



# ENVIEVAL

## Development and application of new methodological frameworks for the evaluation of environmental impacts of rural development programmes in the EU (Project Reference: 312071)

### Area 2.1.4: Socioeconomic research and support to policies

**KBBE.2012.1.4-08: Development and application of methodologies and tools, including indicators, for the assessment of environmental impacts of rural development programmes in the EU**

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### Report of 1st Stakeholder Workshop Rome, 4-5 July 2013

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## Acronyms

<b>BEF</b>	Baltic Environmental Forum
<b>CMEF</b>	Common Monitoring and Evaluation Framework
<b>HNV</b>	High Nature Value
<b>IACS</b>	Integrated Administration and Control System
<b>MS</b>	Member State
<b>NUTS</b>	Nomenclature of Territorial Units for Statistics
<b>RDP</b>	Rural Development Programme
<b>SRG</b>	Stakeholder Reference Group



## 1 Background

The ENVIEVAL project is addressing complex issues of developing methodological frameworks for the evaluation of environmental impacts of Rural Development Programmes (RDPs), which face different challenges across EU Member States. Therefore, in order to achieve results of practical applicability it is important to consider specific experiences of Member States reflecting different institutional arrangements, ongoing evaluation processes, different stakeholder aspirations and capacities, different environmental conditions, and differences in the design of the RDPs. To make sure that ENVIEVAL remains closely linked with the needs and expectations of stakeholders directly involved in issues relating to RDPs, the project established a Stakeholder Reference Group (SRG).

The main aim of the SRG is to provide regular feedback to the project team in order to ensure that: a) intermediate and final results of the project correspond to the actual stakeholder needs and will be applicable in practice; b) the project team receives information on the latest developments in RDP evaluation, including the new CMEF for 2014 - 2020. As the members of SRG are practically involved in the RDP evaluation processes, they provide advice and share their practical experience, which is very valuable for the ENVIEVAL project in keeping on track in meeting its project objectives.

A first meeting of the SRG was held on July 4-5, 2013 in Rome. Evaluators and representatives from the managing authorities from the project countries as well as a member of the EENRD Helpdesk attended the workshop. Overall, 15 representatives (in addition to the project team) attended the workshop.

This report provides a summary of the issues discussed and key findings from the meeting. For more details, please download the workshop programme as well as handouts of the workshop presentations on the dissemination platform of the ENVIEVAL project ([www.envieval.eu/index.php?id=3](http://www.envieval.eu/index.php?id=3))

## 2 Objectives of the Meeting

- To discuss strengths and weaknesses of current indicators and evaluation methods
- To discuss stakeholder expectations and requirements for future indicators and evaluation methods
- To identify stakeholder priorities for the case study tests
- To identify key stakeholder requirements for future evaluation methods.



## 3 Summary of the Issues Covered During the Meeting

### 3.1 Plenary Session and Discussion on July 4<sup>th</sup>

The workshop started with an introduction to the ENVIEVAL project to the SRG and a presentation prepared by the European Commission on **environmental aspects of CAP evaluation**. This was followed by sessions summarising the **strengths and weaknesses of current (and past) indicators and methods in environmental evaluations of Rural Development Programs (RDPs)**. The last session of the first day of the workshop focused on the **stakeholder expectations and needs for future indicators and evaluation methods** based on the results of stakeholder interviews carried out before the workshop.

The introductory presentation ‘**CAP Evaluation: environmental aspects**’ prepared by Ms. Zélie Peppiette (European Commission, DG Agriculture and Rural Development) gave an overview on the environmental aspects of CAP evaluations in the next programming period and thus set the scene in terms of future evaluation requirements to be taken into account in the workshop discussions and the project execution.

