



EUROPEAN COMMISSION

EuropeAid Cooperation Office

Evaluation

**NOTE ON INCLUDING REQUIREMENTS OF *EX-ANTE*
EVALUATION IN EXTERNAL AID PROGRAMMING**

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1. WHY *EX-ANTE* EVALUATION IS INCLUDED WITHIN THE FRAMEWORK OF EXTERNAL AID PROGRAMMING

1.1. A programming aid

The purpose of an *ex-ante* evaluation is to gather and analyse information in order to **improve the design** of a programme or an activity.

It enables those involved in the design to check that the objectives of the programme are clear and coherent. Furthermore, it helps to quantify the intended impacts in a practical way, and to define the indicators which allow monitoring of programme implementation and accounting for its effects.

1.2. A formal obligation

As well as being useful to the design process of Commission programmes and actions, *ex-ante* evaluation also responds to a formal obligation, as specified in the Council's Financial Regulation n° 1605/2002 of 25 June 2002, in Article 27 paragraph 4:

"In order to improve decision-making, institutions shall undertake both ex ante and ex post evaluations in line with guidance provided by the Commission. Such evaluations shall be applied to all programmes and activities which entail significant spending and evaluation results disseminated to spending, legislative and budgetary authorities."

This obligation was specified in the 'methods of implementation' section of the Financial Regulation (Commission regulation n° 2342/2002 of 23 December 2002, Article 21 (1); cf. 2. The constituent components of an *ex-ante* evaluation).

The mandatory nature of *ex-ante* evaluation does not only apply to external aid programmes "budgeted for" in the Commission budget, but also applies to the programmes and activities financed by the European Development Fund (EDF). Article 4 (3) of the Financial Regulation of 27 March 2003 applicable to the 9th EDF stipulates that:

"Objectives shall be set and achievement of those objectives shall be monitored by means of measurable indicators. To that end, the use of EDF resources must be preceded by an ex ante evaluation of the operation to be undertaken and the operation must be submitted to an ex post evaluation with a view to ensuring that the intended results justify the means deployed. "

2. CHECKLIST FOR *EX-ANTE* EVALUATION

2.1. List of the constituent components of an *ex-ante* evaluation

As the Financial Regulation applicable to the 9th EDF does not provide further information on the component parts of an *ex-ante* evaluation, this note aims to extend the requirements proposed for *ex-ante* evaluations of activities financed by the Commission budget, to the activities of the EDF.

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

Based on the list outlined in the ‘methods of implementation’ section of the Financial Regulation (cf. section 2.1 above), 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 external aid programming documents.

Elements of an <i>ex-ante</i> evaluation to be taken into account in programming documents	Yes	No
<p><u>Needs assessment (a)</u></p> <ul style="list-style-type: none"> • Was the analysis of the political, economic and social situation of the country carried out accurately? In particular: <ul style="list-style-type: none"> – does it cover the country's population, geographical areas and sectors of activity in their entirety? – does it take into account the situation of the country in relation to the main cross-cutting priorities of the EC (gender equality; respect for the environment; protection of human rights and good governance; institutional development; conflict prevention)? – does it allow the strengths, weaknesses, opportunities and threats related to the development of the country to be identified (SWOT)? • Have the identified problems been broken down into short, medium and long term needs¹? For each of these categories, has a target population been identified? • Has the rationale for an EC intervention been satisfactorily explained? In particular, does the document establish a clear link between the needs of the partner country and: <ul style="list-style-type: none"> – the <i>general objectives</i> of the Commission's cooperation and development policy; – the <i>specific objectives</i> defined by the international regulations and agreements covering the geographical region of the country concerned (ACP, ALA, MED, TACIS, etc.)? 		
<p><u>The objectives to be achieved (b)</u></p> <ul style="list-style-type: none"> • Have the objectives of the programme been broken down into: <ul style="list-style-type: none"> – general objectives; – specific objectives? • Have these objectives been specified according to: <ul style="list-style-type: none"> – geographical areas; – associated target population? <p><u>The intended results and the indicators necessary to evaluate them (c)</u></p> <ul style="list-style-type: none"> • Have the general and specific objectives been expressed in terms of intended effects (i.e. impacts and results)? • 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 programme? • Have appropriate indicators been included to measure: <ul style="list-style-type: none"> – the necessary resources, both from a financial perspective and a human resources perspective; – results – and the impacts of the Commission cooperation and/or development programme? • Does the document define: <ul style="list-style-type: none"> – strategic indicators; – indicators relating to focal sectors and non focal sectors? • Can these indicators be verified objectively? 		

¹For programming, mainly the medium and long term objectives will be examined

Elements of an <i>ex-ante</i> evaluation to be taken into account in programming documents	Yes	No
<p><u>Added value of the Commission intervention (d)</u></p> <p><i>Coherence</i></p> <ul style="list-style-type: none"> • Does the document verify that the various measures anticipated by the Commission's intervention are harmonised, and that they work towards the same overall objective? • Does the document ensure that the objectives of the EU intervention under its cooperation and development policy and the objectives of its interventions within the framework of other national and Commission policies are harmonised (or, at least, that there are no conflicts)? • Has the possibility of synergies between the various measures anticipated by the Commission's intervention in the field of cooperation/and or development been examined? • Has the possibility of synergies between the various types of EU intervention been examined? <p><i>Coordination</i></p> <ul style="list-style-type: none"> • Have sufficient coordination mechanisms been envisaged between the Commission and other donors, in particular the EU Member States? <p><i>Complementarity</i></p> <ul style="list-style-type: none"> • Does the document verify that there is no duplication between the Commission's intervention and the interventions of the recipient country and/or other donors, in particular other EU Member States? 		
<p><u>Alternative intervention options and risks (e)</u></p> <p><i>Alternative intervention options</i></p> <ul style="list-style-type: none"> • Does the document mention several alternative intervention options? • Is at least one of these options described in detail? • Has the choice of the selected option been accurately justified? <p><i>Risks</i></p> <ul style="list-style-type: none"> • Have the main risks related to the intervention been accurately identified? • Does the document identify the means intended to mitigate these risks? 		
<p><u>Lessons learnt from similar experiences in the past (f)</u></p> <ul style="list-style-type: none"> • Does the document outline the results or conclusions of evaluations or studies covering similar activities? • Does the document indicate how this information can be used to improve the design of the programme? 		
<p><u>The amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness (g)</u></p> <ul style="list-style-type: none"> • Does the document outline the implications of the proposed option in terms of total overall (indicative) funding? • 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 aims of the intervention? 		
<p><u>The monitoring (h) system</u></p> <ul style="list-style-type: none"> • Are the proposed methods for data collection, storing and handling which correspond to the various indicators satisfactory? • Will the monitoring system be fully operational from the outset of programme implementation? • Has an evaluation programme been established? • Does it envisage that the results of the evaluation will be available to feed into the next programming cycle? 		

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 2001².

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"³.

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.

²*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

³An example of a "problem tree" can be found on page 8 of the DG BUDGET guide (see note 1)

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.**

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** (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**⁴.

Prior to defining the indicators, the **success criteria** of 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" ⁵, 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 not only between the various elements of the Commission intervention under cooperation and development policy, but also between the Commission intervention under cooperation and development policy and interventions carried out under other Commission or national policies);

⁴Item (3) involves the implementation of the intervention; it does not concern programming

⁵p.18 of the guide referred to above

- 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 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, *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 **cost of the proposed intervention** (overall total indicative budget);
- 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 monitoring⁶ centred on the level of use of the resources (inputs) 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.

⁶This type of monitoring is not relevant within the programming framework; it becomes meaningful at the implementation stage of projects.