it is possible to combine financial aid in the form of grants from the ERDF, EAGGF and ESF with loans from the EIB, as it is shown at the bottom of the figure. Application for assistance can be submitted from regional authorities designed by the Member States on the basis of detailed proposals for Operational Programmes or, where applicable, for global grants to the Commission.

### 8.2 Financial basis of the Community initiatives

During the period 1989 to 1993 3,800 million ECU, or 70% of the total of 5,500 million ECU will be available for new CIs. From the total sum of 5,500 million ECU the amount of 800 million ECU (14.5%) will be used to finance INTERREG and 400 million ECU (7.3%) to finance LEADER. The INTERREG-initiative is applicable only in border areas eligible for objectives 1, 2 and 5b, while LEADER can be applied in all regions eligible for objective 1 and 5b. The financial importance of the CIs can be demonstrated by relating the amount of each CI to the total sum of the structural Funds, which are available for the mentioned objectives. From table 8.1 one can see that the increase in the total resources is only 1.7% in the case of INTERREG and 1% in the case of LEADER. The main part of these additional funds will go to Objective 1 regions. The exact amount of CI funds, which will be allocated for Objective 5b regions, is not yet decided.



source: Guide to Community Initiatives, Commission of the European Communities, 1990

Figure 8.1: Schematic representation of LEADER and INTERREG

<b>Table 8.1: Finance scheme</b>	
	<b>total amount (Mecu)</b>
<b>Objectives:</b>	
1	37,000
2	6,400
5b	2,700
<b>total 1 + 2 + 5b</b>	<b>46,100</b>
<b>total 1 + 5b</b>	<b>39,700</b>
<b>INTERREG - Obj</b>	
1	
2	
5b	
<b>total</b>	<b>800</b>
<b>LEADER - Obj</b>	
1	
5b	
<b>total</b>	<b>400</b>
<b>%-part (INTERREG - Obj. total) (Obj. 1 + 2 + 5b)</b>	<b>1.7%</b>
<b>%-part (LEADER - Obj. total) (Obj. 1 + 5b)</b>	<b>1.0%</b>

### 8.3 The impact of INTERREG on 5b regions

The INTERREG initiative is one of the new CIs with potentially some important characteristics for certain regions. The main aim is to prepare border regions of the EC for the single market of 1992. Two types of border areas on NUTS III level are eligible for this CI, areas located on different sides of national (Member State) borders and areas located on external Community borders. The following measures are eligible to improve cooperation between border areas with special emphasis on cross-border programmes implemented:

- development of SMEs;
- tourism and agrotourism;
- provision of local water, gas and electricity;
- pollution prevention control;
- improved transport and other communication systems;
- training and employment measures.

The main idea is obviously to reduce costs by coordinated development of networks



for public services using economies of scale and synergy effects across the border. This is an important issue for border regions in the periphery, which are often characterised by low density of population and high user costs of public facilities. The measures cover nearly the complete range of actions eligible for all 5b regions. It is expected to revitalise the economic situation in border areas by joint efforts of planning and coordinated decision making procedures.

Neighbouring areas to the group of regions eligible for objective 1, 2 and 5b can be allocated INTERREG assistance for studies on impact of regional policy and demonstration or pilot projects under Art. 10 of the ERDF, Art. 1 of ESF and Art. 8 of EAGGF Regulation. This condition extends the number of possibilities for cooperative actions. In Table 8.2 the number of border areas eligible for INTERREG are compared with the total number of 5b areas at NUTS III level. On average 27% of the 5b areas are related to INTERREG in the EC.

The deadline for applications of assistance by INTERREG expired on 28th February 1991. As we understand it, at that date only two applications related to 5b areas have been sent to the Commission by Member States. These are both from Germany:

- Baden-Wurttemberg: proposals for 10 projects in the Bodensee area at the border of Switzerland according to Art. 10 of the ERDF Regulation (No 4254/88) amounting to 4.37 million ECU total cost and 2.18 million ECU co-financing by EC funds (50%).
- Bayern: programme according to the INTERREG initiative and Art. 10 of the ERDF Regulation (No 4254/88) for 20 border areas to CSFR, Austria and Switzerland amounting to 32.03 million ECU total cost and 13.30 million ECU co-financing by EC funds (42%).

The application from Bayern has been presented in a similar form and contents to the operational programme (see Table 8.3). Therefore the same procedures and methods for assessment could be applied as for the Operational Programme, at least for three out of four measures, which are directly related to the sub-programmes of the Bavarian OP.

