TAIEX SRSP Workshop on Policy Coordination and Performance Assessment of Public Policies



Zagreb - Croatia
20 - 21 February 2020

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Evaluation and Monitoring of Structural Funds

Theory and Practice

TAIEX SRSP Workshop on Policy Coordination and Performance Assessment of Public Policies

21st February 2020 | Bernd Schuh

Content

- Monitoring and Evaluation – What brings them together? – It´s all about the programming and language
- Evaluation
- Monitoring

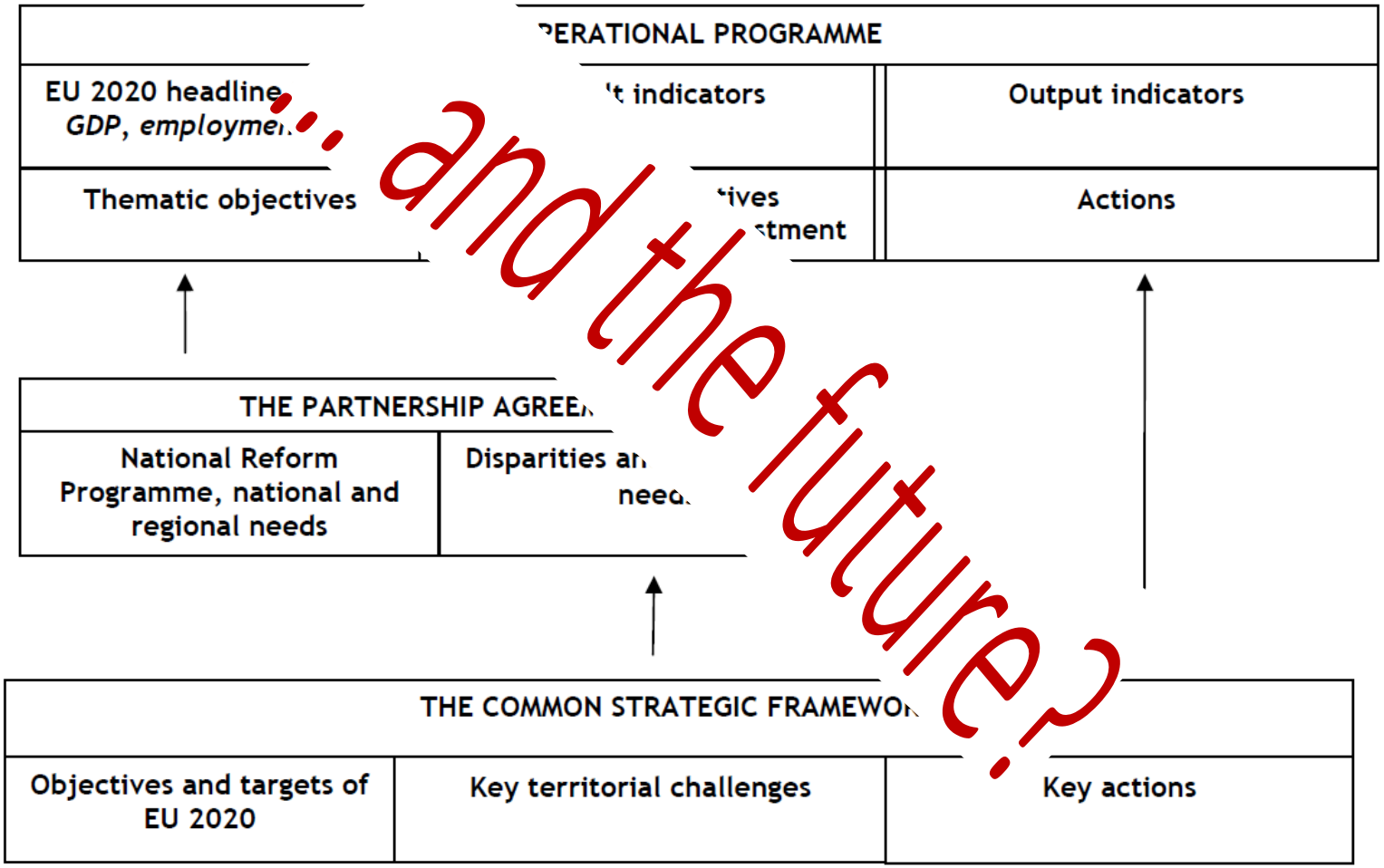
The policy cycle

see EU Better Regulation Guidelines

In each of the stages – information is needed → **indicators** as possible „words“ to deliver this information



Strategic Programming Framework 2014+



Common principles – lets get started

- **"The starting point in designing any public intervention is to identify a problem to be addressed"** ("Monitoring and Evaluation of European Cohesion Policy– European Regional Development Fund and Cohesion Fund - Concepts and Recommendations", Guidance document, European Commission Directorate –General Regional Policy)
- "Theory of Change" produce a narrative of how the change envisaged will take effect → establish contribution to results in the programme area
- The "need-driven" approach as overarching principle of CSF funds – with **"need"** being defined as observable significant difference between the status quo and a situation as it should be (need is then the gap in results) – see Kaufman – World Bank

What is a „need“

Type of needs	Relation to the status quo…	Conntection to SWOT
Need to stabilise situations		Sustainaning or the strengths tial

Then anything can be a need!
We “need” a very sophisticated ICT system, because… we don’t have one. A gap!
Clear this confusion between means and end by asking: what do you need it for? How does it relate to well-being? This is what makes a result relevant!



