

## Guidance note N – Glossary of terms

This guidance note provides description and explanations of most of terms used in the Handbook and its annexes.

***Annual Work Unit (AWU):*** Unit of measurement of labour force in agriculture. An Annual Work Unit is equivalent to a full-time employment. One AWU corresponds to the work performed by a person undertaking fulltime agricultural work on the holding over a 12 month period. The yearly working time of such worker is 1800 hours (225 working days of 8 hours per day), unless national provisions governing contracts of employment are specified. As the volume of agricultural labour is being calculated on the basis of fulltime equivalent jobs, no one person can therefore represent more than one AWU. This constraint holds even if it is known that someone is working on agricultural activities for more than the number of hours defining full-time in the Member State concerned.

***Baseline*** State of the economic, social or environmental situation relevant in the context of a programme, at a given time (generally at the beginning of the intervention), and against which changes will be measured.

***Baseline indicators.*** Baseline indicators reflect the state of the economic, social or environmental situation, at a given time (generally at the beginning of the intervention). Baseline indicators are used in the SWOT analysis and the definition of the programme strategy. They fall into two categories: 1) *Objective related baseline indicators.* These are directly linked to the wider objectives of the programme. They are used to develop the SWOT analysis in relation to objectives identified in the regulation. They are also used as a baseline (or reference) against which the programmes' impact will be assessed. 2) *Context related baseline indicators.* These provide information on relevant aspects of the general contextual trends that are likely to have an influence on the performance of the programme. The context baseline indicators therefore serve two purposes: (i) contributing to identification of strengths and weaknesses within the region and (ii) helping to interpret impacts achieved within the programme in light of the general economic, social, structural or environmental trends.

***Benchmarking*** Qualitative and quantitative standard for comparison of the performance of an intervention. Such a standard will often be the best in the same domain of intervention or in a related domain. Benchmarking is facilitated when, at the national or regional level, there is comparative information of good and not so good practice. The term benchmarking is also used to refer to the comparison of contextual conditions between territories.

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| <b><i>Beneficiary</i></b>     | Person or organisation directly affected by the intervention whether intended or unintended. Beneficiaries receive support, services and information, and use facilities created with the support of the intervention (e.g. a family which uses a telephone network that has been improved with public intervention support, or a firm which has received assistance or advice). Some people may be beneficiaries without necessarily belonging to the group targeted by the intervention. Similarly, the entire eligible group does not necessarily consist of beneficiaries.  |
| <b><i>Case study</i></b>      | In-depth study of data on a specific case (e.g. a project, beneficiary, town). The case study is a detailed description of a case in its context. It is an appropriate tool for the inductive analysis of impacts and particularly of innovative interventions for which there is no prior explanatory theory.  |
| <b><i>Causal analysis</i></b> | The study of relations of cause and effect which link a public intervention to its impacts. Causality analysis may be inductive. In this case, it investigates the mechanisms likely to produce impacts, as well as confounding factors likely to have an influence. Causality analysis may also be deductive (or hypothetico-deductive). In this case, it examines whether assumptions about impacts are not contradicted by the facts. It may also supply a quantitative estimation of impacts. The framework for causal analysis is the <i>hierarchy of objectives</i> .   |
| <b><i>Coherence</i></b>       | The extent to which complementarity or synergy can be found within a programme and in relation to other programmes. The internal coherence refers to the correspondence between the resources allocated to a programme and its objectives. The external coherence refers to the adequacy between the evaluated programme and other related programmes.  |
| <b><i>Comparability</i></b>   | Quality of an indicator which uses the same measurement unit to quantify the needs, objectives or effects of several different interventions. Comparability is useful for establishing norms for judgement (e.g. the average cost of jobs created by the intervention can be favourably compared to that of similar interventions). Efforts made to improve comparability involve the harmonisation of measurement units and result, initially, in the definition of standard indicators, i.e. indicators that can be used in several regions with the same definition for the same sector of intervention (e.g. number of SMEs assisted, defined and calculated in a comparable way). Secondly, comparability can be extended to key indicators, that is, indicators which can be used in several regions and sectors of intervention. |
| <b><i>Complementarity</i></b> | The fact that several public interventions (or several components of an intervention) contribute towards the achievement of the same objective..  |
| <b><i>Context</i></b>         | The socio-economic environment in which an intervention is implemented. The term is used in its broadest sense. For example, in the case of interventions in favour of a certain enterprise, the  |

context includes the macro-economic situation and the framework conditions (tax laws, company law, etc.).