Table 8.2: Distribution of border areas for INTERREG (NUTS III level)											
Member state	Total Objective 5b areas			Number of subregions			Other border areas for INTERREG (1)	INTERREG share (4) : (1) (%)	INTERREG Obj. 2 and 5b on the border to:		
	(1)	(2)		(3)	(4)	(5)			(6)	(7)	(8)
		Objective 1	Objective 2								
Belgium	4		6	2		yes	50.0	yes	no		
Denmark	33		1	4		yes	12.1	yes	no		
Germany	49		10	27		yes	55.1	yes	yes		
Greece		22				no					
Spain	12	9	3	4		yes	33.3	yes	no		
France	53	1	10	11		yes	20.8	yes	yes		
Ireland		3				no					
Italy	22	1	4	2		yes	9.1	yes	yes		
Luxembourg	7		1	1		yes	14.3	yes	no		
Netherlands	1		4			yes	0.0	yes	no		
Portugal		10				no					
United Kingdom	4	1				yes	0.0	yes	no		
Total	185	47	39	51			27.6				

Source: OJ No. c 215 of 30th August 1990 and OJ No L 198 of 12 July 1989

1) Border areas, not eligible for Obj. 1 + 2 + 5b, may be supported by Reg No 4254/88 (Art.10), 4255/88 (Art.1), 4256/88 (Art.8)

<b>Table 8.3: Programme according to the INTERREG initiative and Art.10 of the ERDF Regulation (No 4254/88) for the border areas in Bayern</b>				
<b>1. Responsible authority:</b> Bavarian Ministry of economic affairs and traffic				
<b>2. Geographical areas:</b>				
a. INTERREG areas: 9 counties of the 5b zone at the external border to CSFR		b. Art.10 of ERDF Reg. areas: 11 counties and 6 cities at the external border to Austria, CSFR and Switzerland		
<b>3. Objectives:</b> Reduction of economic obstacles resulting from peripherality and utilisation of the existing potential				
<b>4. Measures and finance:</b>				
Measures	Finance			
	EC funds (Mecu)	National (Mecu)	Private (Mecu)	Total cost (Mecu)
4.1 Improvement of local infrastructure in border communities (**)	3.27 (ERDF)	7.07		10.34
4.2 Development of tourism and recreation facilities (**)	3.36 (ERDF)	3.36		6.72
4.3 Restructuring of agriculture (***)	1.25 (EAGGF)	1.25	1.67	4.17
4.4 Studies, creation of institutions for information, consulting, planning with cross-border effects	5.42 (*)	5.36	0.02	10.80
<b>Sum of measures</b>	<b>13.30</b>	<b>17.04</b>	<b>1.69</b>	<b>32.03</b>
<b>Percent of total cost</b>	<b>42</b>	<b>53</b>	<b>5</b>	<b>100</b>

(\*) ERDF: 0.97 (INTERREG) plus 4.30 (Art.10), EAGGF: 0.15 Mecu

(\*\*) related to sub-programme II of the Bavarian OP (Development and diversification of other sectors)

(\*\*\*) related to sub-programme I of the Bavarian OP (Development and restructuring of the agricultural sector)

#### 8.4 The impact of LEADER on 5b regions

The LEADER initiative is aimed to mobilise local potential and to foster rural development from the local initiatives. The initiative is still in the legislative phase. During the five months after approval by the European Parliament, and after publication in the Official Journal, applications for assistance can be made by Member States. The following measures are eligible for assistance from the structural Funds in all rural areas under Objectives 1 and 5b:

- rural tourism;

- development of small firms, craft enterprises and local services;
- local processing and marketing of farm products;
- vocational training and assistance for employment;
- measures relating to the equipment and linking of local development groups.

About 500 local groups in Objective 1 and 5b areas will be chosen by the Commission on the basis of proposals from the Member States to stimulate integrated approaches of rural development. The local groups will be equipped with new information and communications technology to establish networks of local rural development bodies and to experiment innovative solutions for local management and for a better integration of sectoral measures.

We have examined the existing detail of the LEADER initiative and our view is that evaluation can be implemented and practised by the same procedures and methods adopted for the 5b policy in general, as the same set of measures are eligible under LEADER. We are uncertain of the precise administration procedures to be adopted for LEADER programmes and this limits the detail of our recommendations. We would recommend that the ex-ante studies are initiated immediately before plans are prepared and this will form the basis of evaluating the LEADER initiatives. In view of the small size of the programmes and the limited funds being allocated, we propose that the evaluation procedures are supervised by the Commission with external technical assistance. If local administration is unable to cope with the evaluation activities in the detail required, we suggest that a sample of LEADER initiatives are subject to evaluation by the Commission. This evaluation will involve implementing each of the stages itemised in Sections 4,5 and 6 of this report. It may be possible to set up experimental design within this group of LEADER initiatives to identify the factors which contribute to success.