The plenary session continued with a presentation on ‘**Strengths and weaknesses of current indicators**’ given by Mr. George Vlahos (Agricultural University of Athens). Mr. Vlahos gave an overview on the preliminary results from the research implemented within ENVIEVAL project (WP2), which highlights *key challenges and strengths of the currently used indicators for the evaluation of RDPs in different EU MS*. It highlighted that there are significant differences in the capacities for evaluation amongst EU MS, a lack of consistent data, and an overall problem of a lack of data generally. A significant issue with some data used for evaluations was that it was gathered without consideration of evaluators’ needs. This results in challenges of consistency of RDP evaluations across the EU. It was pointed out that, due to the above-mentioned challenges, current evaluations are often done based on the Output and Result indicators, but not Impact indicators. Thus current evaluations tend to show if the RDPs were successfully taken up by land managers but do not assess the policy impacts, i.e. how effective applied measures have been with respect to defined environmental objectives of the RDPs. Amongst issues raised during the discussion was that of the scale and the fact that they do not always reflect the scale needed for environmental indicators. Despite the highlighted challenges, it was recognised that, since RDP evaluations have begun two programming periods ago, progress has been made towards a consistent and comprehensive evaluation of RDPs.



The workshop continued with a session on the **strengths and weaknesses of current evaluation methods at micro and macro levels**. Mr. Bernhard Osterburg (Thünen Institute) kicked off a set of short presentations by focusing on the challenges for designing and carrying out cost-effective RDP evaluations. Mr. Jyrki Aakkula (MTT Finland) continued with input on key issues of counterfactual evaluation followed by Mr. Andrea Povellato (INEA) and Ms. Inge Aalders (James Hutton Institute) who provided reviews of methodological developments for the evaluation of micro-level and macro-level effects, respectively.

During the discussion all participants agreed that the main challenge is the lack of data for proper evaluation. Other key challenges are the lack of methodologies which consistently assess net impacts across different scales and levels. As the presentations identified a long list of challenges, the discussion raised a question whether all these challenges will be addressed within the ENVIEVAL project. It was clarified that the project will set priorities as to which key challenges will be addressed after the review phase, taking into account stakeholder priorities and requirements discussed and identified during the workshop and interviews. It was noted that addressing all listed challenges would be a long process which should not stop with the end of the ENVIEVAL project, but rather be continued through further research.

With regard to the approach to developing counterfactuals, it was highlighted that good baseline data is crucial, and that the integration of a consistent and suitable baseline into the design of the control group and approach to counterfactuals is an important challenge for environmental evaluations. It was also highlighted that environmental impacts are not restricted to beneficiaries. Thus, non-beneficiaries also need to be included in evaluations, but data for non-participants are often not available. This emphasises the challenge of how to integrate non-participants within the counterfactual approach and control group design. The case study work of the ENVIEVAL project will focus on testing evaluations of environmental aspects based on counterfactual approaches.

Mr. Kęstutis Navickas (BEF) gave a presentation reviewing **expectations and needs of interviewed stakeholders for future indicators and evaluation methods**. Mr. Navickas presented initial results of the stakeholder consultation carried out within the ENVIEVAL project, which confirmed a number of issues mentioned in the earlier presentations. During the discussion the question was raised if, and how, the ENVIEVAL project considers cumulative impacts on different indicators, environmental aspects and ecosystems. In the case



study testing, the project team will explore how and to what extent cumulative effects can be considered. SRG members also emphasised that sharing of experiences amongst managing authorities and evaluators is also very important as it enables transfer of know-how of certain practical aspects and of experiences in different MS. The generation of methodological guidelines for RDPs evaluations was requested, which could serve as good inspiration and a basis for improving evaluation processes in all the countries.

The highlighted **key challenges and issues for future environmental evaluations** were synthesised in the final session and are summarised below. The identified key challenges and issues are grouped in relation to specific aspects of the evaluation process such as environmental monitoring and data, counterfactual development and application, evaluation methods and general aspects.