- ✓ Danger of „Chimney thinking“
- ✓ Danger of not to “fit” the problem identified to the potential of the intervention

Source: V. Kvaca



Instead of: ACTIONS – OBJECTIVE – NEEDS

Rather: NEEDS - OBJECTIVE – CONDITIONS TO ACHIEVE THE OBJECTIVE - ACTIONS

Goal setting – a crucial element

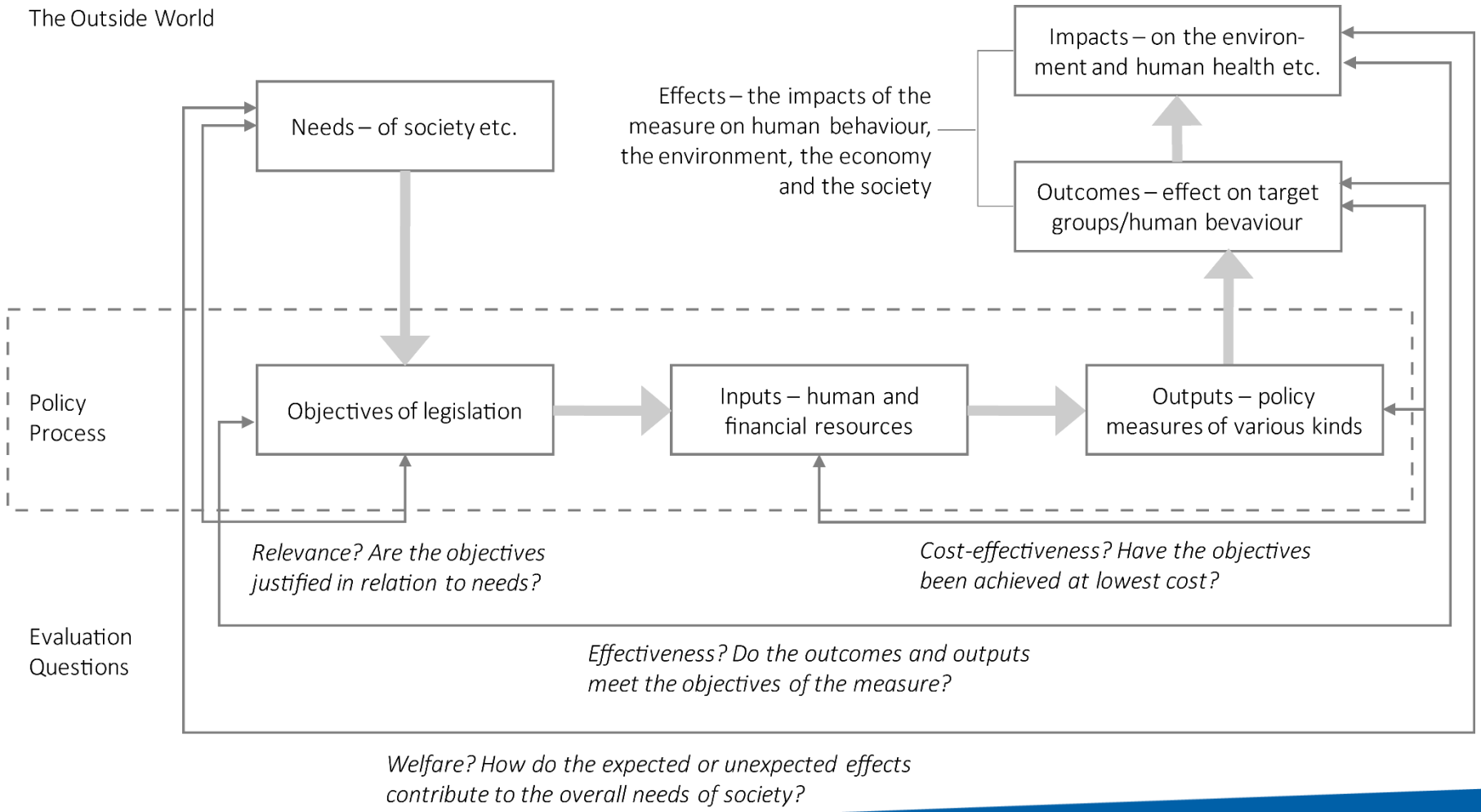
- Fitting them in the overall policy goal universe (EU 2020, SDG)
- Adjusting them to the programme (budget) and territorial specifics (e.g. borders, topographic conditions)
- Adding specific goals to the canon if necessary and relevant for the specific policy (e.g. CBC)
- Indicators as „words“ to describe the way to achieve these goals

