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Evaluation of knowledge transfer; conceptual and practical problems of impact assessment of Farming Connect in Wales[☆]

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ABSTRACT

A generic issue when attempting to justify the use of public funds for Knowledge Transfer (KT) and the provision of advice is the demonstration of their impact on policy goals. Both conceptual and practical difficulties are encountered. Experience gained in evaluating Farming Connect in Wales, the programme delivering KT and advice to Welsh farmers using a wide range of activities, is drawn on to illustrate issues faced in detecting economic impacts at farm and sector levels, in particular in establishing the counterfactual. Two methodological tools are compared; the common but 'naïve' approach of asking farmers about impacts on their business, and the 'quasi-experimental' one of comparing samples of beneficiaries and non-beneficiaries. Rather different results are obtained (farmer responses suggesting a far greater level of impact) and reasons for these are sought. Lessons have been learned, in particular raising questions on the reliability of the 'naïve' approach, that need to be taken into account in the future design of monitoring and evaluation not just in agriculture but more generally, and that carry implications for the selection of the types of activities that receive public support.

1. Introduction

The predominant contemporary view is that the responsible use of public funds to intervene in any sector, which includes for the promotion of rural development, has to be accompanied by scrutiny of the outcome from this spending. The term 'evaluation' is generally used for this form of scrutiny, though this broad term covers various forms of activity. Offutt (2010), citing the USA's Government Accountability Office (GAO , 2005), describes evaluations as falling into four broad types: those that focus on *process* (or implementation); on *outputs/outcomes* in relation to objectives; on (net) *impacts* after the counterfactual has been considered; and, *cost-benefit and cost effectiveness analysis.* According to the European Commission (2000) evaluation is the 'judgement of interventions according to their results, impacts and need they aim to satisfy'. Its main purposes are to (1) contribute to the design of interventions, including providing input for setting political priorities; (2) assist in an efficient allocation of resources; (3) improve the quality of the intervention; and, (4) report on the achievements of the intervention, that is to provide accountability (European Commission, 2004). The implication is that evaluation leads to improved performance of the policy process, though its power to make a difference in practice can be questioned (Bergschmidt, 2009).

In the UK the introduction of systemic reviews of the outcomes of policy intervention is associated with the era of Prime Minister Margaret Thatcher and the Financial Management Initiative of the early 1980s (CEAS, 1989). Evaluation is now mainstream, with HM Treasury publishing successive editions of its guidance Green Book (the latest version being HM Treasury 2011a) and its more detailed and practical Magenta Book (HM Treasury 2011b). Among policy actors a variety of attitudes can be found (Blandford et al., 2010), some regarding formal evaluation of low priority once the political

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decision to allocate public funds has been made, viewing it as an administrative box-ticking exercise, while others value it more highly for the insights and lessons it can deliver.

Because most agricultural and rural policy in the UK over the last four decades has been carried out within the framework of the European Union, it is instructive to trace the development of evaluation in the EU. At Community level things started patchily, with rural development an early exponent of evaluation as a condition of substantially increasing the funds available for structural measures in 1988 (CEAS, 1989), but it was given a boost by the Sound and Efficient Management (SEM 2000) Initiative, launched in 1995, that aimed to reform the management of EU spending. In line with this, the successive rounds of seven-year Rural Development Programmes (RDPs) in EU Member States that started in 2000 have been subject to a regular system of evaluations, specified in the Regulations that underpin the RDPs, and under methodological guidance from the European Commission (evaluations at the *ex-ante*, mid-term, and *ex-post* stages, though the mid-term exercise for the 2014–2020 programmes is less formal than in previous programming periods) (Bradley et al., 2010). These RDPs cover a wide range of interventions, of which the provision of Knowledge Transfer (KT), professional training and advisory services to farmers form components. In addition to these exercises for the EU, it is common practice in the UK for separate evaluations to be commissioned by government on specific elements within the Programmes. This article draws some specific lessons from such evaluations, carried out for the Welsh Government, of Farming Connect (FC), which is the delivery mechanism for an integrated but diverse array of interventions promoting knowledge transfer and providing advice and training for farms and forestry holdings in Wales. FC formed part of the Welsh RDP 2007–13 and, in a modified form, is part of the RDP 2014–20.