In summary, LEADER initiation can, and should be evaluated in the same way as the Objective 5b CSFs. However, depending on the organisation and implementation arrangements and the size of the initiatives, it may be best that they are subject to a separate Community wide evaluation exercise on a sample basis.

## Appendix 1: Indicative list of indicators for initial conditions

### A. Indicative list of indicators for financial inputs

The financial indicators include budgets, financial commitments, expenditures and payments. They distinguish source of funds: viz, private, national and Community.

### B. Indicative list of indicators for initial conditions and final impacts

This list of indicators for 5b zones can also be used for reference regions, eg, in the neighbourhood of 5b zones.

- |  |   |
|--|---|
| <p><b>1. geographical conditions</b></p> <p>1.1 area (sq. km)</p> <p>1.2 distance to centres (travel time, km) from the core of the zone to:</p> <ul style="list-style-type: none"> <li>- centres of more than 100,000 inhabitants;</li> <li>- centres of more than 500,000 inhabitants.</li> </ul>  | <ul style="list-style-type: none"> <li>- outward migration;</li> <li>- inward migration;</li> <li>- net migration;</li> <li>- outward commuters;</li> <li>- inward commuters;</li> <li>- net commuters.</li> </ul>  |
| <p><b>2. socio-economical conditions</b></p> <p>2.1 population</p> <ul style="list-style-type: none"> <li>- age structure;</li> <li>- population density;</li> <li>- change in population (ex-post):               <ul style="list-style-type: none"> <li>- birth rates;</li> <li>- death rates.</li> </ul> </li> </ul> <p>2.2 employment</p> <ul style="list-style-type: none"> <li>- employment in primary sector;</li> <li>- employment in secondary sector;</li> <li>- employment in tertiary sector;</li> <li>- total employment rate per inhabitants;</li> <li>- unemployment rates for different groups.</li> </ul> <p>2.3 gross domestic product (GDP)</p> <ul style="list-style-type: none"> <li>- GDP in primary sector;</li> <li>- GDP in secondary sector;</li> <li>- GDP in tertiary sector;</li> <li>- GDP in total;</li> <li>- change in GDP (ex-post).</li> </ul> <p>2.4 migration and commuting</p> | <p><b>3. ecological conditions</b></p> <p>3.1 land use</p> <ul style="list-style-type: none"> <li>- forestry area;</li> <li>- forestry damage area (different categories);</li> <li>- cultivated area;</li> <li>- grassland area;</li> <li>- water resources protected area;</li> <li>- national park area;</li> <li>- natural resort area.</li> </ul> <p>3.2 air quality</p> <ul style="list-style-type: none"> <li>- NO<sub>2</sub> emission level;</li> <li>- SO<sub>2</sub> emission level.</li> </ul> <p>3.3 water quality</p> <ul style="list-style-type: none"> <li>- nitrogen pollution level;</li> <li>- degree of sewer connections per inhabitant;</li> <li>- volume of waste water per inhabitant.</li> </ul> |

### C. Indicative list of indicators for physical outputs

1. Agricultural development and diversification
  - 1.1 plant production
    - no. of farms assisted
    - ha reconverted to new products in total and per farm
    - ha modernised farmland in total and per farm
    - ha extensive production in total and per farm
  - 1.2 animal production
    - no. of farms assisted
    - no. of animals newly bred
    - no. of animals treated by project vets
    - no. of animals in extensive holdings
  - 1.3 marketing and processing
    - no. of marketing and processing projects assisted
    - no. of producer groups formed
  - 1.4 consolidate and restructure farms
    - no. of projects assisted
    - no. of farms amalgamated
    - ha amalgamated farmland
    - no. of farms with outside gainful activities assisted
  - 1.5 agricultural infrastructure
    - km of irrigation networks installed
    - km of drainage networks installed
    - capacity of water retaining
    - km newly arranged rivers/canals
    - km of new farm roads
    - km repairs of farm roads
  - 1.6 advisory services
    - no. of advisory services set up
    - no. of advisors
  - 1.7 training
    - no. of training establishments set up
    - no. of trainers
    - no. of people on courses
- hours of training per person
2. Forestry development
  - 2.1 production
    - ha increased area of woodland
    - ha reconverted to mixed leaf trees
    - ha re-cultivated after storm damage
  - 2.2 marketing and processing
    - no. of marketing and processing projects assisted
    - no. of marketing groups formed
    - no. of new or modernised sawmills
  - 2.3 forestry infrastructure
    - km of service tracks built
    - km repair of forestry roads
  - 2.4 advisory services
    - no. of advisory services set up
    - no. of advisors
  - 2.5 training
    - no. of training establishments set up
    - no. of trainers
    - no. of people on courses
    - hours of training per person
3. Horticulture development
  - 3.1 production
    - no. of holdings assisted
    - ha of area for horticulture
    - sq.m of glass houses per holding
  - 3.2 marketing
    - no. of marketing projects assisted
    - no. of promotion campaigns assisted
    - no. of advertising projects assisted
4. Fishery development
  - 4.1 production
    - no. of hatcheries assisted