***CORINE Land Cover (CLC):***

See chapter Main sources.

***Counterfactual situation***

A situation which would have occurred in the absence of a public intervention, also referred to as "policy-off" situation. By comparing the counterfactual and real situations, it is possible to determine the net effects of the public intervention. Various tools can be used for the construction of the counterfactual situation: shift-share analysis, comparison groups, simulation using econometric models, etc. At the baseline, the real situation and the counterfactual situation are identical. If the intervention is effective, they diverge.

***Criterion***

Characteristic on which the judgement of an intervention can be based. A rural development measure would usually be judged on several criteria reflecting the different expected impacts of this measure.

***Deadweight***

Changes observed in the situation of beneficiaries following the public intervention, or reported by direct addressees as a consequence of the public intervention, that would have occurred, even without the intervention. For example: a farmer received assistance for the building of a self-catering cottage. However, an investigation into the profitability of the investment and the underlying motives suggest that he would have built the cottage, even without support. Thus, there is deadweight since the construction of the cottage cannot be imputed entirely to the intervention.

***Displacement effect***

Effect obtained in an eligible area at the expense of another area. Displacement effects may be intended (e.g. displacement of a public administration from the capital to a 'lagging' region) or unintended (e.g. 10% of the jobs created by a regional development programme resulted in the disappearance of jobs in other eligible regions; a firm used programme assistance to move its premises from the centre to the outskirts of a town). When they are not intended, displacement effects must be subtracted from gross effects to obtain net effects.

***Economic Size (of an agricultural holding):***

It represents the potential gross value added of the holding. The concept has been developed in the Community typology for agricultural holdings (Commission decision 85/377/EEC) that is applied in Farm Structure Surveys of Eurostat and in Farm Accounting Data Network of EC. It is obtained by multiplying, for each enterprise on the farm, the relevant gross margin (calculated as a multiannual average at regional level and named standard gross margin) by the area (crops) or the livestock (animal productions). The total standard gross margin of the holding, expressed in euros, is then converted in European Standard Unit (1 ESU = 1,200 €SGM) and evaluates its economic size.

***Effectiveness***

The extent to which objectives pursued by an intervention are

achieved. An effectiveness indicator is calculated by relating an output, result or impact indicator to a quantified objective.

***Efficiency***

Best relationship between resources employed and results achieved in pursuing a given objective through an intervention.. Efficiency addresses the question whether the more effects could have been obtained with the same budget or whether the same effects could have been obtained at a lower cost?" An indicator of efficiency is calculated by dividing the budgetary inputs mobilised by the quantity of effects obtained.

***Endogenous development***

Increase in economic activity based on internal competitive advantages within a region or territory. The main factors of endogenous development are human capital, entrepreneurial spirit, local savings and local innovation networks as well as natural conditions. By contrast, exogenous development concerns the inward transfer of capital, technology, know-how and skills.

***European Size Unit (ESU):***

Unit of measurement of the economic size of an agricultural holding: 1 ESU = 1,200 € of Standard Gross Margin of the holding (Community typology for agricultural holdings -Commission decision 85/377/EEC).

***European System of Accounts (ESA):***

In the European Union, annual national accounts are compiled in accordance with the European System of Accounts: ESA 1995 (Council Regulation 2223/96 of 25.06.1996, OJ L310 of 30.11.1996). Some changes will be applied from Economic Accounts for 2005.

***Evaluation***

Evaluation is a process of judgement of interventions according to their results, impacts and the needs they aim to satisfy. Evaluation looks at the effectiveness, the efficiency and at the relevance of an intervention. Rural development evaluation must provide information on the implementation and impact of the co-financed programmes. The aims are, on the one hand, to increase the accountability and transparency with regard to the legal and budget authorities and the public and, on the other hand, to improve the implementation of the programmes by contributing to informed planning and decisions concerning needs, delivery mechanisms and resource allocation.

***Evaluative question***

Question that need to be answered by evaluators. These are usually posed by those commissioning an evaluation Evaluation questions normally feature in the terms of reference of evaluation projects. In the case of the evaluation of rural development programmes, evaluation questions form part of the common guidelines. Evaluation questions have three dimensions: descriptive (what happened?), causal (to what extent is what has happened really an effect of the intervention?) and normative (is the effect satisfactory?).

