

## **PAPER I:**

### **DEFINING CRITERIA FOR EVALUATING THE EFFECTIVENESS OF EU ENVIRONMENTAL MEASURES**

#### **1. Introduction**

This paper arises from a discussion at the REM [Reporting on Evaluation of Measures] Steering Group meeting on 10 November 1999 concerning the criteria that should be used for judging the effectiveness of EU environmental measures. A specific question that was posed was whether social and economic impacts should also be considered, in addition to environmental.

Discussions about evaluation often cause confusion, for two important reasons:

- different types of evaluations ask a wide variety of different questions, and use widely differing methodologies;
- the terms that are employed – eg ‘effectiveness’, ‘effects’, ‘efficiency’, ‘output’, ‘impact’ etc – are often used inconsistently.

This paper seeks to distinguish between the different sorts of evaluative questions, and to clarify the terms that are used, as the basis for the considering the criteria that should be used to judge whether a measure is ‘effective’.

As part of its mission to encourage an ‘evaluation culture’ throughout the Commission, the Evaluation Team in DGXIX has attempted to standardise evaluation terms and methodologies in two useful publications (1,2). In order to maintain consistency between the current REM project and evaluation work being undertaken by the Commission, the discussion that follows uses the terms and approaches set out in these publications.

#### **2. The Evaluation Framework**

The sorts of questions that are posed in most evaluations fall into three basic categories:

1. *Descriptive* – questions intended simply to observe and measure changes ( ie what happened after the measure was put in place?)
2. *Causal* – questions that seek to analyse what happened in terms of cause and effect (ie to what extent are these observed changes attributable to the measure, and why did *that* particular measure have *those* particular effects in *those* particular circumstances?). Assessing the actual and projected *effects* of environmental measures is necessary for developing models or scenarios in relation to future trends in the state of the environment.

3. *Normative* – are these results satisfactory? Normative questions require a judgement to be made against some prior explicit objective or benchmark. Questions within this category may relate to:

- *Effectiveness*: To what extent has the measure achieved its intended objectives, in relation either to **outcomes** (ie changes in the behaviour of socio-economic actors, and/or **impacts** (on the state of the bio-physical environment)?
- *Relevance*: To what extent do these objectives adequately address the ‘needs’ of the issue or problem?
- *Efficiency*: Have these objectives been achieved at lowest cost?
- *Utility*: Have the overall effects of the measure – both intended and unintended, good and bad – contributed to a net increase in social welfare? (This is the kind of question posed in cost-benefit analysis (CBA)).

How these normative questions relate to the different aspects of the policy, programme or project is illustrated in Figure I.

Normative questions are of most interest to those EU institutions which have formal responsibility for the design, management and review of EU policies. Causal and descriptive questions are of interest to those agencies and organisations reporting on current and future trends in the state of the environment, pressures, and driving forces.

### **3. Scope of an evaluation**

#### **3.1 Evaluating ‘effectiveness’ in relation to objectives**

Using the above definition of the term, evaluations of effectiveness must be based upon comparing the *effects* of a measure (ie outcomes and/or impacts) to its explicitly stated *objectives*. These objectives may be expressed in general or specific terms, but the most useful evaluations of effectiveness require objectives to be expressed as clearly as possible in the legislation, including quantitative objectives.

In some policy areas, EU measures have multiple objectives, and their effectiveness therefore needs to be assessed in relation to all of them. An example is the EU’s recent Rural Development Regulation 1257/1999, the objectives of which include:

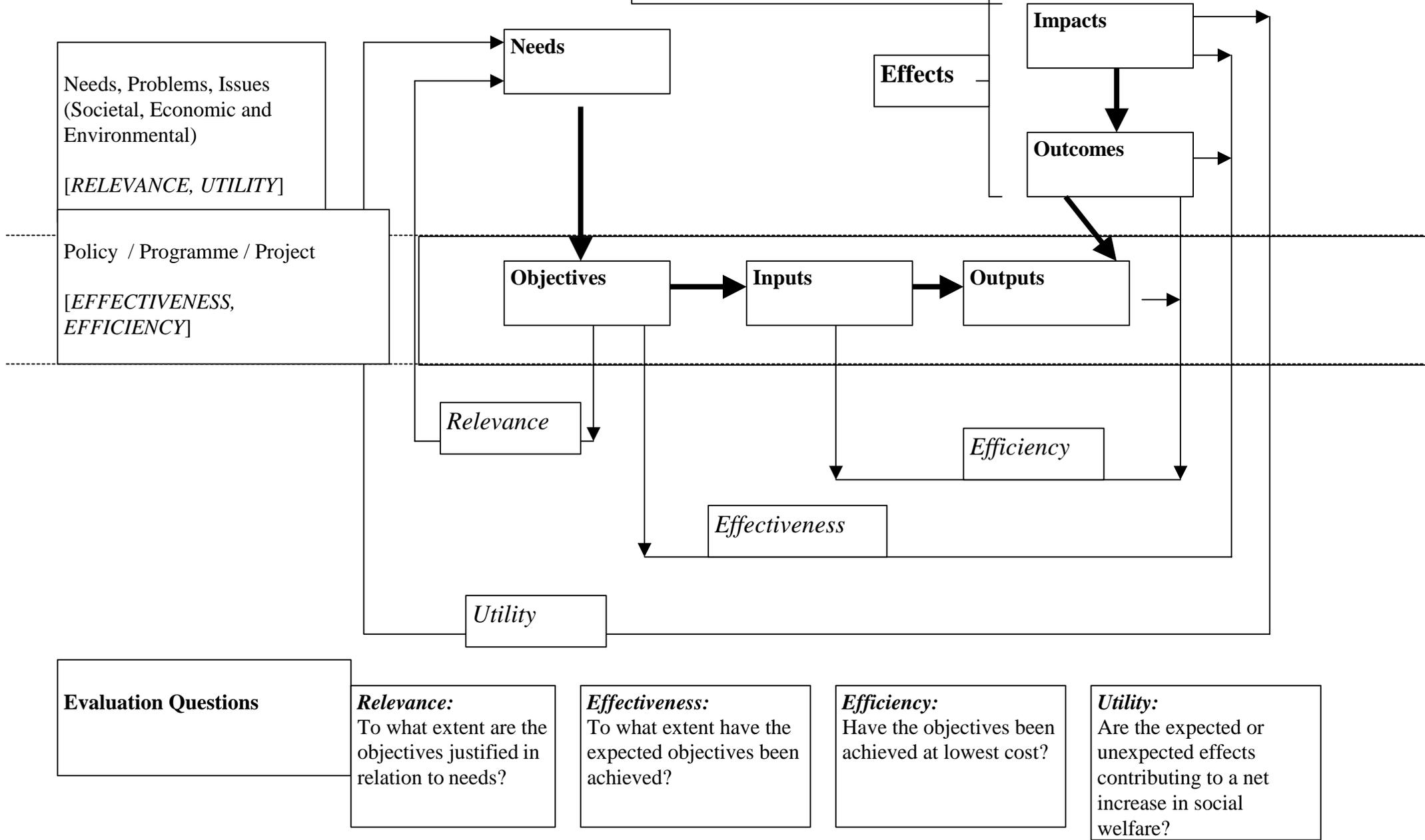
- the improvement of agricultural incomes;
- the maintenance of a viable social fabric in rural areas;
- the improvement of working and living conditions;
- protection of the environment;
- equal opportunities for men and women.