### **1.Environmental monitoring data and indicators**

- Data availability is a key constraint for indicator and method uses in impact assessments
- New or future evaluation processes and methods need to consider different data availabilities, and different aspirations and capacities in EU Member States
- Scale mismatch of data:
  - The organisation and structure of existing data does not necessarily fit with the scales at which environmental and ecological systems operate
  - Existing data are not collected for evaluations and thus do not take into account specific data requirements of RDP evaluations
- Result indicators are not sufficient - more environmental impact monitoring is needed
  - This is expensive, but if we want to assess impacts then it is required
- Causal linkages are an important part of the evaluation to identify the right indicators and principal causality between policy measures and environmental changes or impacts – important role of qualitative evaluation methods
- Priority setting – should environmental evaluations focus on measures with (expected) direct impacts on environmental aspects or public goods or should measures with indirect environmental effects be included as well?

### **2. Counterfactuals**

- Missing or incomplete baseline data, raising an issue of – how to integrate a consistent and suitable baseline into the counterfactuals approach and control group design
- Environmental impacts of RDPs are not restricted to beneficiaries





- Data for non-participants are often not available, raising an issue of how to integrate non-participants in the counterfactual approach and control group design
- RDPs do not operate in isolation and impacts of multiple policies and exogenous effects drive environmental changes, raising an issue of how to attribute environmental changes to impacts of RDPs
- Innovative approaches to define control groups are needed (e.g. development of regional counterfactual or control group matrices).

### 3. Methods

- Extent of methodological gaps varies between public goods
- The reviews highlighted the availability of a wide range of different methods and models
- How suitable are those methods under different circumstances with respect to data availability, aspirations and capacities in the different member states?
- How can these methods measure net impacts and attribute changes in indicators to measures and programmes?
- Evaluation of net impacts of RDPs requires consistent assessments across scales and levels
- Stronger focus on case study approaches in evaluations could provide a better understanding of causalities and drivers of RDP impacts and provide useful insights into specific regional impacts of RD measures and programs;
- ENVIEVAL could deliver methods for case study applications in evaluations.

### 4. General aspects

- Evaluation is a learning process - norms are changing over time, raising the issue of how to consider these processes in the framework?
- Focus often is on specific aspects or indicators, raising the issue of how to consider cumulative impacts in evaluations?
- Importance of sharing experience between stakeholders, evaluators etc.



### 3.2 Working Group Session and Discussion on July 5th

Building on the key challenges and issues identified during the first day of the workshop, themes for the break-out groups on the second day were defined. The first round of break-out groups aimed at discussing in more depth the stakeholder views and needs concerning the identified key challenges with respect to environmental monitoring and indicators, counterfactuals and consistency across scales and levels. In the second round of break-out groups the focus then moved to identifying stakeholder needs and priorities for the case study testing.

#### 1st session, working group (1): Environmental monitoring and indicators (facilitated by Mr. Žymantas Morkvėnas, resource person - Mr. George Vlahos)

##### **Questions discussed:**

- 1.1 What are the main challenges in quantifying environmental impacts with the current indicator framework?
- 1.2 What are key requirements for environmental impact monitoring of RDP measures and programmes?
- 1.3 What are the main obstacles which hinder the implementation of environmental impact monitoring?
- 1.4 Which indicators could be recommended for case study testing?

##### **Key points from the working group discussion:**

*Main challenges identified by the research team:*

1. There is a need to strike a balance between the two main qualities that the common evaluation process should have:
  - a) Flexible enough in order to accommodate the multiple needs of the individual MS/Regions, created by different evaluation cultures, administrative structures and available infrastructures.
  - b) But at the same time, be able to perform meaningful comparisons among the results across regions and MS using varying methods and indicators.
2. RDP measures are multiobjective and environmental phenomena have multiple causes. Yet, EC is pressing for simplification of the evaluation procedures.
3. Data: availability/consistency/suitability.



*Additional challenges identified by working group participants:* add cost as an issue, either as a separate challenge or as an element of each of the challenges (including cost for human resources).

*Priorities provided by WG participants:* Data issue is the most important.