***Evaluator***

The people who perform the evaluation, usually in a team in complex programmes that require a mix of skills and competencies. Evaluators gather and interpret secondary data,

collect primary data, carry out analyses and produce the evaluation report. They must be independent vis a vis the commissioning body or programme managers.

***Ex ante evaluation***

Evaluation which is performed before programme implementation. Its purpose is to gather information and to carry out analyses which helps to ensure that an intervention is as relevant and coherent as possible. Its conclusions are meant to be integrated at the time decisions are made. Ex ante evaluation mainly concerns an analysis of context, though it will also provide an opportunity for specifying the intervention mechanisms in terms of what already exists. It provides the relevant authorities with a prior assessment of whether development issues have been diagnosed correctly, whether the strategy and objectives proposed are relevant, whether there is incoherence between them or in relation to Community policies and guidelines, whether the expected impacts are realistic, etc. Moreover, it provides the necessary basis for monitoring and future evaluations by ensuring that there are explicit and, where possible, quantified objectives. In fulfilling these functions, ex ante evaluation supports the preparation of proposals for new or renewed community actions. Its purpose is to ensure that the policy objectives will be delivered successfully, that the measures used are cost-effective, and that the ground is prepared for reliable mid-term and ex-post evaluations.

***Ex post evaluation***

Evaluation which recapitulates and judges an intervention when it is over. It aims at accounting for the use of resources, the achievement of intended and unintended effects. It strives to understand the factors of success or failure of programmes. It also tries to draw conclusions which can be generalised to other interventions. For impacts to have the time to materialise, ex post evaluations need to be performed some time after implementation.

***Farm Accountancy***

See chapter Main sources.

***Data Network***

***(FADN):***

***Farm Structure Survey***

See chapter Main sources.

***(FSS):***

***Full-Time Equivalent***

***Employment (FTE):***

Full-time equivalent units are used to improve the comparability of measures of employment. Figures for the number of persons working less than the standard working time of a full-year full-time worker, should be converted into full time equivalents, with regard to the working time of a full-time full-year employee in the unit. Included in this category are people working less than a standard working day, less than the standard number of working days in the week, or less than the standard number of weeks/months in the year. The conversion should be carried out on the basis of the number of hours, days, weeks or months worked.

***GreenHouse Gases***

***(GHG):***

The 'greenhouse effect' is the term commonly used to describe the natural process through which atmosphere gases absorb and re-radiate infrared radiation from the earth's surface, and which is

largely responsible for life on earth. It is generally accepted that human activities as the combustion of fossil fuels are altering the composition of gases in the atmosphere, which could cause heat that would normally be radiated out to be retained. There is indeed mounting evidence that emissions of greenhouse gases are causing global and European surface air temperature increases, resulting in climate change. Like any other economic sector the agriculture sector produces greenhouse gases, and is a major source of the non-CO<sub>2</sub> greenhouse gases methane and nitrous oxide. Both of these gases are many times more powerful greenhouse gases than CO<sub>2</sub>. Greenhouse gases include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and fluorinated gases (HFCs, PFCs and SF<sub>6</sub>).

***Gross Domestic Product (GDP):***

The concept is used in the European System of Accounts. GDP at market prices -is the final result of the production activity of resident producer units (ESA 1995, 8.89). GDP is the total market value of all the goods and services produced within the borders of a nation (or region) during a specified period.

It can be defined in three ways:

a. Output approach

GDP is the sum of gross value added of the various institutional sectors or the various industries plus taxes and less subsidies on products (which are not allocated to sectors and industries). It is also the balancing item in the total economy production account.

b. Expenditure approach

GDP is the sum of final uses of goods and services by resident institutional units (final consumption expenditure and gross capital formation), plus exports and minus imports of goods and services.

c. Income approach

GDP is the sum of uses in the total economy generation of income account: compensation of employees, taxes on production and imports less subsidies, gross operating surplus and mixed income of the total economy.

***Gross effect***

Change observed following a public intervention, or an effect reported by the direct beneficiaries. A gross effect appears to be the consequence of an intervention but usually it cannot be entirely imputed to it. The following example shows that it is not sufficient for an evaluation merely to describe gross effects: Assisted firms claimed to have created 500 jobs owing to the support (gross effect). In reality, they would in any case have created 100 jobs even without the support (deadweight). Thus, only 400 jobs are really imputable to the intervention (net effect).

