



EUROPEAN COMMISSION

Budget

Own Resources, evaluation and financial programming

Evaluation

EVALUATION OF EU ACTIVITIES

An introduction

January 2005

INTRODUCTION

This guide provides a basic introduction to evaluation – what it is, what it is not and how it is understood and practiced in the Commission. Those readers, who want to have a deeper look into evaluation, should see a recent and comprehensive guide on evaluation in the Commission (c.f. page 14), which provides an overview of the Commission’s rules and good practices concerning evaluation of its activities.

The aim of this guide is to help the practitioners of evaluation, who need to have quick and easily understandable information on evaluation concepts and the use of evaluation in the Commission.

The guide is based on the above more comprehensive guide on evaluation and also on the original guide “Evaluating EU expenditure programmes, ex post and intermediate evaluation”, which was issued already in 1997.

The first chapter provides information on the nature of and the obligation to do evaluations in the Commission. Together with the last chapter on using evaluation findings, it can be of particular interest to those responsible for planning, organising and co-ordinating evaluations. Chapters 2-4, which address the evaluation process (design, conduct and reporting) should be interesting for all those who have to carry-out and utilise evaluations (such as desk officers in the operational units).

1 EVALUATION IN THE COMMISSION, ITS DEFINITION AND SCOPE

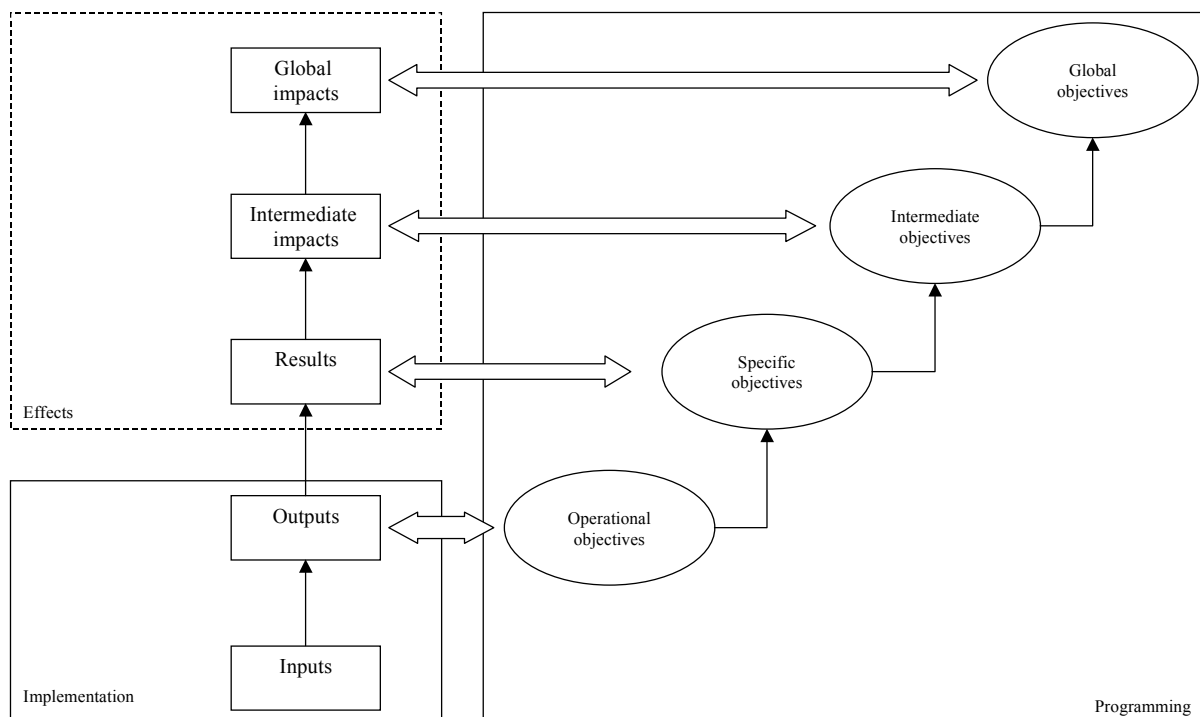
This chapter describes the basic objectives and characteristics as well as the scope of evaluation in the Commission.

