

## **QUALITY ASSESSMENT FORM**

**Title of the evaluation:**

**EVALUATION OF CAP MEASURES RELATED TO HOPS**

**DG/Unit: DG AGRI, Unit L4**

- Official(s) managing the evaluation: Andre Kolodziejak

**Evaluator/contractor:** Deloitte with LEI Wageningen and Arcadia International.

**Assessment carried out by:**

- Steering group with the active participation of units C3, D1, H1 and L4 of DG AGRI.

**Date of the Quality Assessment: October 2009**

## **(1) RELEVANCE**

*Does the evaluation respond to information needs, in particular as expressed in the terms of references?*

	Poor	Satisfactory	Good	Very Good	Excellent
SCORING			X		

**Arguments for scoring:**

**The evaluation sufficiently covers the scope defined in the Terms of Reference. The evaluation sufficiently covers the scope defined in the Terms of Reference. However the score on the various parts of the report is mixed. As for the descriptive part of the report with the description of the hops sector in an international context the quality is good which does not apply to the case studies where the quality is just satisfactory due to the fact that part of the in-depth knowledge generated and needed for answering the evaluation questions is too limited. As for the evaluation part with the evaluation questions the parts on production, income, structural changes and geographical distribution are good, the part on the needs of the industries and the downstream sector and the one on competitiveness and market-relatedness are satisfactory while the parts on rural development, environment, efficiency and administrative burden are rather poor.**

## **(2) APPROPRIATE DESIGN**

*Is the design of the evaluation adequate for obtaining the results needed to answer the evaluation questions?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
		X			

Arguments for scoring:

The methodology design matches sufficiently with the objectives of the evaluation. The starting point of the evaluation was, in line with the Terms of Reference, the description on the EU hops sector in an international context using national fact sheets for all hops producing countries and case studies for the main producing countries Czech Republic, Germany, Spain and United Kingdom.

Subsequently the intervention logic was developed to connect the eight measures after the 2003 policy reform with the envisaged objectives. A framework of criteria and indicators was used to judge with eleven evaluation questions whether the measures were effective, efficient and relevant.

In answering the first evaluation question on production decisions of farmers an empirical gross profit margin approach on the basis of FADN data was cross-checked with a theoretical modelling approach with the LEI models Face-it and FES, the latter were also used to answer all questions on effects on income and production by simulating outcomes under different aid scenarios. Results of this theoretical analysis were thus confronted with the results of the empirical analysis.

The methodology developed for the empirical analysis combined three different analyses:

- a) quantitative statistical analysis,
- b) simulations via Face-it and FES models which were used for analysing income impacts and production decisions of farmers in the situation of partial and full decoupling (retrospective and prospective),
- c) qualitative analysis which was fed by the information collected within case studies and surveys.

This methodology allowed answering the evaluation questions on production, production structure, downstream sector, competitiveness and rural development in a sufficient way. Due to shortcomings and limitations in the surveys and case studies the answers to the question on the environment, rural development, administrative burden and efficiency are rather poor.

### **(3) RELIABLE DATA**

*Are data collected adequate for their intended use and have their reliability been ascertained?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
					X

Arguments for scoring:

The contractor had access to the data provided by the Commission services such as data on prices and contracts, which were generally properly used with some exceptions.

The major data sources were FADN (Farm Accountancy Data Network), which was used for the analysis of economic results of the farms producing hops and for the simulations via the Face-it and FES models, FAO statistics, Eurostat data as well as market data from Barth reports and the International Hops Growers Council (IHGC).

As concerns the implementation of the Single Payment Scheme and Single Area Payment Scheme, the contractor completed the data available by the Commission by the data collected at Member States level.

The quantitative data were completed by qualitative information collected during case studies, which were carried out in major producing Member States (Germany, Czech Republic, Spain and United Kingdom), and during surveys addressed to producers, traders and merchants, breweries, national administrations and stakeholders at EU level.

The contractor also exploited secondary data from other sources, such as national reports.

### **(4) SOUND ANALYSIS**

*Are data systematically analysed to answer evaluation questions and cover other information needs in a valid manner?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
			X		

Arguments for scoring:

The analysis has a mixed quality: for the analysis of effects on income, production, competitiveness, down stream sector and rural development the analysis is satisfactory. For the analysis on efficiency and environment the analysis was not always carried out in a rigorous way, and not well developed both in quantitative and in qualitative terms. For the latter themes in particular the limitations of each of the analytical approaches and tools are not always clearly presented and not fully taken into account in the interpretation of the results.