***Gross Fixed Capital***

The concept is used in the European System of Accounts. Gross

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| <b><i>Formation (GFCF):</i></b>                    | fixed capital formation (ESA 1995, 3.102) consists of resident's product acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year. Disposals of fixed assets are treated as negative acquisitions.   |
| <b><i>Gross Value Added (GVA):</i></b>             | The concept is used in the European System of Accounts. Gross Value Added (ESA 1995, 8.11) is the net result of output valued at basic prices less intermediate consumption valued at purchasers' prices. Gross value added is calculated before consumption of fixed capital. It is equal to the difference between output (ESA 1995, 3.14) and intermediate consumption (ESA 1995, 3.69).  |
| <b><i>Hierarchy of objectives</i></b>              | This is a tool that helps to analyse and communicate programme objectives and shows how interventions contribute to global, intermediate and operational objectives. It organizes these objectives into different levels (objectives, sub-objectives) in the form of a hierarchy or tree, thus showing the logical links between the objectives and their sub-objectives. It presents in a synthetic manner the various intervention logics derived from the regulation, that link individual actions and measures to the overall goals of the intervention. The rural development regulation contains also horizontal objectives that cut across all programme measures.  |
| <b><i>Holder (of an agricultural holding):</i></b> | In Community Farm Structure Surveys (Commission Decision 2000/115/EC of 24.11.1999, OJ L38 of 12.02.2000 p.1), the holder of the holding is that natural person, group of natural persons or the legal person on whose account and in whose name the holding is operated and who is legally and economically responsible for the holding, i.e. who takes the economic risks of the holding. The holder can own the holding outright or rent it or be a hereditary long term leaseholder or a usufructuary or a trustee. All partners on a group holding who take part in the farm work on the holding are considered as being as holders. The legal and economic responsibility is defined according to Member States' documented own rules. The holder may have delegated all or part of power of decision of the normal daily financial and production routines of running of the holding to a manager. In the case of share farming (see item C/03 (a)) the share farmer is shown as holder and not the landlord. |
| <b><i>ICP Forest</i></b>                           | International Co-operative Programme on the Assessment and Monitoring of Air Pollution Effects on Forests (ICP Forests).   |
| <b><i>Impact</i></b>                               | Effects of an intervention lasting in medium or long term. Some impacts appear indirectly, (e.g. turnover generated for the suppliers of assisted firms). Others can be observed at the macro-economic or macro-social level (e.g. improvement of the image of   |

the assisted area); these are global impacts. Impacts may be positive or negative, expected or unexpected.

***Impact indicators.***

These refer to the benefits of the programme beyond the immediate effects on its direct beneficiaries both at the level of the intervention but also more generally in the programme area. They are linked to the wider objectives of the programme. They are normally expressed in “net” terms, which means subtracting effects that cannot be attributed to the intervention (e.g. double counting, deadweight), and taking into account indirect effects (displacement and multipliers). *Example:* increase in employment in rural areas, increased productivity of agricultural sector, increased production of renewable energy.

***Indicator***

Tool to measure the achievement of: an objective; a resource mobilised; an output accomplished; an effect obtained; or a context variable (economic, social or environmental). The information provided by an indicator is a quantitative datum used to measure facts or opinions (e.g. percentage of regional enterprises which have been assisted by public intervention; percentage of trainees who claim to be satisfied or highly satisfied). An indicator must, among other things, produce simple information which is communicable and easily understood by both the provider and the user of the information. It must help the managers of public intervention to communicate, negotiate and decide. For that purpose, it should preferably be linked to a criterion on the success of the intervention. It should reflect as precisely as possible whatever it is meant to measure (validity of construction). The indicator and its measurement unit must be sensitive, that is to say, the quantity measured must vary significantly when a change occurs in the variable to be measured.

***Independent evaluators***

Evaluators that are not directly involved in the implementation, management and financing of the programmes

***Input***

Financial, human, material, organisational and regulatory means mobilised for the implementation of an intervention. For example, sixty people worked on implementing the programme; 3% of the project costs were spent on reducing effects on the environment. Monitoring and evaluation focus primarily on the inputs allocated by public authorities and used by operators to obtain outputs. Private inputs mobilised by assisted firms, for example, are considered to be results of public intervention. The above definition gives a relatively broad meaning to the word "input". Some prefer to limit its use to financial or budgetary resources only. In this case, the word "activity" can be applied to the implementation of human and organisational resources. The term "financial outputs" is sometimes used in the sense of consumption of budgetary inputs.