- no. of fishery cooperatives assisted
- 4.2 marketing
  - no. of marketing projects assisted
  - no. of advertising projects assisted

## 5. Tourism development

- 5.1 accommodation
  - no. of new hotels/new beds per unit
  - no. of new holiday cottages/new beds per unit
  - no. of grants to farmers to convert buildings to tourist accommodation
  - no. of new beds per farm
  - no. of camping sites set up
- 5.2 marketing
  - no. of tourism promotion campaigns
  - no. of advertising projects
  - no. new tourist information centres
- 5.3 tourist attractions
  - no. and area of parks created
  - no. of new/improved museums
  - no. of new sports centres
  - no. of new golf courses
  - no. of new exhibition centres
  - no. of new cultural facilities (eg, libraries)
  - no. of new tourist centres
  - no. of new conference centres
- 5.4 advisory services
  - no. of advisory services set up
  - no. advisors
- 5.5 training
  - no. of training establishments set up
  - no. of trainers
  - no. of people on courses
  - hours of training per person

## 6. Business development and SMEs

- 6.1 production
  - no. of new unit developments set up
  - no. of existing business developments assisted
  - sq.m of floor-space provided
  - no. of new SMEs set up
  - no. of existing SMEs assisted
- 6.2 marketing
  - no. of promotion campaigns
  - no. of advertising projects
- 6.3 advisory services
  - no. of advisory services set up
  - no. of advisors
- 6.4 training
  - no. of training establishments set up
  - no. of trainers
  - no. of people on courses
  - hours of training per person

## 7. Infrastructure development

- 7.1 commercial infrastructure
  - ha of land prepared for commercial use
  - ha of commercial land for new users
  - ha of commercial land for expansion of existing firms
  - sq.m of industrial floor-space developed
  - no. of sites developed
  - no. and size of new facilities for disposing/recycling industrial waste
- 7.2 transportation infrastructure
  - km of new/improved roads
  - no. of junction improvements
  - no. of traffic management schemes
  - km of railway/track improvements/electrification
  - no. of new/improved railway

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>stations</li> <li>- no. of new/improved bus stations</li> <li>- no. of upgraded sports</li> <li>- no. of new ferries</li> <li>- no. of mooring stations created</li> <li>- km of coastal protection dams constructed</li> <li>- km of new/improved canals</li> </ul>   | <ul style="list-style-type: none"> <li>resorts/wetlands</li> <li>8.2 landscape enhancement</li> <li>- no. of landscape enhancement schemes assisted</li> <li>- no. of trees/shrubs planted</li> <li>- km of amenity fencing/walling built</li> <li>- km of highway/area of road corridor landscaped</li> <li>- km of canal/area of canal corridor landscaped</li> <li>- ha of derelict land cleared</li> <li>- ha of land with no productive use tidied up</li> </ul> |
| <p>7.3 public services infrastructure</p> <ul style="list-style-type: none"> <li>- km of new/upgraded water mains</li> <li>- km of new/upgraded sewers</li> <li>- km of new/improved electrical circuits</li> <li>- no. and capacity of waste water purification stations constructed</li> <li>- km of telephone lines placed</li> <li>- no. of new connections to the telephone/telefax network</li> </ul> | <p>8.3 training</p> <ul style="list-style-type: none"> <li>- no. of training establishments set up</li> <li>- no. of qualified trainers</li> <li>- no. of training courses</li> <li>- hours of training per person</li> </ul>   |
| <p>7.4 village renewal</p> <ul style="list-style-type: none"> <li>- no. of projects assisted</li> <li>- no. of houses renovated</li> <li>- no. of new houses renovated</li> <li>- no. of building frontages cleaned</li> <li>- sq.m of derelict sites improved</li> <li>- no. of local heritage projects undertaken</li> <li>- no. of village centres enhancement schemes assisted</li> </ul>               |   |