Indicators in the intervention logic

In the **intervention logic context** this means:

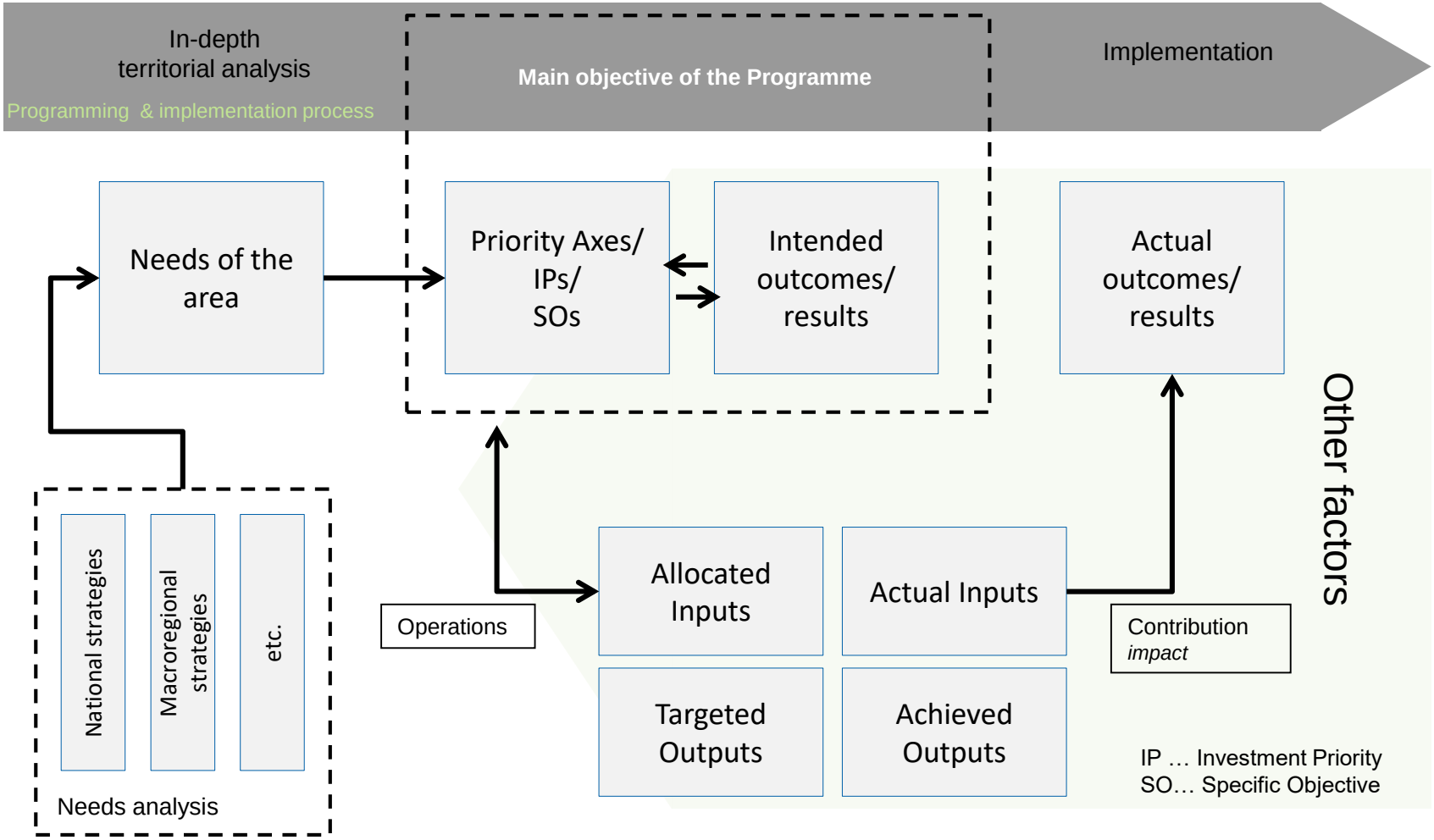
- The indicators have to establish a cause-effect chain from the need identified in the territory over the policy intervention (Input) to the direct consequence of policy (Output) through the immediate effects with reference to the direct addressees (Direct Result) to the indirect effects of the policy intervention on the objectives (as reflecting the needs) (Results).