*Solutions proposed:*

1. Follow participatory procedures for the evaluation.
2. MS/regions should consider the evaluation as an integral part of their success.
3. Simplify the indicators and elaborate more on the methodology.
4. Introduce strategic thinking in the evaluation procedure (recognition that the new proposals are in this direction).
5. The current focus in evaluations is often on Output and Result indicators linked to measures. A better approach could be to link impact (or environmental outcome) indicators to public goods instead.
6. Put some effort into the co-ordination of the monitoring/ evaluation networks existing and active at the local/regional/nation level.
7. Concrete proposal for the research team:
  - Choose one or two public goods
  - Come up with a suite of relevant impact (environmental outcome) indicators
  - Provide alternative methods for the assessment of each one of the indicators identified, provide the pros and cons of each method
  - Let the MS/regions select the methods and indicators
  - Go to an area and apply them through the case studies within our project.

Additional input to the above concrete proposal: selection of the case studies based on the good example – bad example idea, especially concerning data issues.

**1<sup>st</sup> session, working group (2): Counterfactual development and application (facilitated by Mr. Kęstutis Navickas, resource person - Mr. Jyrki Aakkula)**



### **Questions discussed:**

- 2.1. How to promote data collection which matches the needs of advanced statistical/econometric techniques that are preferable to use in counterfactual evaluation?
- 2.2. How to develop the identification and determination of causal relationships that are relevant to counterfactual evaluation?
- 2.3. How to differentiate between impacts of RDP measures and impacts of other policy measures in the counterfactual evaluation context?
- 2.4. How to further develop the output of counterfactual evaluation to better match the needs and expectations of policy-makers?
- 2.5. How to promote more rigorous execution of counterfactual approach in RDP evaluations?

### **Key points from the working group discussion:**

#### *Main conclusions of the session*

1. Data requirements play a central role in a counterfactual analysis. Data availability and quality vary considerably across EU countries. New member states of Eastern Europe have particular difficulties providing data sets that are required for quantitative counterfactual impact analysis. If there are no appropriate data sources available, the usefulness of the evaluation of counterfactuals becomes questionable.
2. To solve the data problem, evaluation of counterfactuals should be designed simultaneously with the planning of actual RDP measures. In other words, the needs of counterfactual evaluation should be an integral part of the RPD planning and implementation process from the beginning.
3. Managing authorities seem to have a tendency to leave the onus for (counterfactual) evaluation to the evaluators. Thus, there is clearly a need to build awareness among managing authorities that they, not evaluators, bear the ultimate responsibility for successful evaluation.

#### *Some other points from the break-out group discussion*

Much of the discussion focused on data issues:

- Each country should screen their existing data carefully.



- One of the problems is the lack of consistent baseline data in member states.
- There are obstacles to data availability: institutional, financial and legal.
- Are existing data really reliable?
- Would it be possible to make the data provision concerning non-participants also legally binding?
- Is there a control group at all when everybody is a participant?

Miscellaneous points that came up:

- If the public good under evaluation is properly defined, it facilitates considerably the execution of the counterfactual analysis.
- Are measures suitable for a counterfactual approach at all?
- How can we deal with the disparity in the timeline when the emergence of environmental impacts may have a significant lag in relation to the measures that are supposed to have caused them?
- Should counterfactual analysis always take place at a micro level?

### **1<sup>st</sup> session, working group (3): cross scale and level (micro-macro) consistency (facilitated by Mr. David Miller, resource person - Mr. Andrea Povellato)**

#### **Questions discussed:**

1. What do you need to do your job in relation to RPD evaluations?
2. How wrong can you afford to be?

#### **Key points from the working group discussion:**

The following key issues were discussed:

- Scale and level of data
  - The models and data should be fit for purpose. i.e. the scale of the data captured and used, should be compatible with that required for the level of reporting. Three scales were identified:
    - Micro – for use as a learning scale for the measurement, analysis of impacts and study of uptake of RDP measures