***Input indicators.***

These refer to the budget or other resources allocated at each level of the assistance. Financial input indicators are used to monitor progress in terms of the (annual) commitment and payment of the

funds available for any operation, measure or programme in relation to its eligible costs. *Example*: expenditure per measure declared to the Commission

***Internal coherence*** Correspondence between the different objectives of the same intervention. Internal coherence implies that there is a hierarchy of objectives, with those at the bottom logically contributing towards those above.

***Intervention logic*** An intervention logic represents a methodological instrument which establishes the logical link between programme objectives and the envisaged operational actions. It shows the conceptual link from an intervention's input to its output and, subsequently, to its results and impacts. Thus an intervention logic allows an assessment of a measure's contribution to achieving its objectives.

***Labour Force Survey (LFS)*** See chapter Main sources.

***Leverage effect*** Propensity for public intervention to induce private spending among direct beneficiaries. In cases where public intervention subsidises private investments, leverage effects are proportional to the amount of private spending induced by the subsidy. Leverage effects must not be confused with additional effects (see net effect).

***Longitudinal data*** Time series relating to repeated comparative observations of the same individuals (or other beneficiary), at regular intervals, during a given period. In the evaluation context, these data are obtained by observing the evolution of a sample of beneficiaries.

***Manager (of an agricultural holding):*** In Community Farm Structure Surveys (Commission Decision 2000/115/EC of 24.11.1999, OJ L38 of 12.02.2000 p.1), the natural person or persons responsible for the normal daily financial and production routines of running the holding concerned. The manager is generally, but not always, the same person as the holder who is a natural person. As managers of a group holding are taken those partners of the holding taking part in the farm work on the holding. In cases where the holder is not also the manager he/she has charged or employed someone else with the running of the holding. This could be for example a member of his/her family or his/her spouse, but can also be a person with no family ties to the holder.

***Measure*** Within the framework of European rural development policy, the basic unit of programme management, consisting of a set of similar projects and disposing of a precisely defined budget. Each measure has a particular management apparatus. Measures generally consist of projects. Many measures are implemented through a process of Calls for Proposals and subsequent appraisal.

***Measurement unit*** Used to observe a phenomenon, change or variable, and to place it on a quantitative scale. A measurement unit allows for quantification. An elementary indicator is associated with a measurement unit and has only one dimension (e.g. km of

motorway; number of training courses). Some measurement units are divisible and others not (e.g. 20.3km were built; 30 trainees were qualified). Measurement units must be harmonised if indicators are to be comparable.

***Method***

Methods are families of evaluation techniques and tools that fulfil different purposes. They usually consist of procedures and protocols that ensure systemisation and consistency in the way evaluations are undertaken. Methods may focus on the collection or analysis of information and data; may be quantitative or qualitative; and may attempt to describe, explain, predict or inform action. The choice of methods follows from the evaluation questions being asked and the mode of enquiry - causal, exploratory, normative etc. Understanding a broad range of methods ensures that evaluators will select suitable methods for different purposes.

***Methodology***

Most broadly, the overall way in which decisions are made to select methods based on different assumptions about what constitutes knowing (ontology) what constitutes knowledge (epistemology) and more narrowly how this can be operationalised ie, interpreted and analysed (methodology)..

***Mid-term evaluation***

Evaluation which is performed towards the middle of the period of implementation of the intervention. This evaluation critically considers the first outputs and results, which enables it to assess the quality of the monitoring and implementation. Mid-term evaluation provides feedback on interventions of which it helps to improve the management.

***Monitoring***

An exhaustive and regular examination of the resources, outputs and results of public interventions. Monitoring is based on a system of coherent information including reports, reviews, balance sheets, indicators, etc. Monitoring system information is obtained primarily from operators and is used essentially for steering public interventions. When monitoring includes a judgement, this judgement refers to the achievement of operational objectives. Monitoring is also intended to produce feedback and direct learning. It is generally the responsibility of the actors charged with implementation of an intervention.

***Multiplier effect***

Secondary effect resulting from increased income and consumption generated by the public intervention. Multiplier effects are cumulative and take into account the fact that part of the income generated is spent again and generates other income, and so on in several successive cycles. In each cycle, the multiplier effect diminishes due to purchases outside the territory. The effect decreases much faster when the territory is small and when its economy is open.