## 8. Environmental improvement and landscape enhancement

- 8.1 Environmental improvement
- no. of environmental improvement schemes assisted
  - no. of analyses of water quality
  - no. of analyses of soil quality
  - no. of upgraded facilities for industrial waste disposal
  - no. of upgraded water purification facilities
  - ha of polluted land treated
  - ha of land protected for water resources
  - ha of land expanded for natural



## D. Indicative list of indicators of intermediate impact

- |   |  |
|---|--|
| <p><b>1. Agricultural development and diversification</b></p> <p>1.1 crop production</p> <ul style="list-style-type: none"> <li>- increase in income per ha converted</li> <li>- increase in income per ha improved</li> <li>- increase in income per ha extensive production</li> </ul> <p>1.2 animal production</p> <ul style="list-style-type: none"> <li>- increase in income per animal newly bred</li> <li>- increase in income per animal treated by project vets</li> <li>- increase in income per animal by extensive holdings</li> </ul> <p>1.3 marketing and processing</p> <ul style="list-style-type: none"> <li>- income effects per marketing and processing project assisted</li> <li>- income effects per producer group formed</li> </ul> <p>1.4 consolidation and restructuring of farms</p> <ul style="list-style-type: none"> <li>- income effects per farm amalgamated</li> <li>- income effects per ha on amalgamated farmland</li> <li>- income effects of outside gainful activities per farm</li> </ul> <p>1.5 agricultural infrastructure</p> <ul style="list-style-type: none"> <li>- ha of newly irrigated area</li> <li>- income effects per ha irrigated</li> <li>- ha of area with drainage</li> </ul> <p>1.6 advisory services</p> <ul style="list-style-type: none"> <li>- no. of farmers using advisory services</li> <li>- income effects of using advisory of farmers</li> </ul> <p>1.7 training</p> <ul style="list-style-type: none"> <li>- no. of jobs created/saved by training</li> <li>- no. of people with improved skills</li> </ul> | <p><b>2. Forestry development</b></p> <p>2.1 production</p> <ul style="list-style-type: none"> <li>- reduction of cultivated costs for woodland</li> </ul> <p>2.2 marketing and processing</p> <ul style="list-style-type: none"> <li>- income effects per marketing and processing project assisted</li> <li>- income effects per producer group formed</li> </ul> <p>2.3 forestry infrastructure</p> <ul style="list-style-type: none"> <li>- reduction of transport costs or time saving</li> </ul> <p>2.4 advisory services</p> <ul style="list-style-type: none"> <li>- no. of farmers/forestry cooperatives using advisory services</li> <li>- income effects of using advisory services of farmers/forestry cooperatives</li> </ul> <p>2.5 training</p> <ul style="list-style-type: none"> <li>- no. of jobs created/saved by training</li> <li>- no. of people with improved skills</li> </ul> <p><b>3. Horticulture development</b></p> <p>3.1 production</p> <ul style="list-style-type: none"> <li>- income effects per ha on field crops</li> <li>- income effects per sq.m of glass</li> </ul> <p>3.2 marketing</p> <ul style="list-style-type: none"> <li>- income effects per marketing project assisted</li> <li>- income effects by promotion campaigns and advertising</li> </ul> <p><b>4. Fishery development</b></p> <p>4.1 production</p> <ul style="list-style-type: none"> <li>- income effects by hatcheries assisted/fishing cooperatives</li> </ul> <p>4.2 marketing</p> |
|---|--|

- income effects per marketing project assisted
- income effects by promotion campaigns and advertising

## 5. Tourism development

- ### 5.1 accommodation
- increase in no. of visitors from outside area
  - increase in no. of new beds
  - increase in no. of visitors' bed-nights
  - increase in no. of conference delegates
  - income effects per bed for different categories
  - private sector investment generated
- ### 5.2 marketing
- income effects per marketing project
- ### 5.3 tourist attractions
- no. of local users of attractions
  - no. of visitors from outside attracted by new facilities
  - income effects from daily visitors
- ### 5.4 advisory services
- no. of arrangements for accommodation per tourist centre
  - no. of people seeking advice on tourist developments
  - income effects by advisory services
- ### 5.5 training
- no. of jobs created/saved by training
  - no. of people with improved skills