- Macro – for use in reporting by Member States
- Global – for analysis and reporting of factors at European levels, such as climate stability
- Institutional issues
  - Structures such as data systems already exist in which there have been financial and social investments. Therefore, collection processes are already in place which provide data at certain scales or levels, types and formats. These are not necessarily best suited to the evaluation of RDPs.
  - Conflicts of interest could arise with respect to responsibilities for the maintenance of reporting systems, particularly if an existing system were challenged with respect to the accuracy with which it could be used to provide reporting of impacts of RDPs on public goods. Such a challenge may be a reflection of new sources of data or methods not available at the time of the development of currently used approaches.
- Temporal issues
  - Consistency of reporting through time is very important, for the maintenance of continuity and avoidance of discontinuity in the series of data and outputs, and thus the accuracy with which changes can be reported. Consistency includes those of the scale and details of the data captured, the types of analysis (at least in terms of the nature of its outputs), and the levels of detail, and accuracy of the outputs. This should also enable reliable interpretation of the reporting of changes in indicators.
- Geographic infrastructure
  - The development of new tools, or their application in relation to assessing the net impacts of RDPs, could lead to the need for and introduction of a new geographic infrastructure. Such a geography would be to accommodate, or enable reporting of, public goods in an appropriate manner (e.g. catchments for water quality, landscape character units for landscapes, etc.). Such an infrastructure would have to be compatible with existing geographies such as NUTS, and IACS.



## Main conclusions of the session

The case studies should provide the scientific basis for informing the selection of observations (e.g. field, survey or map-based), the types of analysis best suited to the requirements of the reporting and data capture, and an understanding of the cumulative effects of errors in relation to the final outputs and their interpretation.

## **2<sup>nd</sup> working group session on case study design.**

### Questions addressed to the working groups:

1. What are from your point of view the most relevant public goods which should be covered in the evaluation case studies in your country?
2. Which methodological challenges should be addressed in those case studies and can you think of new methodological developments which might be suitable?
3. What are from your point of view key criteria for the selection of case study areas?
4. What are the key mechanisms and principles of cost-effective evaluation methods which should be considered / tested in the case studies?

## **1<sup>st</sup> working group findings (facilitated by Mr. Kęstutis Navickas, resource person Mr. Peter Toth)**

### **1: Definition of the measures which are most important for case studies.**

- Direct impacts, indirect and weak links can be observed between public goods and measures. There are measures for which the impact is not easy to detect. Impact indicators are hardly measured in some cases.
- The selection of measures for each public good should focus on measures with strong causal links to the relevant public goods. The impact of measures may differ between countries meaning that there is a need to identify key measures in each partner country and to validate the selection with the SRG.
- Differences. Measures may differ per country, per public good and in terms of value for money. One measure can cover more public goods.

Key measures identified in discussions:

- Agri-environmental measure (214)



- First afforestation of agricultural land (221) - even the uptake of the measures has changed recently
- LFA measures (212) in some cases (landscape)
- Farm investment measures (e.g. 125)
- Measures for animal welfare (215)
- Natura 2000 payments (213)
- Measures for energy crop production

## 2. Identification of the relevant public goods in each partner country

- Greece: public goods selected in the DOW are well targeted
- Lithuania: the selected ones are OK, which raised the question of whether to add water quality to the public goods
- Italy: public goods selected are OK. In terms of soil health and functionality all issues should be covered (organic matter + soil erosion). Biggest gaps in evaluations in Italy are regarding: water quality and climate change, animal welfare.
- Germany: Animal welfare is of increasing importance in several federal states.
- Czech Republic: Focus on biodiversity-wildlife as the best elaborated indicators and targeted measures. Gaps in all of the public goods, with the biggest gaps of water quality and soil functionality.
- Hungary: Selected public goods are OK.