***Natura 2000:***

Natura 2000 is the centrepiece of EU nature & biodiversity policy. It is an EUwide network of nature protection areas established under the 1992 Habitats Directive. The aim of the network is to assure the long-term survival of Europe's most valuable and

threatened species and habitats. It is comprised of Special Areas of Conservation (SAC) designated by Member States under the Habitats Directive (Council Directive 92/43/EEC of 21.05.1992), and also incorporates Special Protection Areas (SPAs) which they designate under the 1979 Birds Directive (Council Directive 79/409/EEC of 2.04.1979). The establishment of this network of protected areas also fulfils a Community obligation under the UN Convention on Biological Diversity.

***Need***

Opportunity or difficulty relevant for concerned groups or regions, which the public intervention aims to address. Ex ante evaluation verifies whether the needs used to justify an intervention are genuine. Mid-term evaluation may involve a survey of beneficiaries, to reveal their needs and opinions. Needs are the judgement reference of evaluations which use relevance and usefulness criteria.

***Net effect***

Effect imputable to the public intervention and to it alone, as opposed to apparent changes or gross effects. To evaluate net effects, based on gross effects, it is necessary to subtract the changes which would have occurred in the absence of the public intervention, and which are therefore not imputable to it since they are produced by confounding factors (counterfactual situation). For example, the number of employees in assisted firms appears to be stable (change or gross effect equal to zero). However, it is estimated that without support there would have been 400 redundancies (counterfactual situation). Thus, 400 jobs were maintained (net effect).

***Nomenclature of territorial units for statistics (NUTS):***

The NUTS nomenclature serves as a reference for the collection, development and harmonization of EU regional statistics and for socio-economic analyses of the regions. Legal basis is Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS), OJ L154 of 21.06.2003 p.1.

*Structure:*

- *Level 0: 25 countries*
- *Level 1: 89 regions*
- *Level 2: 254 regions*
- *Level 3: 1214 regions*

*N.B. At a more detailed level, there are the districts and municipalities. These are called "Local Administrative Units" (LAU) and are not subject of the NUTS Regulation.*

In FSS and in FADN, specific regions are used, based on different levels of NUTS or recombination of NUTS.

***Nomenclature***

NACE (Statistical classification of economic activities in the

***statistique des Activités économiques dans la Communauté Européenne" (NACE):***

European Community) was adopted in order to establish a common statistical classification of economic activities within the European Community in order to ensure comparability between national and community classifications and hence national and community statistics.

Current version is NACE Rev. 1.1 corresponding to ISIC Rev.3 (of United Nations) at European level. Though more disaggregated than ISIC Rev.3.1, NACE Rev.1.1 is totally in line with it and can thus be regarded as its European counterpart. Since the national economic structures vary considerably, there are branches of industry in NACE Rev. 1.1 which are not of importance or do not occur in all Member States (e.g. branches of mining and quarrying, manufacture of spacecraft, etc.). The NACE Rev. 1.1 Regulation allows the Member States to use a national version derived from NACE Rev. 1.1 for national purposes. Such national versions must, however, fit into the structural and hierarchical framework laid down by NACE Rev. 1.1.

Structure:

- *Level 1: 17 sections identified by alphabetical letters A to Q;*
- *intermediate level: 31 sub-sections identified by two-character alphabetical codes;*
- *Level 2: 62 divisions identified by two-digit numerical codes (01 to 99);*
- *Level 3: 224 groups identified by three-digit numerical codes (01.1 to 99.0);*
- *Level 4: 514 classes identified by four-digit numerical codes (01.11 to 99.00).*

***Objective***

Clear, explicit and initial statement on the effects to be achieved by a public intervention. A quantitative objective is stated in the form of indicators and a qualitative objective in the form of descriptors, e.g.: 30% of all outputs must be accomplished by the end of the third year; the public intervention must first benefit the long-term unemployed. Specific objectives concern the results and impacts of an intervention on direct beneficiaries. A global objective corresponds to the aim of the intervention. The aim of an intervention is to produce an impact expressed in global terms, e.g. reducing regional disparities in development levels. Objectives may also be intermediate. Objectives which specify outputs to be produced are called operational objectives. If the objectives of a public intervention have not been clearly defined beforehand, the evaluation can try to clarify them afterwards. In that case, it is preferable to refer to implicit objectives. Objectives may incorporate targets.

***On-going evaluation***

Evaluation which extends throughout the period of implementation of a programme Ongoing evaluation includes all

the evaluation activities to be carried out during the whole programming period, comprising ex-ante, mid-term, and ex-post evaluation as well as any other evaluation-related activity the programme authority may find useful for improving their programme management. This includes the interaction between evaluation activities, the compilation and refinement of indicators, and data collection. The system of ongoing evaluation shall ensure capacity building early on and continuity of evaluation-related activities during the whole programming period.

