

IPA III Results Framework Indicator Methodology Note

1. Indicator code and name
IPA III RF 4.3.1.4: Number of farms and agri-food processing enterprises supported by IPARD in modernisation
2. Technical details
<p><u>OPSYS and Results Dashboard code:</u> 260979, 260980.</p> <p><u>Unit of measure:</u> Number of (#)</p> <p><u>Type of indicator:</u> <i>Quantitative: Numeric; Actual (ex-post); Cumulative (not annual).</i></p> <p><u>Level of measurement:</u> The indicator corresponds to an output level result. The indicator is related to the IPA III RF outcome level Indicator 4.3.1.1 “<i>Number of farms and food processing enterprises receiving IPARD investment support to progressively align practices with the relevant EU and national standards</i>”.</p> <p><u>Disaggregation:</u> It will be appropriate to disaggregate between (a) farms and (b) agri-food processing enterprises. Further indications on disaggregation set out in IPARD programmes are to be followed.</p> <p><u>DAC sector codes:</u> 31110; 31120; 31130; 31140; 31150; 31161; 31162; 31163; 31164; 31165; 31166;31181; 31182; 31191; 31192; 31193; 31194; 31195; 31210; 31220; 31261; 31281; 31282; 31291;31310; 31320; 31381; 31382; 31391</p> <p><u>Main associated SDG:</u> SDG 15: Life on Land.</p> <p><u>Other associated SDGs:</u> n/a</p> <p><u>Associated IPA III Level 1 indicator:</u></p> <ul style="list-style-type: none"> • Agriculture, forestry, and fishing, value added (% of GDP) (source: Eurostat, online data code: nama_10_a10) (Ind. 4.0.5, same indicator presented under Window 4 – OO & TP 4) . <p><u>Associated IPA III Level 3 indicators:</u> none.</p>
3. Policy context and Rationale
<ul style="list-style-type: none"> • IPA III PF: Window 3 Green agenda and sustainable connectivity, Windows 2: Good governance, EU acquis alignment, good neighbourly relations and strategic communication, Window 4 Competitiveness and inclusive growth – Thematic priority 3 Agriculture and rural development • Chapter of the Acquis. The concerned chapters of the EU <i>acquis</i> relative to this indicator are: chapter 11 “Agriculture and rural development”, chapter 12 “Food safety, veterinary and phytosanitary policy”, within cluster 5 (Resources, agriculture and cohesion). Concerned also is the Chapter 27 Acquis on Environment and climate change which includes regulatory requirements related to water and land use, relevant to interventions to support agri-environment-climate and organic farming.

- The specific objective of IPA III in this area is to gradually build an agricultural sector capable of competing in the EU single market, while progressively aligning with the EU legal framework in the field of agriculture and rural development and the relevant veterinary, food safety and phytosanitary standards (SPS standards). Alignment with EU environmental and animal welfare standards also plays an important role in implementation of these investments. All of this requires a process of modernisation.
- Major efforts are still necessary to tackle the existing structural challenges in the sector, such as low productivity and innovation, lack of diversification, labour-intensive subsistence farming, land fragmentation, difficulties in accessing financial credit to increase investments, as well as lack of proper advisory services and modern technology, poor quality rural infrastructure, environmental pollution, waste and GHG emissions.
- In particular, actions funded under this Window should aim to improve market orientation and competitiveness of the agri-food sector, improve the sector's response to social demands for safe, healthy, nutritious food and animal welfare and enhance farmers' position in the food chain.
- As formulated, the indicator is to be used for IPARD financed interventions only.

4. Values to report

All of the following values must be determined according to the definitions provided in Section 5 below.

- **Reporting values in the logframe:**
 - **Baseline value:** The value assumed by the indicator at time t0, against which progress will be assessed.
 - **Reporting of current value** is done at least once a year: actual latest value on the total number of farms and agri-food processing enterprises by the time of reporting and according to the applicable definitions provided in section 5 of the note. Values will be reported cumulatively across the whole implementation period.
 - **Final target value:** estimated total number of farms and agri-food processing enterprises by the target year and according to the applicable definitions provided in section 5 of the note.
- **Intermediate targets (milestones).** A tool has been developed in OPSYS to automate the generation of intermediate targets¹.
 - For outputs, the intermediate targets are generated using a linear interpolation between the baseline and target values because it is assumed that outputs materialise sooner and more progressively over implementation (than outcomes).
 - For outcomes, the expected progression over the course of implementation will vary across interventions. During the creation of a logframe, the expected outcome profile

¹ This has been done in the framework of the **Intervention Performance Assessment**. Two composite indicators have been developed to provide an overall assessment of an intervention's current implementation and future prospects. These scores will be calculated for all NEAR interventions participating in the annual results data collection exercise.

- The **implementation score** reflects the relevance, efficiency and effectiveness already achieved by the intervention. The information on relevance is provided by the Operational manager's response to a question in a survey. The information on efficiency and effectiveness is provided by the logframe data, if sufficiently available, or the response to a question in a survey, if not.
- The **risk score** reflects expectations regarding the most probable levels of relevance, efficiency, effectiveness and sustainability to be achieved by the intervention in the future. In this case, all the information is provided by the Operational manager's responses to questions in a survey.