1.1 Definition and content of evaluation

According to the Communication on evaluation¹, **evaluation** is “*judgement of interventions according to their results, impacts and needs they aim to satisfy*”. The key notion in this definition is that it is a process that *culminates in a judgement (or assessment)* of an intervention. Moreover, the focus of evaluation is first and foremost on *the needs, results and impacts* of an intervention. More operationally, evaluation normally examines issues such as relevance, efficiency, effectiveness, sustainability etc. (c.f. page 7).

The fixing of objectives when an intervention is being designed is an essential aid to evaluation since they are an integral part of assessing an intervention directly with regard to the issues of *relevance* and *effectiveness*. Furthermore, objectives provide a starting point from which indicators for measuring performance (through both monitoring mechanisms and evaluations) should be developed.

A framework for developing a hierarchy of objectives and associated indicators is presented below.



Operational objectives provide a basis for assessing an intervention in relation to its *outputs*. The latter can be defined as what is directly produced/supplied through the implementation process.

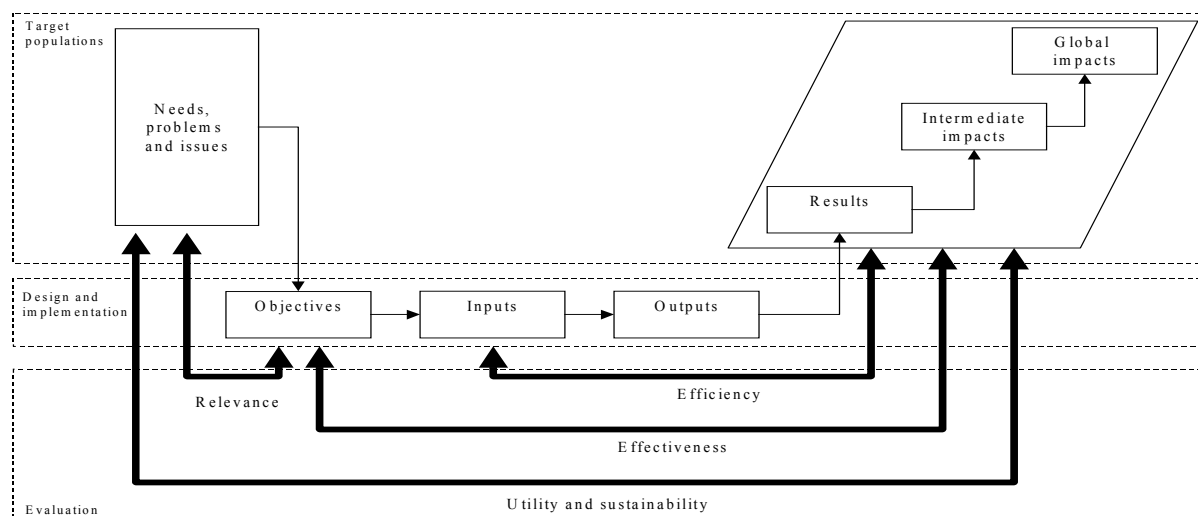
¹ The Communication on Evaluation (SEC(2000) 1051): http://europa.eu.int/comm/budget/evaluation/keydocuments_en.htm

Specific objectives provide a basis for assessing an intervention in relation to the short-term *results* that occur at the level of direct beneficiaries/recipients of assistance.

Intermediate objectives provide a basis for assessing an intervention in relation to its short to medium-term effects (or *intermediate impacts*) on both direct and indirect beneficiaries/recipients of assistance.

Global objectives provide a basis for assessing an intervention in relation to longer term and more diffuse effects (or *global impacts*).

The elements and concepts of **intervention logic** as presented below form, by definition, the core of any evaluation.



Inputs: these are the means used to produce outputs. Inputs include budgetary costs (financial, administrative and human resources), but also costs for the beneficiaries or target population (co-financing, compliance costs stemming from administrative burden) and costs for third parties (Member States, intermediary organisations).

Outputs: Output is defined as a product, which is delivered by the Commission services. It is typically a product, which is under direct control of the manager. When specifying output, you need to ask i.) what should be delivered, and ii.) at what time.

Results/intermediate impacts: Immediate or initial effect / outcome of an intervention.

Global impacts: Longer-term effects / outcomes of an intervention.