The Intervention Logic – creating the causal chain of policy



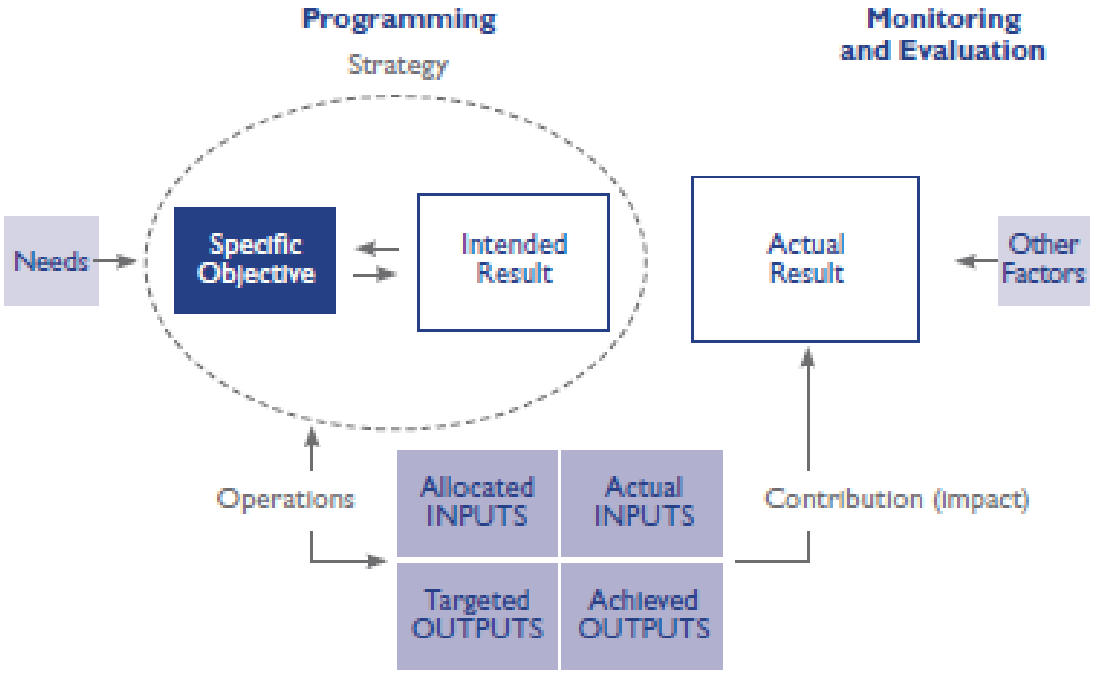
IDENTIFICATION OF INDICATORS...

Types of indicators – ERDF: input, output & outcome/result



Source: OIR, 2013 based on: Barca, McCann, 2011: 4; European Commission, 2013a: 5

What is a result?

