EUROPEAN COMMISSION
EuropeAid Cooperation Office

Evaluation

GOOD PRACTICE FOR INCLUDING PRINCIPLES OF *EX ANTE* EVALUATION IN THE DESIGN OF COOPERATION PROJECTS AND PROGRAMMES

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1. WHY *EX ANTE* EVALUATION IS INCLUDED IN THE FRAMEWORK FOR IDENTIFYING COOPERATION PROJECTS AND PROGRAMMES

1.1. *Ex ante* evaluation: a practice in the process of being mainstreamed within the Commission

The European Commission, supported by the Court of Auditors, is increasingly promoting the development of a culture and practice of evaluation in general, and *ex ante* evaluation in particular.[1] The Financial Regulation[2], as well as the financial regulation applicable to the 9th EDF, also includes reference to *ex ante* evaluation.

In the context of implementing activity-based management (ABM), *ex-ante* evaluation becomes applicable to all Commission's activities. It is regarded as "good practice" which is intended "to become the basis for informed decision-making"[3].

1.2. Aid to the design and to the future evaluation of cooperation projects and programmes

In the case of cooperation projects and programmes, the purpose of *ex ante* evaluation is to collect and analyse information with the aim of improving their design and to facilitate monitoring them and evaluating them in the future.

Ex ante evaluation enable those involved in the design to:

- check that the objectives of the programme or project are clear and coherent and that the proposed level of resources is sufficient in relation to the intended results;
- quantify the intended impacts in a practical way;
- define the indicators which allow monitoring of the implementation of the project or programme, and accounting for its effects in the framework of a future *ex post* evaluation.

Ex ante evaluation does not require a specific exercise to be undertaken to gather and analyse information; **usually the information required has already been collected, or in fact analysed, during the preparation of the project or programme as stipulated by the project management cycle** (see the links between the components in the *ex ante* check-list and those in the logical framework approach, section 2.2).

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1 White Paper "Reforming the Commission", COM(2000)200, 1 March 2000; Communication "Focus on results: strengthening evaluation of Commission activities", SEC (2000)1051

2 Financial Regulation (No.1605/2002)

3 SEC (2001) 1197/6 & 7, Communication on Implementing activity-based management in the Commission, 3.3.2

2. CHECK-LIST FOR *EX ANTE* EVALUATIONS

2.1. List of component parts of an *ex ante* evaluation

As the style and approach that should be used for *ex ante* evaluation of cooperation projects and programmes has not yet been precisely defined, this document proposes that the principles used for *ex ante* evaluations of financial activities by the Commission budget are adopted as good practice, while taking care to ensure that they are well integrated with components contained in the identification documents already in use within EuropeAid.

As set out in the 'methods of implementation' section of the Financial Regulation applicable to the general budget of the European Communities (Article 21 (1)), these requirements correspond to including the following elements:

– the short or long-term need to be addressed;

– the objectives to be achieved;

– the intended results and the indicators necessary to evaluate them;

– the added value of the Commission's intervention;

– the risks, including the risk of fraud, linked to the proposals and the alternative options available;

– the lessons learnt from similar activities completed in the past;

– the amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness;

– the monitoring system to be established.

2.2. Checklist

The following table provides a **checklist** which allows verification that all of the elements of an *ex-ante* evaluation have been taken into account in the design of cooperation projects and programmes.
This checklist does not intend to be additional to the various exercises already specified for the identification stage of projects: it mainly uses the principal elements of the logical framework approach (supplementing them where necessary) followed in the project management cycle (PCM).
The level of detail with which the checklist is used can vary depending on the depth and complexity of the project or programme being considered.

<table>
<tr><th>Elements of an ex-ante evaluation to be taken into account in programming documents</th><th>Yes</th><th>No</th></tr>
<tr><td>(1) <u>Needs assessment (a)</u>

• Has the problem(s) which the project/programme aims to tackle been accurately analysed?
• Have the identified problems been broken down into short, medium and long term needs? For each of these categories, has a target population been identified?
• Has the EC’s response to the identified needs been satisfactorily explained? In particular, does the document establish a clear link between these needs and:
– the objectives of the partner country ;
– the objectives of the Commission ?
Point a) relies on the analysis of the problem envisaged in the development of the logical framework.</td><td></td><td></td></tr>
<tr><td>(2) <u>The objectives to be achieved (b)</u>

• Have the objectives of the programme been clustered, scaled and broken down into:
– general objectives;
– specific objectives;
– operational objectives?
• Have these objectives been specified according to:
– geographical areas;
– associated target population?