2. Issues in evaluation practice

Though the notion of evaluation is attractive, there are substantial conceptual and practical difficulties, many of which were explored in the multi-volume MEANS collection issued by the European Commission (European Communities, 1999). Firstly there is the issue of timing. The successive EU Rural Development Regulations that have underpinned successive Rural Development Programmes in Member States since 2000 have each specified a timetable for the series of evaluations to be carried out linked to the seven-year programming period, with the final (ex-post) evaluation having to be completed only three years after the programme closed. The timings have meant that the ability to apply the lessons learned from one programme to the next has been hampered (Bradley et al., 2010); for reasons of practicality the designs of schemes for one seven-year programming period have often been determined before the evaluation cycle of the previous period have been completed. This has put great weight on the preliminary results from mid-term evaluations that may have been carried out soon after the schemes were launched. Timing is also important if impacts are to be satisfactorily captured. For example, the impact of management skills training may only be realised after several years have elapsed, and the period covered by the evaluation should be of an adequate timescale, though for reasons of practicality and funding constraints evaluations are often abbreviated.

Then there is the issue of coverage. In an ideal world an early stage in an evaluation process would be to clarify all the impacts that the intervention was aiming for, together will anticipated side-effects, and to select appropriate indicators. Such freedom is lacking in situations such as the evaluation of rural development programmes in the EU where the concern with aggregating results across national boundaries means that the EU's Common Monitoring and Evaluation Framework (CMEF) imposes at least some indicators on all situations. There is also a tendency to measure what is relatively easy to measure (such as changes in production and land use) and to underplay impacts that are less easily qualified but which may be of great long-term importance to development, such as the qualitative aspects of human and social capital, including the capacity individual farm households and rural communities to be confident in a changing environment and resilient to economic and environmental shocks by drawing on internal and external resources.

Then there is the general problem of data availability and quality. Even the best-designed conceptual framework for evaluation and the optimal choice of indicators will be ineffectual if it is not possible to collect suitable data to populate it. Hermans (2010) points to the negative incentives that may be present among implementers of policy that can discourage them from putting effort and resources into the design of monitoring systems and the collection of data; the central problem stems from the ability of the data not only to help in evaluating the policy but also to reveal shortcomings in their own performance as implementers. But if this structural problem can be overcome there is still the difficulty of obtaining reliable data from beneficiaries. In rural development there is usually no effective compulsion on famer beneficiaries to keep records of how their activities have changed as the result of participating in schemes; and the heterogeneity of farmers (including their motives) will mean that patterns of response will be diverse. Data may simply not be available unless special exercises in primary collection are mounted, typically involving voluntary participation. These are likely to be costly, and hence budgetary constraints will restrict sample sizes. Even then there may be a quality problem; for practical reasons there may be a dependency on recall during interviews rather than verification by documentary evidence or other means of validation. Where the data exist for other purposes, such as in accounts submitted to national tax authorities, direct access may well face legal barriers (this is case in the UK, though not in all EU Member States).

Another conceptual problem that presents severe practical difficulties, and the one that forms the focus of this article, is the establishment of the 'counterfactual' (what would have happened in the absence of the intervention). The 'three E's' (Effectiveness, Economy and Efficiency) for long associated with the practice of evaluation have recently been joined by 'Impact', and in particular 'Net Impact' which removes deadweight to indicate the extent to which changes observed can be attributed to the intervention under examination. The Commission has issued specific recommendations on impact evaluation of RDPs based on advice from groups of experts (European Commission, 2010). Inherent difficulties in reaching the net impact of rural development is that any particular intervention is almost always accompanied by other factors that could influence indicators, so that observed changes in, for example, farm profits cannot be attributed solely to the intervention under examination. This environment presents a challenge when trying to assess the 'additionality' of any form of intervention. Establishing the 'counterfactual' is a critical step in reaching an assessment of the net impact of an intervention (its additionality).

Various techniques have been developed to assist in this task. A practical, common but methodologically 'naïve' approach (the term used in European Commission, 2010) is to question beneficiaries of RDP support about behavioural contingences (what would you have done in the absence of the intervention?). This approach brings associated problems of achieving meaningful responses (do farmers know what the impact is and the proportion attributable to the RDP-funded activity?) and of 'optimism bias' (such as when beneficiaries wish to show that their past decisions have been correct or assume benefits to justify the time and effort expended