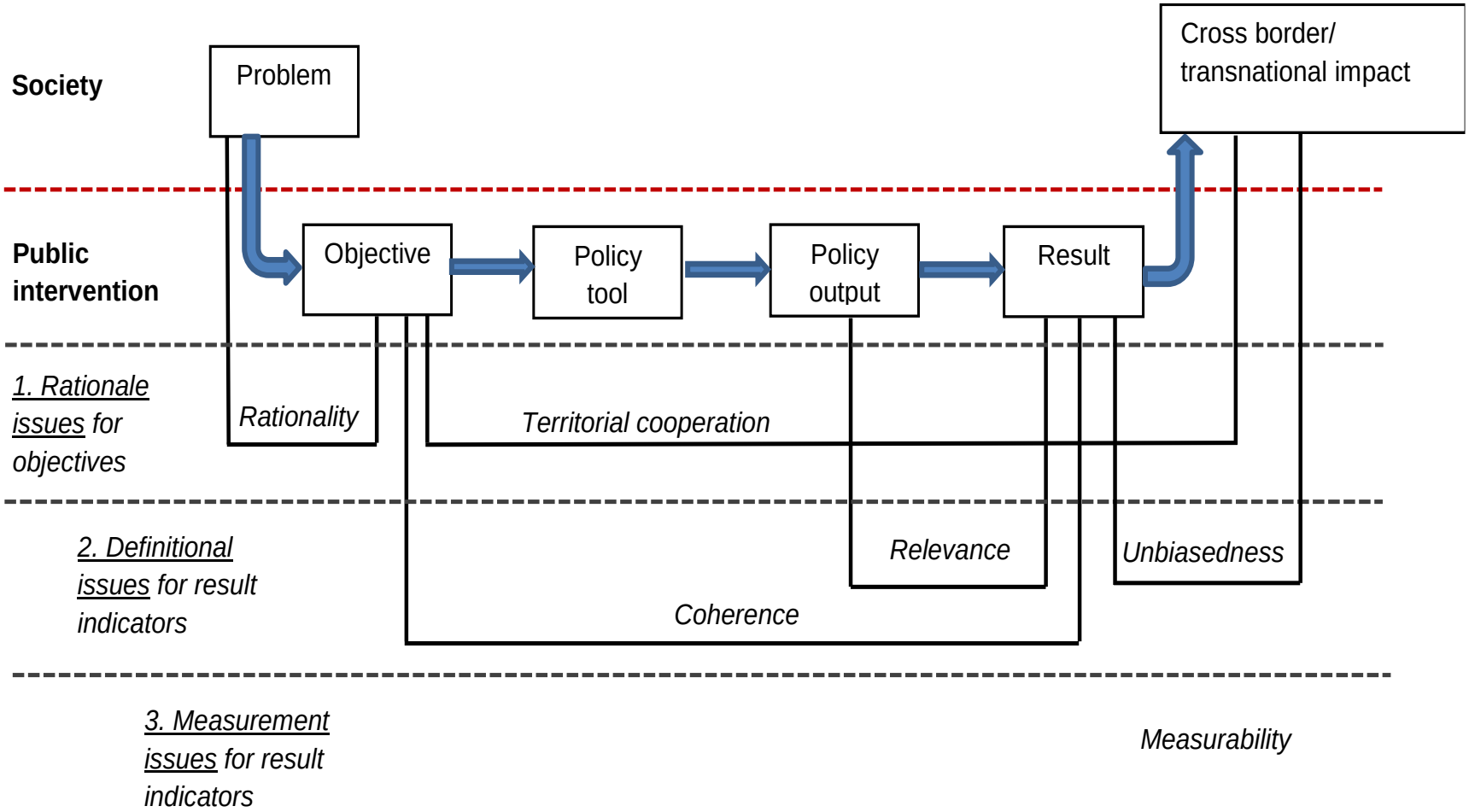


Monitoring and evaluation of European Cohesion Policy – ERDF and Cohesion Fund –concepts and recommendations, November 2011

*DG REGIO guidance states: "**needs feed into** the **identification** of the **intended result** **as a measure** **of the specific objective**, which is defined as the **specific dimension of well-being and progress for people** that motivates policy action (i.e. what is intended to be changed, with the contribution of the intervention)."*

INPUT – OUTPUT – RESULT with impact "NET" result (excluding change that would have occurred anyway)

Selecting Result Indicators



Quality of these indicators - some provocative statements

- Result indicators should be able to capture the effects of programmes which undertake interventions that can be achieved specifically through their programme goals/ purpose.
- Result indicators need to be coherent with the intervention targets, i.e. there needs to be close alignment between the objectives of the intervention and what the indicator measures.
- Result indicators need to be relevant: the indicator has to capture the result of the intervention, as opposed to the output.
- Result indicators need to capture the net effect of the programme actions on the defined targets, and the result needs to be free from, and unbiased with respect to, other on-going actions and processes.
- Selected result indicators should be measured in an objective way, consistent over time, comparable, and easily obtainable.
- Result indicators should also be measured at the appropriate and set spatial and temporal dimensions

Result indicators III – What we need...

- Result indicator(s) corresponding to the specific objective
  - Measurement unit – e.g. Number of persons participating
  - Baseline value
  - Baseline year
  - Target value (2022) – being qualitative or quantitative
  - Source of data – e.g. survey, statistical data
  - Frequency of reporting – e.g. once a year, every three years

Source: European Commission, 2013b: 8

Some suggestions for indicators

- Quantitative Indicators (depicting territorial conditions with a quantitative denominator)
- Qualitative Indicators
- Synthetic Indicators (adding up a sub-set of indicators – weighting of components – „attractiveness of regions“)
- Compound Indicators (aggregating different sub-sets of indicators by computation – „sensitivity“, „vulnerability“ etc.)

THE CONSEQUENCES IN ESIF PROGRAMMING REALITY

Some basic statistics …

Adopted ERDF-funded programmes, by end of January 2014:

152 programmes

- Average number of priority axes: 7 [min.: 1, max.: 16]
- Average number of investment priorities used: 13 [min.: 0, max.: 40]
- Average number of corresponding specific objectives: 19 [min.: 1, max.: 72]
- Average number of result indicators: 24 [min.: 2, max.: 123]
- Average number of output indicators: 38 [min.: 5, max.: 163]

EVALUATION – THE CONSEQUENCE FROM THE INDICATOR TORTURE

The common element of evaluation: the evaluation plan

- a list of evaluations to be undertaken, their subject and rationale;
- **methods to be used for the individual evaluation and their data requirements**;
- **provisions that data required** for certain evaluations will be available or will be collected;
- an overall timetable;
- internal/ external/ mixed expertise used;
- human resources involved;
- possibly a training map;
- a strategy to ensure use and communication of evaluations;
- the budget for implementation of the plan.

What are we talking about?

Evaluation is an **evidence-based judgement** of the extent to which an existing intervention is:

- **Effective**;
- **Efficient**;
- **Relevant** given the current needs;
- **Coherent** both internally and with other EU interventions; and
- Has achieved **EU added value**.

Why do we evaluate?

Evaluation at the Commission serves several purposes. Although the importance may differ, most evaluation results will contribute to:

- **Timely and relevant advice to decision-making and input to political priority-setting:** Evaluation supports decision-making, contributing to strategic planning and to the design of future interventions. The Commission applies the "**evaluate first**" principle to make sure any policy decisions take into due account the lessons from past EU action. Thus for instance, lessons learned from evaluation should be available and feed into impact assessment work from the outset.
- **Organisational learning:** The results of an evaluation can be used to improve the quality of an on-going intervention. Evaluations should identify not just areas for improvement but also encourage the sharing of (good and bad) practices and achievements. Evaluation also provides the opportunity to look for the unintended and/or unexpected effects of EU action.
- **Transparency and accountability:** All stakeholders and the general public have a right to know what the EU has done and achieved.
- **Efficient resource allocation:** Evaluation results contribute to a more efficient allocation of resources between interventions, the separate elements of a specific programme or activity, or between activities.