1.2 Purpose of evaluation

The two overall purposes of evaluation can be summarised as follows:

- An evaluation, which is mainly concerned with determining the effectiveness of an intervention for the purposes of accountability or to assist in the allocation of budgetary resources. This is called a "summative dimension", and

- An evaluation, which is concerned with examining ways of improving and enhancing the implementation and management of interventions. This is called the "formative dimension".

Using these overall purposes, more specific and operational purposes can be developed. Accordingly, evaluation can:

- Contribute to the design of interventions, including providing input for setting political priorities,
- Assist in an efficient allocation of resources
- Improve the quality of the intervention
- Report on the achievements of the intervention (i.e. accountability).

1.3 Characteristics and delimitation of evaluation from other information tools

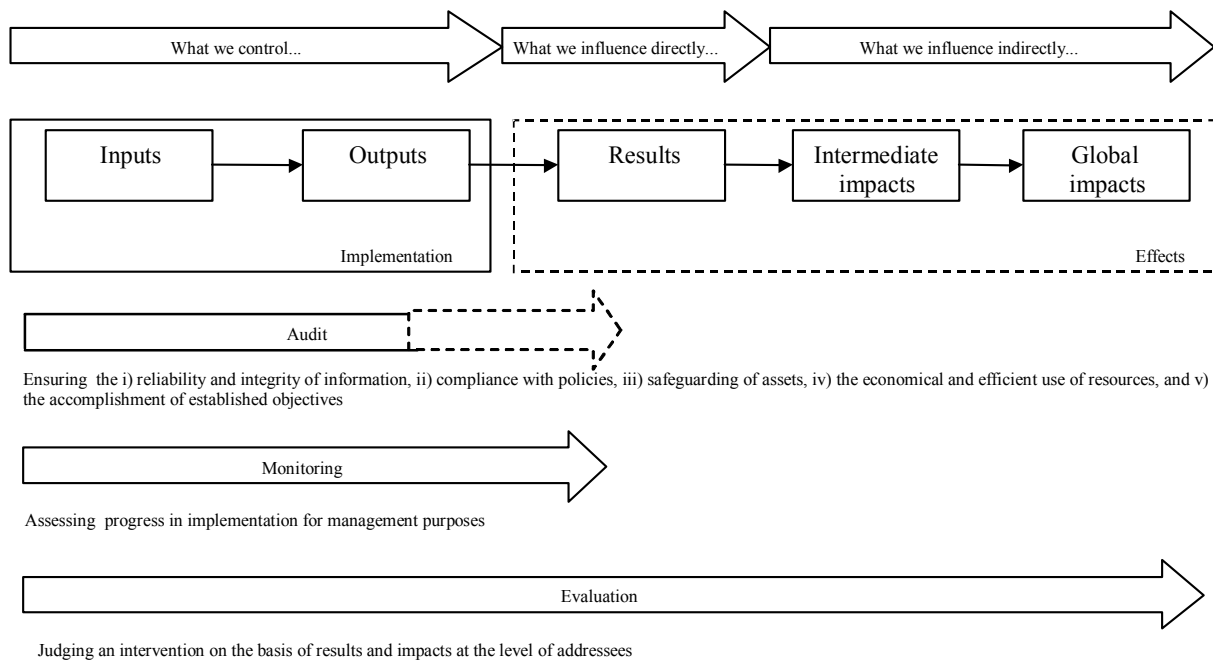
By comparing evaluation to other information tools, such as monitoring and audit, we can see what evaluation can and cannot address.

Monitoring is a continuous and systematic process carried out during the duration an intervention, which generates quantitative data on the implementation of the intervention, but not usually on its effects. The intention is to correct any deviation from the operational objectives, and thus improve the performance of the programme as well as facilitate subsequent evaluation.

Audit, in the public sector covers a broad range of activities ranging from the traditional financial audit, which concentrates on inputs and outputs, to performance audit, which may encompass some features of an evaluation.

A comparison of the scope of evaluation, monitoring and financial audit is presented schematically in the diagram below.

In the diagram it can be seen that different forms of evaluation cover the whole range of the intervention logic. The ex ante evaluation will, for example, address the required level of resources (input) while the interim and ex post evaluations have more focus on the results and impacts.



1.4 Evaluation variants

Evaluation can be categorised according to different criteria, such as temporal scope and how it is conducted (internal/external).