### **(5) CREDIBLE FINDINGS**

*Do findings follow logically from and are justified by, the data/information analysis and interpretations based on pre-established criteria and rational?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
		X			

Arguments for scoring:

The findings of the evaluation are supported by the evidence provided through sound analysis concerning the effects of measures on production, production structure and competitiveness. For these effects the findings are credible. For the effects on efficiency, rural development, administrative burden and environment the findings are less credible due to the limitations of the analysis. Stakeholders' opinions on these themes in particular were sometimes considered too imbalanced due to the limitations of the analysis of the contractor in particular for the themes efficiency, rural development, administrative burden and environment.

### **(6) VALID CONCLUSIONS**

*Are conclusions non-biased and fully based on findings?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
		X			

Arguments for scoring:

The conclusions are established in a sufficiently understandable manner. With the exception of the conclusions on the efficiency, rural development, administrative burden and the environment they are substantiated by the evaluation findings, which are drawn from sufficiently solid analysis. The match of the findings and conclusions mentioned in the report with which was precisely asked by the individual evaluation question is of limited quality. There is a tendency in the report to mention partial answers and many interim conclusions rather than focus on the main evaluation questions.

## **(7) HELPFUL RECOMMENDATIONS**

*Are areas needing improvements identified in coherence with the conclusions? Are the suggested options realistic and impartial?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
		X			

Arguments for scoring:

Considering the scope of the evaluation study the number of recommendations is very limited but those presented are clear and unbiased, although they are not so precise and rather focused on the EU and producer organisations while recommendations on the Member States level are missing. Nevertheless, the few recommendations made are helpful as they are impartial, address the major challenges and realistically linked to the policy context of need for increased technological development, continued support by the producer organisations of hops contracting and marketing, improvement of the production structure to lower cost. The recommendations on the environment and the administrative burden could have been more precise to be more helpful.

## **(8) CLARITY**

*Is the report well structured, balanced and written in an understandable manner?*

SCORING	Poor	Satisfactory	Good	Very Good	Excellent
		X			

Arguments for scoring:

On average the report is sufficiently structured and balanced. The writing style is clear and uncomplicated, at times even simplistic, the English editing occasionally weak. The tables in the report provide a clear picture of the structure and development of the sector in the evaluation period 2005-2007 and in the period before. The part on the explanation of the models used is sufficiently clear in view of the basic microeconomic complexity of the advanced tools involved. It is also sufficiently pointed out in the report that some income figures refer to simulation samples while others refer to the total of farmers, farms etc. but this may be demanding for the reader with limited statistical and economic knowledge and experience. The fact that tables have been put in the annexes in an adequate way and that the report therefore is not too long, while covering a large number of countries is reader-friendly.

## OVERALL ASSESSMENT OF THE FINAL EVALUATION REPORT

Overall, despite strong intermediate steering by the steering group ad hoc, the final quality of the report is assessed to be only **satisfactory**

**Is the overall quality of the report adequate, in particular:**

- Does the evaluation fulfil contractual conditions?  
**Sufficiently.**

- Are the findings and conclusions of the report reliable, and are there any specific limitations to their validity and completeness?

**The findings and conclusions of the report are limited but those presented are sufficiently reliable and clear, with the exceptions of those on rural development, efficiency, administrative burden and the environment. The findings for impact on production are mainly based on the large producer countries Germany and Czech Republic due to FADN data restrictions. The modelling of income impacts in this evaluation is only carried out for Germany and Czech Republic (partly). A general caveat for the findings and conclusions of the report is that the impact of policy effects depends in practice to a substantial extent on the circumstances of a particular farmer and that the impact of structural market forces for the sector is strong and rather difficult to isolate from the impact of support measures.**

- Is the information in the report potentially useful for designing intervention, setting priorities, allocating resources or improving interventions?

**The evaluation study has been finished after total decoupling of the aid has already been decided but it clearly shows how measures can have different impacts in old and new Member States and that an important role for producer organisations can potentially make a difference regarding income stability, competitiveness and the environment. The study also brought together useful market and income information necessary for future policy decision making like initiatives to foster research and development in the sector and to further reduce the administrative burden in all hops producing countries. It also explored the development of incomes in main producer countries until 2013 using the FES model of LEI for status quo and no support scenarios. Therefore, the findings of the evaluation are relevant and should be exploited further with respect to the possibilities offered by the policy.**