The tricky bits – or how do we know what we need

- Methods to be used for the individual evaluation and their data requirements
  - Quantitative methods
  - Qualitative methods
- Provisions that data required
  - Quantitative methods
  - Qualitative methods

The project implementation - consequences from indicators

- Project application – ex-ante assessment
- Project monitoring – timing, indicators
- Project closure – monitoring and evaluation
- Special case Financial Instruments

Core evaluation questions

"To disentangle the effects of the intervention from the contribution of other factors and to understand the functioning of a programme is a task for impact evaluation"

1. To what extent does the policy work?
   - *"How things would have been without intervention"*
2. How does the policy work?
   - *How things should logically work to produce the desired change = a theory of change.*

Ad 1: Asks for quantitative approach.

Ad 2: Asks for qualitative approach.

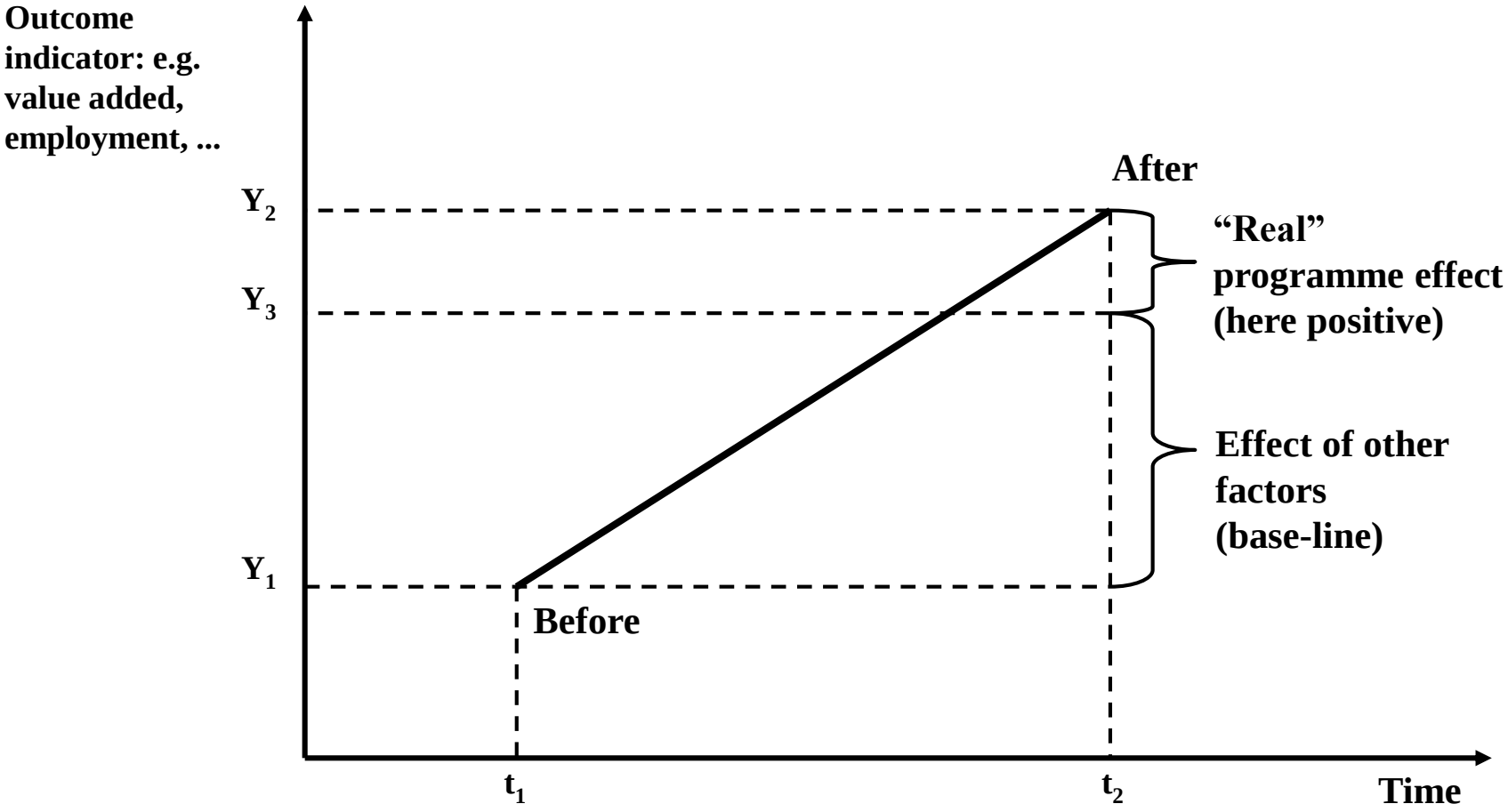
Main challenges

- Empirical evidence of a true cause-and-effect link.
- Consider all positive and negative direct and indirect programme effects.
- Disentangle the effects of a programme support from effects of other exogenous intervening factors.
- Aggregation at programme level to measure the overall impact.
- Weighing-up of costs and benefits.
- While certain impacts can be observed among direct beneficiaries (e.g. turnover generated for the suppliers of assisted firms), others can only be observed at macro level (e.g. improvement of the image of the assisted region).