(3) <u>The intended results and the indicators necessary to evaluate them (c)</u>

• Have the general and specific objectives been expressed in terms of intended effects (i.e. impacts, results, outcomes)?
• Are the objectives specified in this way accompanied by target levels providing an indication of what would be considered a success (partial or total) for actions implemented under the project or programme?
• Have appropriate indicators been included to measure:
– the necessary resources, both from a financial perspective and a human resources perspective;
– outputs;
– results (outcomes);
– and the impacts of the project or programme?
• Can these indicators be verified objectively?
Items b) and c) refer respectively to the analysis of the objectives and to the stage of the logical framework approach when objectively verifiable indicators are developed.</td><td></td><td></td></tr>
<tr><td>(4) <u>Added value of the Commission intervention (d)</u>

Coherence
• Does the document verify that there is harmonisation between the objectives of the project or programme, and with the objectives of:
– the European Commission cooperation programme with the partner country?
– the national policies or sectoral programmes of the partner country?
Coordination
• Have sufficient coordination mechanisms been envisaged between those carrying out implementation projects within the same sector and/ or the same region, whatever the source of funding?
Complementarity
• Does the document verify that there is no duplication between the intervention being considered and other interventions of the beneficiary country and/or other donors, in particular other EU Member States?
• Does the document verify that the different activities anticipated for the sector and/or region are harmonised?
• Has the possibility of synergies between similar activities or within the same sector/ same region been examined?
Point d) reiterates elements of the analysis of strategies envisaged in the logical framework approach.</td><td></td><td></td></tr>
</table>

Elements of an *ex-ante* evaluation to be taken into account in programming documents	Yes	No
(5) <u>Alternative intervention options and risks (e)</u> *Alternative intervention options* • Does the document mention several alternative intervention options? • Is at least one of these described in detail, drawing lessons learnt from other implementations in similar contexts? • Does the document present an analysis comparing at least one alternative option with the proposed option, which specifies: – the resources to be raised; – the implementation modalities; – the predicted effects; – the difficulties and risks related to the implementation? • Has an Ecofin analysis been carried out? If so, has the corresponding checklist been completed correctly? • Has the choice of the selected option been accurately justified? *Risks* • Have the main risks and assumptions linked to the intervention been accurately identified? • Does the document identify the means intended to mitigate these risks? *Point e) refers to the analysis of strategies and the identification of assumptions of the logical framework approach.*		
(6) <u>Lessons learnt from similar experiences in the past (f)</u> • Does the document outline the results or conclusions of project evaluations, geographical evaluations (at national or regional level) or thematic/ sectoral evaluations? • Does the document outline information provided by the ROM (Result Oriented Monitoring) system for similar projects and programmes? • Does the document indicate how this information can be used to improve the design of the project/programme?		
(7) <u>The amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness (g)</u> • Does the document outline the implications of the proposed option in terms of costs (broken down into funding, staff resources and other administrative expenditure): – for the Commission; – for the partner country ? • Does the document provide an analysis comparing at least one alternative option with the option selected? • Has an analysis been included of whether the means envisaged are appropriate for the objectives of the intervention? *Point g) corresponds to the stage of the logical framework approach when the means and costs are identified.*		
(8) <u>Monitoring system (h)</u> • Are the proposed methods for data collection, storing and handling which correspond to the indicators (specified in point c)) satisfactory? • Does the document envisage a monitoring system including indicators and target levels for: – funding; – staff resources; – administrative resources; – timescales? • Will this system equally allow monitoring of: – the outputs; – the results of a project or programme? • Will the monitoring system be fully operational from the outset of implementation of the project or programme? • Has an evaluation programme been established?		

3. THE CONCRETE STAGES OF AN *EX-ANTE* EVALUATION

N.B.: This chapter summarises the elements presented in more detail in a document produced by DG BUDGET in December 2001[4].

3.1. Analysis of the problem and needs assessment (a)

The rationale for a project stems from the identification of a "problem" to be solved and/or a need to be satisfied.

An analysis of the problem is the starting point for any *ex-ante* evaluation. This involves:

- defining the key aspects of the situation to be addressed by the programme;
- identifying the factors that are likely to influence the key problem;
- identifying the main groups of actors that influence or are being influenced by the situation;
- analysing the cause and effect relationship between the factors identified and the interests and motivations of the actors;
- presenting these relationships in a visual format, for example in the form of a "problem tree"[5].

Following an analysis of the problem, a **needs assessment** should be carried out. This involves precisely identifying the **target group** of the intervention and analysing its **actual needs**. A needs assessment involves the following steps:

- identifying the target population and the main sub-groups within it;
- examining the situation, the motivations and the interests of these groups;
- ensuring that the needs identified correspond to the general objectives of the Commission cooperation and development policy;
- ranking the various needs in order of priority.

An analysis of the problem and a needs assessment should help to define the objectives of the intervention.

3.2. Objective setting and related indicators (b and c)

Within the framework of *ex-ante* evaluation, the policy objectives of the intervention must be translated into more concrete objectives. **Objectives must reflect the desired change in relation to the situation at the start**.

[4] *Ex-ante evaluation, practical guide for preparing proposals for expenditure programmes*, DG BUDGET, December 2001, http://europa.eu.int/comm/budget/evaluation/pdf/ex_ante_guide_en.pdf

[5] An example of a " problem tree" can be found on page 8 of the DG BUDGET guide (see note 1)

Indicators should also be defined alongside the objectives, in order to monitor progress of the intervention.