Temporal variants:

As for the temporal scope there are three main variants of evaluation mirroring the programme/policy cycle. These are described briefly here.

Ex ante evaluation is a process that supports the preparation of proposals for new or renewed Community actions. Its purpose is to gather information and carry out analyses which help to ensure that the delivery of policy objectives will be successful, that the instruments used are cost-effective and that reliable evaluation will be subsequently possible.

An ex ante evaluation should be seen as an analytical process that is not necessarily dissociated from the process of preparation and design of an intervention. Furthermore, different steps can be done separately. For more information on how to carry out above elements of ex ante evaluation, see DG Budget's Ex ante Evaluation Guide².

An interim evaluation examines an ongoing activity whether this is a programme of limited duration or a policy, which continue for an indefinite period. An interim evaluation has an important role to play in producing direct feedback into the implementation process and thus help to improve the quality of ongoing interventions. Moreover, since new initiatives are often prepared long in advance, interim evaluation is also a very important source of information for the design purposes for the next generation of a programme, new policy orientations, etc. In this context an interim evaluation may explicitly address some of the issues covered by ex ante evaluation.

Ex post evaluation embraces the entire intervention period, with a special interest on the impacts, efficiency and effectiveness of the intervention. It should also assess how sustainable the realised impacts are and what are the main factors behind success or failure of an intervention.

² http://europa.eu.int/comm/budget/evaluation/pdf/ex_ante_guide_en.pdf

Internal vs. external evaluation

Evaluations may be conducted by persons from within an organisation responsible for the intervention, by persons from outside it or combining both. The first instance is referred to as **internal evaluation**, the second as **external evaluation** while the third one is called as **mixed evaluation**.

Different evaluation situations are more or less well suited to internal or external evaluation. The use of external contractors is particularly suitable for evaluations with a strong summative dimension (i.e. an evaluation mainly concerned with determining the effectiveness of an intervention for the purposes of accountability or to assist in the allocation of budgetary resources) since external evaluators view an intervention with a certain degree of detachment, they may be more independent in their assessment of it.

On the other hand, internal evaluation carried out by the DG's evaluations function and involving operational staff is particularly useful where the formative dimension (i.e. an evaluation concerned with examining ways of improving and enhancing the implementation and management of interventions) is dominant (e.g. ex ante evaluation, and to a lesser degree intermediate evaluation).

In the Commission, the use of external experts has been dominant. Almost 90% of the evaluations since 1996 were conducted externally. However, a slight rise in of the share of evaluations conducted internally can be observed in the more recent period.

1.5 The scope of evaluation in the Commission

The principles enshrined in the basic documents on evaluation Commission, require the services to carry out evaluation for activities that are directed to addressees or beneficiaries outside the European Institutions, whether or not the disbursement of funds is involved. However, these documents also foresee a certain degree of **proportionality** in the effort that should be spent on evaluation.

In particular, the Financial Regulation emphasises the obligation to evaluate programmes and activities that entail **significant** spending and the Communication on Evaluation states that the *scope, frequency and timing* of evaluations should be adapted to *decision-making needs* and to the *life cycle* and *nature* of each activity, as well as to the *resources* available.

Unless clearly required in the sectoral legislation, each individual project needs not to be evaluated. However, a programme level evaluation should always look at some of the underlying projects constituting a particular programme.

2 DESIGNING AN EVALUATION

This Chapter deals with the different elements related to designing an evaluation. It starts with a discussion on the mandate for an evaluation project, and then moves on into the more detailed aspects of the preparatory phase of an evaluation involving how to devise evaluation questions and draft of the Terms of Reference.

2.1 Mandate for an evaluation project

As an intermediate step between the specific commitments to carry out an evaluation (e.g. sectoral regulations) and the detailed Terms of Reference, it is sometimes appropriate to establish an evaluation mandate. This mandate is a brief and overall description of the evaluation to be carried out. This document should specify what is going to be evaluated, what the motives are for doing an evaluation, how the work will be organised, and what the expected use of evaluation is.

Below is a list of items to consider when drafting the mandate for an evaluation:

- Context of the evaluation project.
- Motives and objectives of the evaluation project
- Calendar of the project.
- Management of the project.