COUNTERFACTUAL VERSUS THEORY BASED IMPACT EVALUATION

COUNTERFACTUAL EVALUATION

„Calculated“ vs. „real“ programme effect as a result of quantitative methods



Counterfactual impact evaluation

To estimate the causal effect of a policy intervention…

- Compare “before” and “after” outcomes……

  Yet, the economy moves around

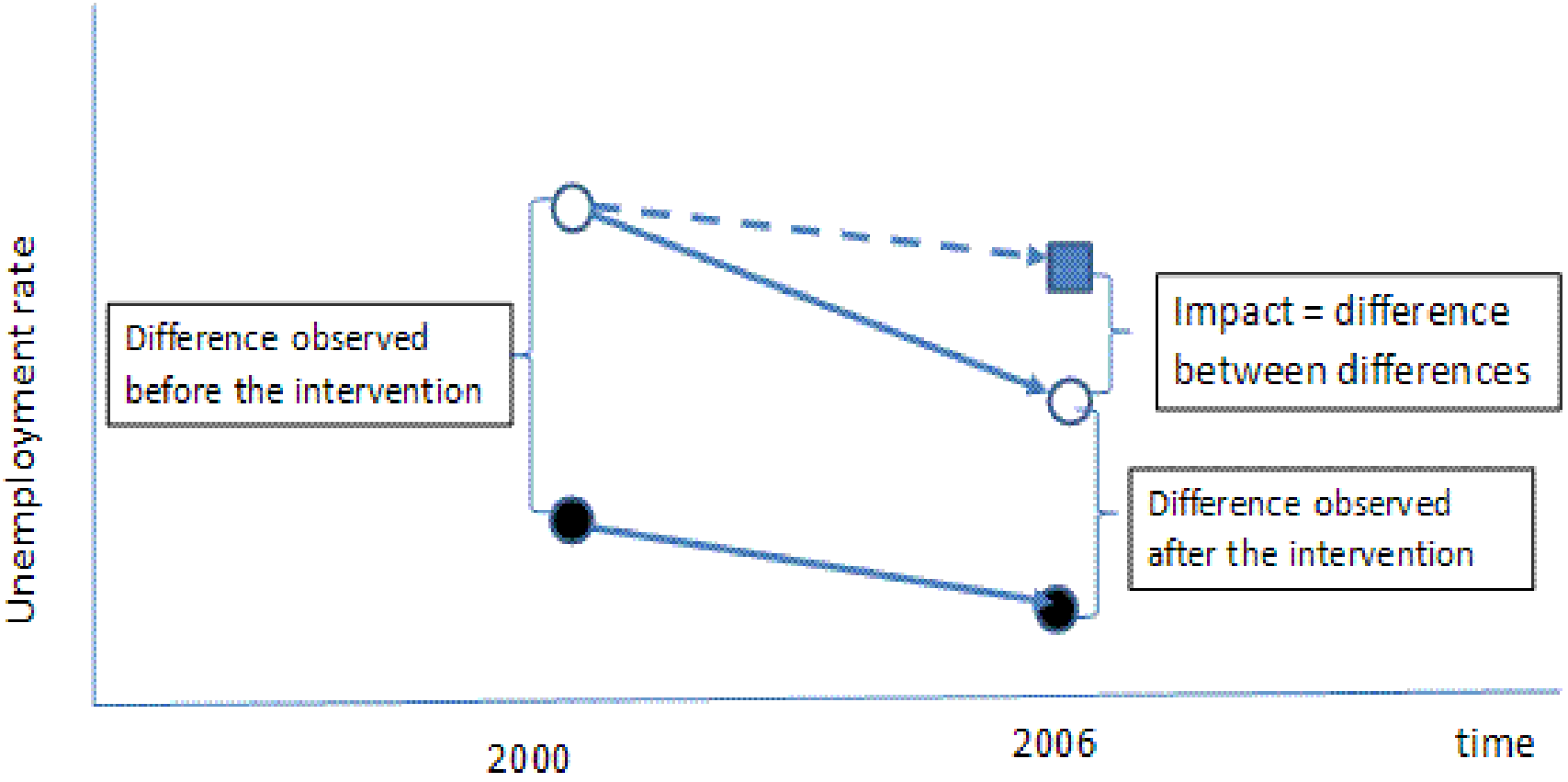
- Include a control group……

  Yet, individuals are different in observed and unobserved characteristics

→Use control group and randomization, or

→Use control group and statistical approach

Difference-in-Difference (DiD)



Methods for counterfactual impact evaluation

- Propensity Score Matching
- Discontinuity design
- Pipeline approach
- Instrumental variables