## 6. Business development and SMEs

- ### 6.1 production
- occupation rate of development
  - survival rate of enterprises
  - amount of private sector

- investment generated
- 6.2 marketing
  - income effects by marketing promotion campaigns and advertising projects
- 6.3 advisory services
  - no. of firms/clients advised
  - income effects of using advisory services
- 6.4 training
  - no. of jobs created/saved by training
  - no. of people with improved skills

## 7. Infrastructure development

- ### 7.1 commercial infrastructure
- no. of firms involved:
    - - occupation rate
    - - survival rate
  - amount of private sector investment generated
  - no. of contracts to local firms
  - volume of contracts to local firms
  - no. of contracts to external firms
  - volume of contracts to external firms
  - no. of jobs created/saved
- ### 7.2 transportation infrastructure
- increased saving in travel time
  - improvement to traffic flow
  - reduction in accidents
  - reduction in traffic noise
  - improved access to industrial/commercial areas
  - increase in capacity of new/upgraded services
  - no. of contracts to local firms
  - volume of contracts to local firms
  - no. of contracts to external firms
  - volume of contracts to external firms
  - no. jobs created/saved
- ### 7.3 public services infrastructure
- no. of users of new services

- 
- amount of private sector investment generated
  - increase in capacity of new/upgraded services
  - no. of contracts to local firms
  - volume of contracts to local firms
  - no. of contracts to external firms
  - volume of contracts to external firms
  - no. of jobs created/saved
- 7.4 village renewal
- reduction in out-migration rate
  - increase in no. of visitors
  - amount of private sector investment generated
  - no. of contracts to local firms
  - volume of contracts to local firms
  - no. of contracts to external firms
  - volume of contracts to external firms
  - no. of jobs created/saved

## 8. Environmental improvement and landscape enhancement

- 8.1 Environmental improvement
- pollution control management by indicators for air, water and soil quality
  - no. of environmental preserving firms
  - reduction of damage volume by water, air and soil
  - perceptions of business community about environmental improvements
  - no. of visitors to specific environmentally enhances facilities
- 8.2 landscape enhancement
- increase in no. of visitors
  - improvement of flora and fauna
  - reduction of erosion damages
  - stimulation of recreation activities
- 8.3 training
- no. of jobs created
  - no. of people with improved skills



**Appendix 2: Guidelines used for the Commission ex-ante study**

Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
<b>Relevance:</b>				
Diagnosis	Diagnosis of the needs of the region:	1/2	<p>Describe characteristics of the region:</p> <p>Use the following indicators:</p> <ul style="list-style-type: none"> <li>area;</li> <li>population;</li> <li>distribution of employment in primary, secondary and tertiary employment;</li> <li>income;</li> <li>agricultural income etc;</li> </ul> <p>What are the disparities with other regions? To what extent have become worse?</p> <p>Are there any differences of these characteristics compared with those itemised in the CSF?</p>	<p>Most Objective 5b regions are not equivalent to the statistical definition at the NUTS III level. Therefore it may be difficult to obtain these data. The Member States will have provided these data as part of their submissions. Check the sources of these and compare with the average for the Member state and with Community averages. Where the data is unreliable indicate the problems. Also provide an indication of the dynamic nature of these indicators: how have they changed over the years?</p>
	What are the needs? To what extent are the needs correctly identified in the CSF?		<p>Identify strengths and weaknesses of the area. Specify separately:</p> <ul style="list-style-type: none"> <li>- natural resources;</li> <li>- human resources;</li> <li>- economic activity by sector,</li> <li>- infrastructure;</li> <li>- public services;</li> <li>- entrepreneurial resources;</li> <li>- regional dynamism;</li> <li>- public-private partnership etc.</li> </ul> <p>Itemise resources of environmental value.</p> <p>Compare identification of strengths &amp; weaknesses with those specified in the CSF? Do they coincide?</p>	<p>Literature search of studies on the regional economy; previous analyses of the local economy; discussions with independent researchers, local authorities, regional authorities and member states.</p>
			<p>What is the nature of other past and current national and regional initiatives? What issues have they addressed, with what funds &amp; what success; if they were not successful, what might be the reasons? Try to place the Reform funds into perspective by providing an indication of the funding of previous initiatives.</p>	<p>Discussions with regional authorities and independent observers (eg university regional economists).</p>

Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
			Identify priority needs for development Is the diagnosis in the CSF adequate? Compare priority needs identified with those of the CSF  What are the contributions towards meeting these needs from existing policy programmes (specific regional initiatives or more general provisions)?	From the above analysis
Policy requirements to meet the needs identified	Diagnosis of policy means and specification of the underlying assumptions:  On the basis of this: - to what extent is the underlying rationale of the policy supportable? - to what extent are the instruments identified (in the OPs and measures) adequate to achieve the needs? - to what extent are the resources allocated sufficient to meet the needs?	4/2/6	Does the CSF, OP adequately define the policy requirements? Given the resources available through the programme, to what extent can the identified needs be met? Does the CSF/OP acknowledge the possibility of a mismatch between the needs and means?	Synthesis of the issues considered above.