The preliminary analysis of the problem and needs assessment have to make it possible **to rank the objectives according to priority**. Objectives can be divided into three groups, each with a corresponding indicator level:

(1) **general objectives**: these produce **impacts** (consequences of the programme beyond its direct and immediate interaction with the recipients), measured by **impact indicators**;

(2) **specific objectives**: these produce **results or outcomes** (immediate advantages of the programme for its direct recipients), measured by **result indicators**;

(3) **operational objectives**: these produce **outputs** (product of the activity of the operators, or, more precisely, immediate counterpart of the public expenditure), measured by **output indicators**[6].

Prior to defining the indicators, the **success criteria** for the intervention should be specified. These criteria can be established by answering the question: "how can we judge if the action has been successful or not?". They must be accompanied by **target values** which will make it possible, by comparing them with the actual values noted at the end of the intervention, to give an account of the degree to which objectives have been achieved.

3.3. Added value of the Commission intervention (d)

European Added Value (EAV) can be understood as "the value resulting from an EU intervention that is additional to the value that would have resulted from intervention at national or regional level by public authorities and/or the private sector" [7], and other donors in the specific case of external aid.

Analysing the EAV within the framework of ex-ante *evaluation* entails checking:

– the **coherence** of the Commission intervention (absence of conflicts/seeking synergies between the various elements of the intervention);

– strong **coordination** (harmonisation of policies, programmes, procedures and practices) and **complementarity (**no duplication) between the Commission intervention and the interventions of the partner country and other donors, in particular the EU Member States;

3.4. Alternative options and risk assessment (e)

There are often numerous means of achieving an objective. Within the framework of ex-ante evaluation, an analysis of the different intervention mechanisms available has to

[6]Item (3) involves the implementation of the intervention; it does not concern programming

[7]p.18 of the guide referred to above

include compiling **a list of the possible options** and comparing them according to selected criteria (predicted effectiveness; cost levels; associated risks).

Examples of the techniques used to identify the alternative options available to a programme or of an activity include the following:

– brainstorming sessions with a group of experts and/or target groups;

– pilot projects;

– analysis of the findings of earlier evaluations and studies.

In addition to an analysis of alternative options, *ex-ante* evaluation has to provide a **risk assessment** of the intervention. Risks can be defined as events which can have undesirable or negative consequences.

Within the framework of *ex-ante* evaluation, it is therefore appropriate:

– to identify the risks (risk of fraud; risk of insufficient institutional capacity; risk of institutional instability; economic and financial risk, etc.);

– to indicate the means intended to mitigate the most significant risks.

3.5. Lessons from the past (f)

Within the framework of *ex-ante* evaluation, it is vital to include lessons learnt from previous experiences, in particular lessons learnt through the analysis of evaluation reports and other past studies.

For country level evaluations, numerous sources are available:

– past country level evaluations;

– thematic evaluations linked to the EU intervention in the country concerned;

– possible project evaluations;

– evaluations carried out by other donors (e.g. the World Bank);

– reports of the Court of Auditors;

– etc.

3.6. Guaranteeing cost-effectiveness (g)

In accordance with the Financial Regulation and the principles of ABM, *ex-ante* evaluation should contribute to guaranteeing that the use of Commission funds conforms to the principles of **economy** and the **cost-effectiveness ratio**, which can be defined as follows:

– the principle of economy requires the means for achieving fixed objectives to be selected so as to minimise the costs;

– the cost-effectiveness ratio requires the longer-term benefits and impacts which result from an intervention to justify the costs of carrying it out.

In view of the difficulty of calculating cost-effectiveness ratios at the *ex-ante* stage, particularly for country level evaluations, *ex-ante* evaluation should concentrate on:

– presenting a very broad estimate of the **costs linked to the proposed project**;

– questioning whether **the objectives justify the cost**, keeping in mind that this is ultimately a political judgement;

– questioning whether **the same results could be achieved at a lower cost** by using a different approach or other instruments, or if **better** results could be achieved **at the same cost** due to a different approach or other instruments.

3.7. Monitoring the intervention and future evaluations (h)

Ex-ante evaluation has to specify the system which will enable **monitoring** of the intervention. This monitoring system has to make a distinction between:

– daily monitoring centred on the level of use of resources (or inputs, broken down into funding, staff resources, administrative resources and time) and the progress of achievements (outputs);

– more specific monitoring intended to prepare future evaluations; this monitoring is concerned with the level of effect of the results (outcomes) and impacts of the activity.

With regards to monitoring, *ex-ante* evaluation must specify the arrangements required for data collection for the proposed indicators; analyse the relevance and reliability of the proposed methods and instruments for gathering monitoring data; and ensure that the monitoring system is operational from the outset of the programme.

Ex-ante evaluation also has to provide an **evaluation programme**, detailing the requirements for a future evaluation of the intervention. This programme in particular must indicate the timescale for the future evaluation, bearing in mind that the results of the evaluation will need to be available to feed into the following programming cycle.