<p>must be selected (OPSYS offers four options²) and this selection triggers the generation of intermediate targets for all 30 June and 31 December dates between the baseline and target dates for all output and outcome quantitative indicators. All automatically generated intermediate targets values and dates can be subsequently modified by the Operational Manager or the Implementing Partner with the approval of the Operational Manager.</p>
<p>5. Calculation of values</p>
<p>The value for this indicator is calculated by counting the Number of farms and agri-food processing enterprises supported by IPARD in modernisation, using the Technical Definitions and Counting Guidance provided below. Please double check your calculations using the Quality Control Checklist below.</p> <p><u>Technical Definitions</u></p> <ul style="list-style-type: none"> • Relevant EU and national standards are defined in the relevant measure. <p><u>Counting Guidance</u></p> <ul style="list-style-type: none"> • The calculation method is a simple count of the ‘net’ number of contracts signed (signed IPARD contracts -/- terminated contracts) under the IPARD measures 1 (‘investments in physical assets of agricultural holdings’) and measure 3 (‘investments in physical assets concerning processing and marketing of agricultural and fishery products’) minus those contracts which are considered not being modernisation projects by the IPARD Managing Authority. The ‘net’ number of contracts signed under measure 7 ‘farm diversification and business development’, which qualify as ‘modernisation’ of the farm or the agri-food processing enterprise should be added as well. <p><u>Quality Control Checklist</u></p> <ol style="list-style-type: none"> 1. Have all relevant disaggregations been reported? 2. Has the baseline and final target been encoded with the right dates? 3. Did you encode the latest current value available? 4. Did you use the comment box to inform on the values encoded?
<p>6. Examples of calculations</p>
<p>In Country A, IPARD investment subsidies are offered to farms and food processing enterprises under several measures. Measure 1: Investments in physical assets of agricultural holdings and Measure 2: Investments in physical assets concerning processing and marketing of agricultural and fishery products are stated in the programme to respond to the challenge of farm modernisation, even if investments may meet other objectives as well. Funding is generally provided after the investment is made; contracting generally occurs prior to purchase of relevant equipment. In cases of investment in building the duration of project implementation is longer than for purchase of equipment.</p> <p>So let us assume a baseline of 0, relative to the IPARD III programme. No prior IPARD III investment subsidies have been provided.</p>

² a. Constant: The outcomes are achieved continuously throughout implementation; b. Accelerating: The outcomes are achieved towards the end of implementation; c. At the end: The outcomes are mostly achieved at the end of implementation; d. None of the above.

Start Year 1: Baseline 0:

In the course of Year 1, 10 farms and agri-food processing enterprises are supported under Measure 1, 8 under Measure 2. None however are completed or file for payment in Year 1. In Year 2, 7 Measure 1 projects are completed, file for payment and are paid. All projects under Measures 2 are also completed, file for payment and are paid. Note that no farm or enterprise receives more than one grant therefore the number of projects conforms to the number of farms and agri-food processing enterprises.

Therefore:

Current Values – end Y2: M1:7; M2:8; = 15

In the same year 2 however more farms and agri-food processing enterprises are supported as follows: 8 projects are supported under Measure 1, 10 under Measure 2. None however are completed or file for payment in Year 2 but all are completed, file for payment and are paid by end of Year 3. Thus:

Current Values – end Y3: M1:8; M2:10 = 18

Target: Assuming an intermediate programme target for end of Year 3 against the indicator of: 35 then, with an aggregate current value of 33 (15+18), the target value is not yet fully met.

Note the similarity between this example and that for indicator 4.3.1.1. It is quite possible that the same farm is counted against this indicator and Indicator 4.3.1.1 but there is a difference: Indicator 4.3.1.1 counts the farms against the criterion of “investment support to progressively align practices with the relevant EU and national standards”. Indicator 4.3.1.4 is focused on modernisation. The same support may have a double effect.

7. Data sources and issues

Data sources in the logframe:

- Data for this indicator must derive directly from the intervention, i.e. intervention internal monitoring and reporting systems from implementing organisations (e.g. governments, international organisations, non-state actors).
- Other possible sources include studies carried out in the framework of the interventions and external monitoring and/or evaluation reports.

Data source categories specified in OPSYS:

- EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention)

8. Reporting process & Corporate reporting

Who is responsible for collecting and reporting the data?

- The implementing partner (i.e. the entity responsible for delivering the results) will need to ensure the counting starts at the lowest level of intervention and is reported upwards and aggregated for the entire intervention in the framework of regular monitoring and reporting systems.
- Data will be collected from programme interventions by IPARD Managing Authorities (MAs) in each of the IPA beneficiaries. It will be reported directly to DG AGRI DG AGRI will report further, as requested, to DG NEAR.
- It is then the responsibility of DG NEAR to centrally receive and verify data for this indicator from all relevant interventions and to eventually ensure aggregation within and across all IPA Beneficiary countries.

This indicator is used for corporate reporting in the following contexts:

- *IPA III via the Annual Report*

9. Other uses

IPA III RF 4.3.1.4 can be found in the following groups of EU predefined indicators available in OPSYS, along with other related indicators:

- IPA III RF Window 4: Competitiveness and inclusive growth (IPA III W4)

For more information, see: [Predefined indicators for design and monitoring of EU-funded interventions | Capacity4dev \(europa.eu\)](#)

10. Other issues

Since the indicator refers only to IPARD financing, DG AGRI alone will provide data to DG NEAR for purposes of IPA III RF aggregate reporting.