**Coherence:**

Quality of objectives	Analyse the specification of objectives at the different levels (CSF, sub-programme and the measure).	3	Are they quantifiable and time bound? If not, why not? If there is no quantification how will the success of the programme be identified?	Close examination and analysis of the CSFs, OPs and measures, discussions with those responsible for developing the CSFs, OPs and measures.
Hierarchy of objectives and vertical coherence	Analyse the vertical links between different levels of the reform (CSF, sub-programme and the measure).	3	Is it possible to discern a hierarchy? The presence of a hierarchy of objectives is critical to any policy. There must be a link between the objectives of the Reform, the strategic aims, priority axes and measure objectives. If this does not exist then there are fundamental difficulties with the coherence of the overall programme. The hierarchy should reveal the underlying assumptions of the CSF and OP. Is this evident?	Analysis of CSF, discussions with Member States and those responsible for development of the CSF and OP. Compare this with your diagnosis of needs.

Analysis to be undertaken:	Questions to be answered	Pts. in Com.	Points to be addressed	How to undertake the task
	How were local 'areas' involved in its development?	13/15	Assess the role of the area at the different stages (drawing up plans, negotiation, approval etc..). To what extent was the initiative motivated by 'local' forces or more centralised regionally or nationally-based individuals or organisations? What are the weak links in the chain during the programme development phase?	
	Has technical assistance (TA) been asked for & would it have been useful?	16	The funding of TA is available to assist in the development of the CSFs and OPs through provisions in the legislation. Was it considered? If not, Why not?	
Administrative	Have responsibilities been clearly defined? To what extent does the allocation of these responsibilities facilitate efficient implementation of the programme.	14	Is there overlap of responsibilities? How were these responsibilities identified? Why did this pattern of responsibility emerge? How does it affect efficient implementation of the programme? How are efforts coordinated? What are the organisational conflicts? What is the rationale for this and what are the implications for effectiveness?	Draw an organigram indicating the main responsibilities for the different levels of the Reform. Develop on the basis of discussions with those implementing the Reform. Indicate how the allocation of responsibilities has affected implementation.
	What is the basis for identifying the composition of the MCs?	12	Are there any obvious omissions? What is the relative weighting of public/private interests? How are different sectors represented? How are the different levels of local government represented? How does the MC organise its business? How will it deal with monitoring and evaluation? Who provides its secretariat? Where will it obtain specialist management skills? Has it formed sub-groups to take on special responsibilities?	As above
Financial	Where has the emphasis for funding been placed in the programme and what is foreseen as the source of funds?	5/9	What is the rationale for the pattern identified? What underlying factors does it reflect? Are some programmes more amenable to private finance than others?	Draw up tables as shown in the Highland and Island example (tables 5 & 6) illustrating the weighting of different funds to different sub-programmes and measures.



Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
<p>Describe the channels through which funds flow.</p>	<p>Are funds going to existing institutions for existing measures or to new institutions for new measures? To what extent is the focus on providing funding directly to beneficiaries or relying on indirect effects?</p>	9	<p>To what extent are Member States maintaining existing institutions through the programme rather than disbursing funds directly to beneficiaries. Is this necessarily a bad feature?</p>	<p>From discussions describe the payments system in broad terms and clarify the channels taken. Compare the use of funds when it goes directly to a beneficiary to the use of funds when it goes to an agency.</p>
<p>Assess the extent to which the <u>funds</u> are additional to those that would have been used in the region without the programme.</p>	<p>Is the Reform resulting in extra financial inputs into the region?</p>	5	<p>There is a legal requirement that additional funds are applied to the area. This is a long-running debate between the Member States and the Commission.</p>	<p>Because of the legal basis of this requirement, the issues will have been explored in depth by the Commission. The rapporteur will have a detailed picture of the situation, but the study may be able to provide additional information on the basis of details of commitments through existing programmes.</p>

	Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
Horizontal coherence	Analyse the horizontal links between different levels of the Reform.	How well integrated are the horizontal links? What are the anticipated areas of synergy between different measures and different sub-programmes?	7/3	Synergy between different elements of the programme is an important objective. This synergy should exist between the use of different trends. Is it possible to identify synergy within the Mono-fund approach? Is there compatibility between objectives at the same level (eg between tourism & environment)?	As above

Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
<b>External consistency:</b>				
Legislative consistency: complementarity and innovation	Analyse the compatibility of the programme with other Community legislation;	8	How compatible is the csf, sub-programmes and measures with other Community legislation (particularly competition & state aids, guarantee fund policy, Objective 5a policy, and with other national or regional initiatives?)	Analyse the CSF and OP for links and interactions with other policies. Check the views of other DGs on CSF and OP.
Compatibility with resources and character	Analyse the compatibility with other national or regional initiatives which affect the Objective 5b area. Analyse the compatibility with the external environment (eg are there likely to be any side effects such as adverse environmental impacts, displacement effects)	1/2	How compatible is the csf, sub-programmes and measures with the external environment (eg socio-economic circumstances, natural environment constraints).	Discussions with interested parties and observers.
<b>Administrative integration and coordination:</b>				
Preparation and approval of CSFs and OPs	Analyse the procedures for preparing the regional plans, the development of the CSFs, OPs and measures.	10	What was the process for developing and getting approval of the proposals?	Discussions with those involved in the development of the programmes and with the rapporteur in the Commission.  Synthesis of findings on the basis of these discussions plus analysis of the Plans, CSFs, and OPs and correspondence (the questionnaire) between Member States and the Commission.
		11	How did the concept of 'partnership' operate?	

Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
<b>Implementation:</b>				
CSF & OP implementation	Describe the implementation of the CSF, OPs and its component measures.	14	Identify any delays or anticipated delays in implementation. Identify and clarify any bureaucratic, legal and operational problems in implementation.	Discussions with those responsible for implementation, the Commission staff and Monitoring Committee.
	Describe the role of the area in the implementation	13	What is the extent of local leadership? What is the extent of private involvement?	Discussions with local interest groups
	Describe the flow of information on the implementation of the Reform, in particular on the contents of the CSF and of the OP.	17	Have the CSF/OP managers promoted the programme energetically? How have they dealt with the issue of generating demand (for projects). How have they coped with the situation of demand exceeding supply? What have they done to encourage demand where it is low?	Develop on the basis of discussions with those implementing the Reform.
<b>Forecast of potential impacts</b>				
Anticipated multiplier effects	Specify likely multiplier effects	1/2	Multiplier effects can be crucial in achieving broader regional objectives. Are they acknowledged? Have they been taken into account? What multipliers are assumed?	Discussion with those involved in drawing up the plans, CSFs and Ops. Synthesis of the outcome.
Anticipated displacement	Analysis of the indirect effects of the programme on different groups within the region and on other regions.	1/2	Displacement effects can often negate the rationale for a programme. For example, assisting the development of tourist enterprises may adversely affect those who have already invested in this area, similarly the development of one region may adversely affect those which are not receiving assistance.	As above.

Analysis to be undertaken:	Questions to be answered	Pts. in Com. tors	Points to be addressed	How to undertake the task
<p>Anticipated impact additionality</p> <p>Assess the extent to which the effects are truly additional. NB The concept 'impact additionality' is not the same as the 'financial additionality' referred to in the context of the financing of the Reform, (see in the section on administrative integration and coordination).</p>	<p>What is the real effective impact of the policy? Would they have occurred anyway? How does the policy contribute towards the observed outputs?</p>	<p>1/2</p>	<p>If impact additionality is not substantial the rationale for undertaking the programme may be suspect.</p>	<p>Discussion with independent observers, regional economists, those responsible for the programmes etc. It is inevitable that qualitative assessments will be necessary.</p>
<p>Anticipated effectiveness and efficiency</p> <p>Assess the extent to which the specified programme is the most efficient way of meeting the prescribed objectives.</p>	<p>Has there been any consideration of the relative efficiency of this programme in terms of meeting the objectives compared with alternative policy measures?</p>	<p>1/2</p>	<p>Do other policies represent a more efficient use of scarce public funds?</p>	<p>This issue is one of the most fundamental questions to be posed. It is also the most difficult. In this exercise it will be adequate to limit our investigation to the extent to which this issue has been pursued by those who have developed the programme. Others may have a view on efficiency and this will have emerged during the discussion on the relevance of the programme. Ensure that this issue is directly addressed under this heading.</p>