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| <b><i>Output</i></b>                           | Action which is financed and accomplished (or concretised) with the money allocated to an intervention. A project promoter undertakes to produce an output in immediate exchange for the support granted. Outputs may take the form of facilities or works (e.g. building of a road, farm investment; tourist accommodation). They may also take the form of immaterial services (e.g. training, consultancy, information).   |
| <b><i>Output indicators.</i></b>               | These measure activities directly realised within programmes. These activities are the first step towards realising the operational objectives of the intervention and are measured in physical or monetary units. <i>Example:</i> number of training sessions organised, number of farms receiving investment support, total volume of investment.   |
| <b><i>Primary data</i></b>                     | In the context of an evaluation, data collected ad hoc directly in the field at the time of the running evaluation.   |
| <b><i>Programme</i></b>                        | Organised set of financial, organisational and human interventions mobilised to achieve an objective or set of objectives in a given period. A programme is delimited in terms of a timescale and budget. Programme objectives are defined beforehand; an effort is then made systematically to strive for coherence among these objectives.  |
| <b><i>Purchasing Power Standard (PPS):</i></b> | Purchasing Power Standard (PPS) shall mean the artificial common reference currency unit used in the European Union to express the volume of economic aggregates for the purpose of spatial comparisons in such a way that price level differences between countries are eliminated. Economic volume aggregates in PPS are obtained by dividing their original value in national currency units by the respective PPP. 1 PPS thus buys the same given volume of goods and services in all countries, whereas different amounts of national currency units are needed to buy this same volume of goods and services in individual countries, depending on the price level. |
| <b><i>Qualitative indicator</i></b>            | A description, in the form of a concise, clear and stable statement, of an objective to achieve, or an impact obtained. The organisation of descriptors in the form of a structured grid may constitute the first step in the construction of an indicator. If several descriptors have been established beforehand, they can be used to construct an observation grid. By means of this grid a phenomenon or change can be observed and described in a qualitative and structured way.   |

Evaluation cannot afford to exclude from its scope of analysis an important objective or impact simply because it is difficult to measure quantitatively when in fact it is considered to be important. In that case, it is preferable to collect qualitative data and to structure them by means of descriptors.

***Rationale***

The fact that an intervention can be justified in relation to needs to satisfy or sectoral and socio-economic problems to solve. Ex ante evaluation verifies the real existence of these needs and problems, and ensures that they cannot be met or solved by existing private or public initiatives. Thus, the inadequacy or shortcomings of other initiatives (whether private or public) may be a fundamental element in the programme rationale.

***Relevance***

The extent to which an intervention's objectives are pertinent to needs, problems and issues. Questions of relevance are particularly important in ex ante evaluation because the focus is on the strategy chosen or its justification. Within the framework of mid-term evaluation, it is advisable to check whether the socio-economic context has evolved as expected and whether this evolution calls into question the relevance of a particular initial objective.

***Reliability***

Quality of the collection of evaluation data when the protocol used makes it possible to produce similar information during repeated observations in identical conditions. Reliability depends on compliance with the rules of sampling and tools used for the collection and recording of quantitative and qualitative information.

***Result***

Advantage (or disadvantage) which direct beneficiaries obtain at the end of their participation in a public intervention or as soon as a public facility has been completed. Results can be observed when an operator completes an action and accounts for the way in which allocated funds were spent and managed. At this point s/he may show, for example, that accessibility has been improved due to the construction of a road, or that the firms which have received advice claim to be satisfied. The operators may regularly monitor results. They have to adapt the implementation of the intervention according to the results obtained.

***Result indicators.***

These measure the direct and immediate effects of the intervention. They provide information on changes in, for example, the behaviour, capacity or performance of direct beneficiaries and are measured in physical or monetary terms. *Example:* gross number of jobs created, successful training outcomes

***Secondary data***

In the context of an evaluation, existing information, e.g. statistics, monitoring data, data from previous evaluations,...