Evaluation guidelines issued to Member States by the Commission’s Directorate-General for Agriculture take account of such wide-ranging objectives, and include as many as 50 ‘common evaluation questions’ that mid-term and *ex post* evaluations of rural development programmes need to address (3).

By contrast, the objectives of almost all EU environmental measures are exclusively environmental. Although Article 2 of the Amsterdam Treaty establishes as one of the

overarching tasks of the Community to promote the sustainable development of economic activities, this has not yet been translated into specific and/or operational

**Figure I : Policy Evaluation**



**Evaluation Questions**

**Relevance:**  
To what extent are the objectives justified in relation to needs?

**Effectiveness:**  
To what extent have the expected objectives been achieved?

**Efficiency:**  
Have the objectives been achieved at lowest cost?

**Utility:**  
Are the expected or unexpected effects contributing to a net increase in social welfare?

socio-economic objectives that environmental measures should achieve. It is true that - for example - local air quality action plans developed by Member States in the framework of the Air Quality Framework Directive 96/62 will undoubtedly have effects on local economic development and the social incidence of urban air pollution. However, the Directive sets no explicit socio-economic *objectives* against which its effectiveness (as defined above) may be judged. It may be that one consequence of the development of an EU sustainable development strategy will be that such explicit objectives will in future become increasingly common.

However, in current circumstances, the criteria for evaluating the effectiveness of EU environmental measures must necessarily remain limited to environmental outcomes and impacts. Moreover, any extension of these criteria to social or economic effects raises questions of cost and usefulness, which are further discussed below.

### **3.2 Evaluating ‘utility’**

While evaluations of effectiveness can be undertaken only in relation to the explicit objectives of a policy, evaluations of utility seek to identify all the effects of the measure, intended and unintended, in relation to a wide range of issues – social, economic, environmental, cultural etc - with a view to arriving at some judgement about its contribution to overall social welfare.

Evaluations of EU environmental measures might therefore include broader evaluations of utility. Indeed, under the EU’s GHG Monitoring Mechanism, Member States are currently required to assess not only the effects of policies and measures on emissions of GHGs, but also the wider economic impact of such measures.

However, the major drawback with evaluations of utility is that the breadth of questions they seek to address means that their costs are high while their practical usefulness is uncertain. Hence, the selection of questions to be addressed by any evaluation needs to be guided by three practical considerations:

- *Use*: Will the information and/or judgements generated by the evaluation be used by decision-makers. Do they fulfil a real need or legal requirement?
- *Evaluability*: Can the questions posed be answered within the constraints of available data and the willingness of Member States to collect it ( in the light of increasing ‘reporting fatigue’)?
- *Cost*: Can the information be collected without disproportionate expenditure by Member States and EU institutions of staff time and resources?

These considerations suggest that evaluations of overall utility should be required only in exceptional, and well-justified, circumstances.

## **4. Conclusions**

In the absence of any social, economic or other objectives explicitly articulated in the legislation, evaluations of the *effectiveness* of EU environmental measures will need to be restricted to the consideration of environmental objectives alone.

Evaluating the broader question of the overall *utility* of EU environmental measures by assessing all effects across a wide range of criteria would be an interesting (and challenging) exercise, but would stretch the skills and resources of most Member States to the limit. In these circumstances, evaluations of utility should be undertaken only when they can be shown to fulfil a clear need; where they are practicable; and where they can be undertaken without disproportionate cost. The development of a more streamlined reporting system - one of the objectives of the REM project – would suggest that evaluations should be made as manageable as possible.

## References

1. European Commission (DGXIX/02) *Evaluating EU expenditure Programmes - A Guide: Ex post and intermediate evaluation* January 1997
2. European Commission *The MEANS collection: Evaluating socio-economic programmes* – 6 volumes, 1999.
3. European Commission Directorate-General for Agriculture *Evaluation of Rural development Programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund*, 1999

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