2.2 Evaluation questions

The elaboration of evaluation questions is a part of the **structuring phase** of an evaluation in which the effects to be evaluated are chosen and clarified. Evaluations should provide essential information of an evaluative nature for their users. This is normally ensured through the drawing up of a series of questions aimed at directing the work of the evaluator.

The information a particular evaluation generates centres on a number of **key (generic) issues** embodied in the evaluation questions. The issues that an evaluation should address depend to some extent on its timing. The diagram below indicates and explains the evaluation issues (relevance, efficiency, effectiveness etc.) that are most relevant to different stages of the evaluation cycle.

		Ex ante	Interim	Ex post
Relevance	The extent to which an intervention's objectives are pertinent to needs problems and issues to be addressed	●	●	
Coherence	The extent to which the intervention logic is non-contradictory/the intervention does not contradict other interventions with similar objectives	●		
Economy	The extent to which resources are available in due time, in appropriate quantity and quality at the best price	●	●	●
Effectiveness	The extent to which objectives set are achieved	●	●	●
Efficiency	The extent the desired effects are achieved at a reasonable cost	●	●	●
Sustainability	The extent to which positive effects are likely to last after an intervention has terminated			●
Utility	The extent to which effects corresponded with the needs problems and issues to be addressed			●
Consistency	The extent to which positive/negative spillovers onto other economic, social or environmental policy areas are being maximised/minimised	●	●	●
Allocative/distributional effects	The extent to which disproportionate negative/positive distributional effects of a policy are minimised/ maximised	●	●	●
Acceptability	The extent to which stakeholders accept the policy in general and the particular instrument proposed or employed	●	●	●

2.3 Drafting Terms of Reference

The Terms of Reference (TOR) is the key document in the evaluation process, especially when the evaluation is being contracted to an external evaluator, presenting the origin, scope and aim of the evaluation project, as well as the distribution of roles. The TOR should describe the content of the activity to be evaluated and specify the information, which is already available and will be made available to the evaluator. Furthermore, it should state precisely a limited number of questions, which the evaluation has to answer.

Below is a list of the main elements, which the TORs should include:

- The purpose, objectives and justification for evaluation (including the legal base),
- A description of the activity to be evaluated,
- The scope of the evaluation,
- The main evaluation questions,
- The overall approach for data collection and analysis,
- The framework delimiting the work plan, organisation and budget of the process,
- In the case of external evaluator, clear selection criteria,
- The structure of the final report, and if possible also of the progress reports,
- The expected use, and users of the evaluation.

The purpose and justification of evaluation

The Terms of Reference (TORs) usually describes the legal requirement for carrying out the evaluation. In addition, this part of the TORs should also explain the purpose of the evaluation, and thus define the general objectives and intended use of the evaluation project.

Description of the activity to be evaluated

TORs should also provide basic information on the exact content of the activity (policy, programme etc.) to be evaluated. Thus, the following items could be covered:

- Problems, needs and target population the intervention is intended to addresses,
- Objectives of the intervention,
- Delivery systems (actions, budget lines etc.) currently in place,
- Outputs to be delivered as well as expected results and impacts.

Scope of the evaluation

Depending on the nature of the activity, the scope can comprise different elements, but at least the legal, temporal and geographical aspects of the scope should be considered:

- Will the evaluation cover the entire intervention? If not, then TORs should clearly indicate which part is to be excluded (part of the budget, periods of time, selected parts of the target population, portion of geographical areas subject to the activity etc.),
- Which other interventions should be addressed in the evaluation? This can take various levels, such as other interventions within the same activity, other related activities of the same policy area, other related activities of different policy areas, other related interventions of the Member States, and other developments in the context.

The approach for data collection and analysis

The requested approach for data collection and analysis can contain general orientations on methods, typologies to be applied as well as minimum requirements concerning data collection.

Many factors influence the design of the evaluation, notably the time and resources available for the evaluation project. Bigger budgets and longer time horizons enable the commissioner of the evaluation to ask for more varied and in-depth data to be collected and for more sophisticated analyses to be made.

The work plan, organisation and budget of the evaluation

The work plan is always linked to the decision-making needs (i.e. the date by which the information from the evaluation is required by the services), and thus should never be drafted without this constraint in mind. When the link to the decision-making process has been established it is essential to establish clear deadlines for different phases of the evaluation process, the meetings with the steering group and the deliverables to be supplied by the evaluator as the work progresses. Moreover, guidance on existing data sources and relevant contacts for the evaluator should also be provided.