***Sectors primary / secondary / tertiary:***

Specific grouping of economic activities of NACE rev 1.1:

- *Primary sector covers divisions 01 to 05 or branches A (Agriculture, hunting and forestry) & B (fishing)*

- *Secondary sector covers divisions 10 to 45 or branches C to F (Mining and quarrying, Manufacturing, Electricity, gas and water supply, Construction)*
- *Tertiary sector covers divisions 50 to 95 or branches G to P (private and public services). In Labour Force Survey it also covers branch Q (Extra-territorial organizations and bodies).*

*N.B.: In some statistical series, it is possible to restrict the primary sector to division 01 and 02 or branch A of NACE rev. 1.1 (Agriculture, hunting and forestry).*

See also *Type of Farming of an agricultural holding.*

***Special Areas of Conservation (SAC):***

Areas designated under the Habitats Directive (Council Directive 92/43/EEC of 21 May 1992) to be part of NATURA 2000 network of nature protection areas.

***Special Protection Areas (SPA):***

Areas designated by Member States under the Birds Directive (Council Directive 79/409/EEC of 2 April 1979) to be part of NATURA 2000 network of nature protection areas.

***Standard Gross Margin (SGM) of an enterprise:***

The concept has been developed in the Community typology for agricultural holdings (Commission decision 85/377/EEC). The SGM is the balance between the standard value of output and the standard value of certain direct costs, i.e. by convention the proportional (variable) costs which can easily be allocated to this output. The SGM is an economic criterion expressed in monetary terms, either per hectare of utilised agricultural area in the case of crop enterprises or per head of livestock in the case of livestock farming. The Member States calculate regional SGM coefficients for each enterprise as average values over the reference period.

***Strategy***

Selection of priority actions according to the urgency of needs to be met, the gravity of problems to be solved, and the chances of actions envisaged being successful. In the formulation of a strategy, objectives are selected and graded, and their levels of ambition determined. Not all territories and groups are concerned by the same development strategy. Ex ante evaluation examines whether the strategy is suited to the context and its probable evolution.

***Substitution effect***

Effect obtained in favour of direct beneficiaries but at the expense of a person or organisation that does not qualify for the intervention. For example, a person unemployed for a long time found a job owing to the intervention. In reality, this job was obtained because someone else was granted early retirement. If the objective was the redistribution of jobs in favour of disadvantaged groups, the effect can be considered positive. An evaluation determines, with regard to the objectives of the intervention, whether the substitution effect can be considered beneficial or not. When it is not beneficial, the substitution effect must be subtracted

from gross effects.

**Synergy**

The fact that several public interventions (or several components of an intervention) together produce an impact which is greater than the sum of the impacts they would produce alone (e.g. an intervention which finances the extension of an airport which, in turn, helps to fill tourist facilities, also financed by the intervention). Synergy generally refers to positive impacts. However, phenomena which reinforce negative effects, negative synergy or anti-synergy may also be referred to (e.g. an intervention subsidises the diversification of enterprises while a regional policy helps to strengthen the dominant activity).

**Target level**

Estimates of an impact in relation to the baseline situation, based on past experience and expert judgement. A standard approach is to use benchmarks established in past programme reporting, evaluation and studies. Evaluators generally play an important role in the context of the ex ante evaluation by verifying quantified targets for outputs and results and in the setting of quantified (and where appropriate qualitative) targets for impact.

**Type of Farming (TF) of an agricultural holding:**

The concept has been developed in the Community typology for agricultural holdings (Commission decision 85/377/EEC). The type of farming on a holding is the production system of a holding which is characterised by the relative contribution of different enterprises to the holding's total standard gross margin. Depending on the amount of detail required, there are three nested levels of type of farming: 9 *general types*, 17 *principal types* and 50 *particular types*.

**UNECE:**

United Nations Economic Commission for Europe

**Utilised Agricultural Area (UAA):**

In Community farm structure surveys (FSS), the Utilised Agricultural Area is defined as the total of arable land, permanent pastures and meadows, land use for permanent crops and kitchen gardens (Council Regulation 571/88 of 29.02.1988, OJ L56 of 2.03.1988 p.3). The UAA excludes unutilised agricultural land, woodland and land occupied by buildings, farmyards, tracks, ponds, etc.

**Value for money**

Term referring to judgement on whether sufficient impact is being achieved for the money spent. It is often calculated by dividing the total project costs by the number of beneficiaries reached, and comparing the cost with alternative comparable measures in relation to the target groups and desired impacts.

**Verifiable objective**

An objective stated in such a way that it will subsequently be possible to check whether or not it has been achieved. A way of making an objective verifiable is to quantify it by means of an indicator linked to two values (baseline and expected situation). An objective may also be verifiable if it is linked to a descriptor, i.e. a clear and precise qualitative statement on the expected effect.