## 3. Identification of public goods with high public attention

Participants highlighted the issue that the public goods being examined and those with high public interest may differ:

The conclusions of which public goods are the ‘hottest’ were:

- Czech Republic: soil health and functionality and water quality
- Sweden: water quality, animal welfare
- Germany: animal welfare, water quality, climate functionality





- Lithuania: soil health and functionality and water quality
- Greece: water quality, climate functionality
- Italy: water quality, climate functionality, differences in political and scientific interest - links with organic matter
- Hungary: water quality, climate functionality

#### 4. Methodology questions

- What is the balance in the project between the application of existing methodologies and proposing additional innovative methods?
- Need for improved or new methods to collect data was highlighted.
- Participants highlighted the need to develop a rationale for the selection of case studies
- In some cases the evaluation faces significant difficulties (in case of evaluation of LEADER approaches, investments, and ‘multifunctional’ measures which have impacts on several public goods etc.).
- The use of an approach developed around measures can be misleading due to the different uses of the relevant measures in RDPs.
- ENVIEVAL should take into consideration the structure of the new programming period, and the indicator set to be used.
- Trans-border issues were identified in discussion of the Italian example, noting that co-operation between regions is more focused on monitoring issues (e.g. water catchment monitoring due to WFD), than on implementing the measures.

#### 2<sup>nd</sup> working group findings (facilitated by Mr. Žymantas Morkvėnas, resource person Ms. Katalin Balazs)

##### Discussion of the most relevant public goods to be covered in the case studies of the project.

Working group participants concluded that following public goods should be considered as priorities for selection in the project work.

1. **Climate stability.** This public good has been defined as a priority as it covers relatively new issues (it should include both mitigation and adaptation aspects) of the CAP evaluation agenda, as well as being a highly cross-cutting theme and relevant in terms of agriculture production, environment and other aspects.



2. **Water quality** was defined as a priority due to its importance, especially to farmers. Therefore it should have a high interest, starting from managing authorities through to farmers. Finland and Hungary defined this public good as particularly important for the case studies in their countries.
3. **Soil functionality** was defined as a priority due to its importance for the agriculture sector, as with water quality. Italy expressed a high interest in soil functionality in their case study.
4. **Biodiversity** has been included as a priority due to the challenging indicators faced for its evaluation, thus useful to be tested within the project case studies. This public good should be defined as a priority because RDPs are a major tool for financing Natura 2000 implementation. Biodiversity is very complex and links with other public goods, such as water quality. Participants of the working group suggested merging wildlife and high nature value (HNV) aspects of the public good into one. Cases addressed on biodiversity issues might also cover landscape qualities, which are part of HNV concept.

Concerning the indicators, participants raised a question as to whether the case studies will focus on impact or result indicators, and whether the current (2007 to 2013 period) or new (2014 to 2020 period) indicators will be considered. ENVIEVAL will focus on impact (environmental outcome) indicators. The stakeholders suggested that the case studies should consider not only indicators measuring positive environmental impacts (public ‘goods’), but also the reduction of negative impacts. For example, measures focusing on improving agricultural productivity (which usually comes with a negative effect to environment) should be addressed in the case studies.

The stakeholders also identified the most relevant RDP measures for the particular public case studies. The codes of the measures are listed below accordingly.

- Climate change: 121, 123, 214, 216, forestry measures, 321
- Water quality: 123, 214, 216, forestry measures
- Soil functionality: 211, 212, 213, 214, 216, forestry measures
- Biodiversity: 211, 212, 213, 214, 216, forestry measures.



Finally, it was highlighted that there may be value in considering a climate change index which provides an example of how RDP measures are grouped according to public goods. It was also noted that there might be a benefit in trying to cover all measures addressing negative impacts on public goods, and education measures.

### **Next steps**

The outcome of the stakeholder workshop will be incorporated into the review reports on existing indicators and evaluation methods to validate the stakeholder views of relevance of the key findings of the reports. Furthermore, the identified stakeholder needs and priorities for the case study testing will inform the design and emphasis of the public good case studies. Discussion with the SRG members in individual meetings in the partner countries towards the end of 2013 will cover the thematic and policy focus, the selection of case study areas, and the indicators and evaluation methods to be tested.