3 CONDUCTING EVALUATIONS

This chapter addresses the different arrangements related to conducting evaluations. It will first discuss on how to set up a steering committee for an evaluation project. After that the text moves to actual carrying out of evaluation, including the administrative set-up and methods to be employed. The chapter will close with the validation of the evaluation report.

3.1 Steering Groups

This section deals with the question of how to set up a steering group. The first sub-section addresses the question of how to compose a steering group while the second one examines the tasks and responsibilities of such a group.

Composition of the Steering Groups

The Steering Group is usually composed of a group of officials, from the Commission, who are directly concerned and/or involved with the intervention subject to the evaluation and furthermore have some knowledge of evaluation.

Depending on the nature of the intervention and the expectations and needs stemming from the decision-making process the steering group can, and quite often is, broadened to include also members outside the Commission.

Tasks of the Steering Group

The Steering Group should normally contribute to the following steps:

- Prepare the Terms of Reference,
- Provide access to information,
- Support and monitor the work of the evaluator,
- Assess the quality of the final report,
- Dissemination of the results and other follow-up.

3.2 Carrying out evaluations

Administrative set-up

The choice between in-house work and entrusting the whole or parts of the evaluation to outside sources depends on a number of factors, but often the key determinants are the overall purpose of the evaluation exercise and time and resources available for it.

The use of external contractors is particularly suitable, when the evaluation has a strong summative dimension (i.e. evaluation provides information with the objective of transparency and accountability purposes).

On the other hand the in-house choice is useful when the summative dimension is weak, but the formative dimension (i.e. objective of the evaluation is to increase organisational learning and improvement in the quality of the intervention) is strong. In practice this makes ex ante evaluation more likely to be carried out internally than other types of evaluations. However, in reality an evaluation project will often combine both summative and formative aspects, and thus a combination of internal and external evaluation is sometimes meaningful.

Implementing the evaluation

The methodology of an evaluation is usually composed of a combination of tools and techniques assembled and implemented in order to provide answers to the questions posed within the framework of an evaluation, with due regard for the time, budgetary and data constraints of the project.

Evaluation tools and techniques are implemented to fulfil one or more of the following functions:

- to help structure an evaluation.
- to collect of data in/outside the Commission.
- to analyse data.
- to aid the formulation of judgements.

It will be useful, already in the Terms of Reference, to distinguish the following four phases of evaluation. The **structuring phase** of an evaluation covers the period from the drawing up of the terms of reference by officials to the delivery of the inception report by the evaluator. In this phase the effects to be evaluated are chosen and classified and the observation tools are clearly defined.

The **data collection**. Data collected by the evaluator will usually be both of a qualitative and quantitative nature, and will provide factual information along with perceptions and opinions. Data is collected using a number of tools and techniques (surveys, questionnaires, case studies etc.), and from different informants and documentary, statistical sources and monitoring systems.

The **analysis of data** firstly takes place at the level of individual data collection tools and techniques (e.g. the analysis of a survey, interviews, etc.). Secondly, the results of individual data collection tools and techniques are compared to check whether similar conclusions can be drawn from them in order to attribute particular effects to the intervention.

The final stage of the evaluation consists of the **formulation of judgements**. Once all the data has been analysed and the evaluation results compiled the success of an intervention can be judged, a process which will focus in particular assessing an intervention in respect to specific evaluation questions that reflect generic evaluation issues such as effectiveness, efficiency, utility, sustainability and relevance.

Validation of evaluation reports

An evaluator will deliver a number of different reports at various key stages of the evaluation process: inception report, intermediate report(s), draft final report and final report. Each report should be critically assessed as it provides a basis for tracking quality of the work done by the evaluator. A structured quality assessment framework exists for the draft final and final reports.

4 FINAL REPORTING, DISSEMINATION AND USE OF EVALUATION RESULTS

This chapter addresses the feedback mechanisms related to evaluation findings at the end of the evaluation project. These mechanisms relate to both reporting and dissemination and use of evaluation results.

4.1 Reporting

The structure of the evaluation report should reflect the different uses and expectations of the final report. A broad classification into following three parts is usually recommended:

- Executive summary.
- Main report.
- Technical annexes.

4.2 Dissemination and disclosure of evaluation results

The first step in a dissemination strategy is to identify the key potential users at the outset of the evaluation and present them already in the Terms of Reference. This enables the evaluators to know right from the beginning who these potential users are.

Below is a short list of potential evaluation users:

- **Key policy-makers and interested institutional parties.**

In the case of EU-activities, this group includes the Cabinet or possibly College, the EU Parliament and its various Committees, the Council, the Court of Auditors as well as the Member States.
- **Managers and operators of the intervention being evaluated.**

This group may consist of individual DGs, agencies and other public bodies involved in the implementation of the intervention.
- **Addressees of the intervention.**

Bodies which are affected either positively or negatively, directly or indirectly by the intervention.
- **Other Services.**
- **Other interest groups.**

These are, for example, organisations, groups or individuals having a general interest in the intervention being evaluated as well as academics with a specific scientific interest.

Together with identifying the potential users of the evaluation, it is often useful to analyse their characteristics in order to develop appropriate communication vehicles. The following list offers some basic questions, which can be used when analysing the target audience of evaluation:

- How is the target audience composed and what are their needs?
- What is their knowledge of the evaluation?
- Were they involved in the evaluation design? If so, to what extent? If not, why?
- What advantages and disadvantages might result to them from the evaluation?
- Which evaluation questions are of interest to them?
- What other issues are important to them?

- Are they likely to object to particular findings, conclusions or recommendations and how these objections might be overcome?
- How interested will they be in the fine details compared to the overall picture?

4.3 Channels for diffusing evaluation findings

The final step in the dissemination strategy is to explore different sorts of communication vehicles that may be used, when reporting on the results of the evaluation. It is worth noting that the choice of the communication means is often linked to the targeted audience, as shown below.

Different ways of diffusing evaluation findings to different audiences:

	Decision-makers	Managers	Addressees	Other interest groups
Meetings		X		
Draft report		X		
Confidential note	X	X		
Public report	X	X	X	X
Synthesis note	X	X		
Presentation	X	X		X
Brochure/ article			X	X
Press conference / release			X	X
Communication	X	X		
APS-decision	X	X		
Preliminary Draft Budget / Activity Statements	X	X		
Annual Activity Report	X	X		
Fiche contradictoire / Action Plan		X		
Explanatory memorandum + legislative financial statement	X	X		X

Commission's Annual Evaluation Review	X	X		X
--	---	---	--	---

4.4 Use of evaluation results

It is important to support the process of transposing evaluation results into a form that is most likely to lead directly to use. One good example in the Commission is called a “fiche contradictoire”, a document which presents the recommendations of an evaluation to the relevant operational unit and invites the latter to accept or to refuse explicitly the recommendations of the evaluator. Another example worth mentioning is the work done by the DG AGRI evaluation unit. It assesses the use of the evaluation results six months after it was reported on as part of standardised follow-up procedures. Finally, specific Reports or Communications of the Commission can also be used as a vehicle for capitalising on evaluation results. Usually these documents list the main recommendations of the evaluation reports together with the comments and actions to be taken up from the Commission in formulating a follow-on programme proposal. Moreover, if the Commission disagrees with any recommendation of the evaluation report, a reason for that is given.

Apart from the above follow up processes, there are also other factors, which influence the way evaluation results are used. These can be classified into different categories in a following way:

Factors influencing the use of evaluation results at the organisational level:

- Planning and timing,
- Human and financial resources,
- Relationship with the stakeholders,
- Evaluation and management culture.

Factors influencing the use of evaluation results related to the substance of the intervention:

- Level of budget,
- Political importance,
- Expected impact,
- Coherence with other interventions.

WHERE TO LOOK FOR MORE INFORMATION

A useful first source of information is usually a unit or officials responsible for evaluation within each Directorate-General or service.

If you want more information on the evaluation in the Commission, following link gives you an access to the website of the DG Budget, where you can find more information on evaluation.

http://europa.eu.int/comm/budget/evaluation/index_en.htm

Behind this link you can find more information on:

- Evaluation findings across the Commission services,
- Evaluation activities & studies,
- Commission evaluation system & regulatory requirements,
- Evaluation guides, which exist in the Commission,
- Procurement opportunities related to the evaluation,
- Latest evaluation reports & news,
- Existing evaluation networks & links.