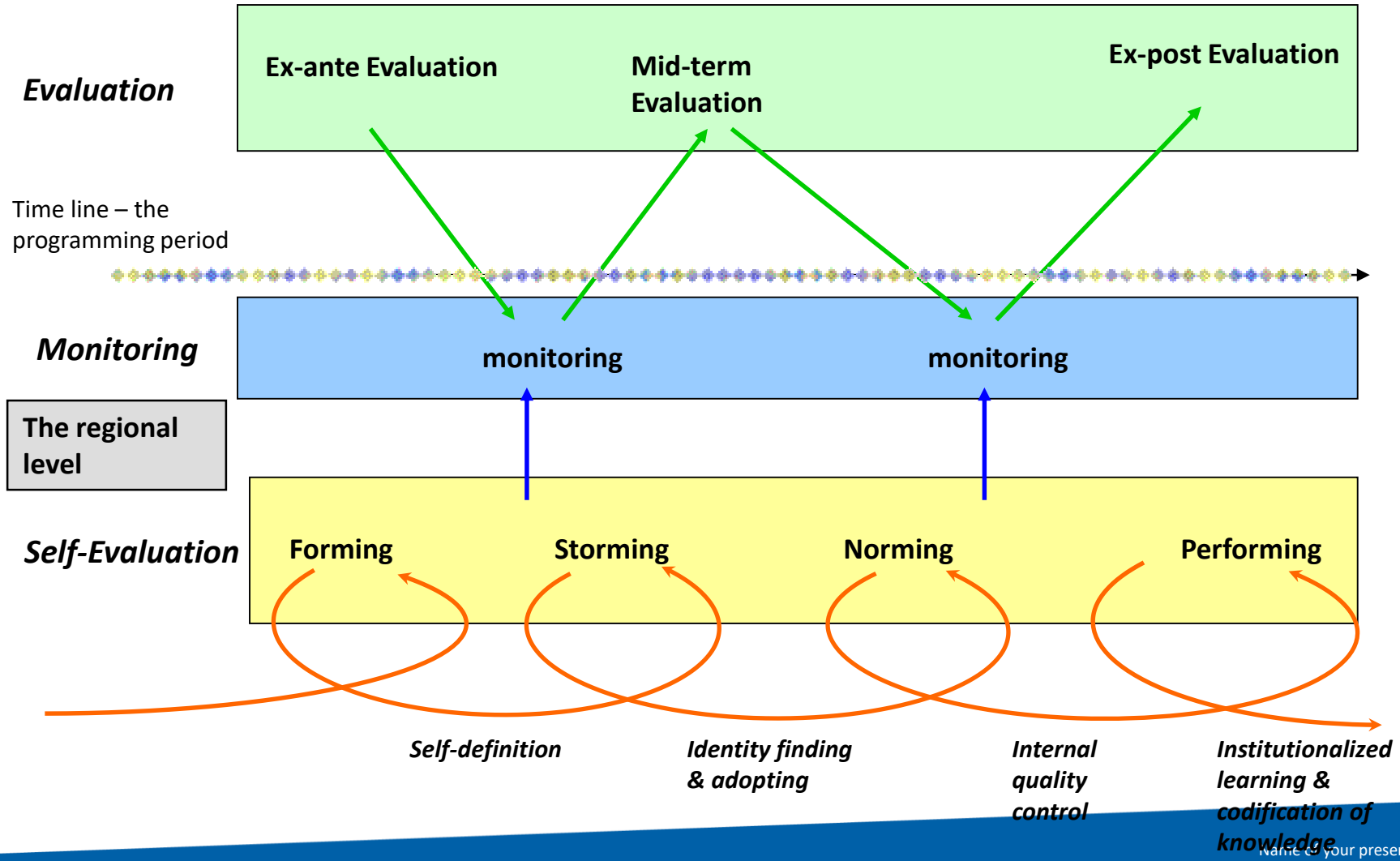
THEORY BASED EVALUATION

Theory Based Impact Evaluation

- a great deal of other information, besides quantifiable causal effect, is useful to policy makers to decide what policy to implement and to be accountable to citizens
- does not mainly produce a quantified estimate of the impact, *it produces a narrative*
- insights into why things work, or don't and under what circumstances
- methods include literature reviews, administrative data analysis, case studies, interviews and surveys in order to reconstruct and verify the intervention logic
- approaches are realist evaluation, general elimination methodology, contribution analysis and participatory evaluation

PROCESS EVALUATION – THE „INBETWEEN“

Evaluation and Monitoring: „false friends“?



Potential Methods for process evaluations I

- Case Studies
- Open-ended questions in structured questionnaires
- Semi-structured and in-depth interviews with key informants, undertaken in person, by phone and now increasingly by Skype
- Group interviews (essentially interviews with several people at the same time)
- Focus groups (groups discussions that are actively facilitated to focus on specific topics and where the discussion in the group is an important part of the process)
- Workshops, often with table-based or group exercises, including variants such as World Café (Hartz-Karp & Pope 2011)
- Role plays and games
- Expert panels, citizen's juries (Smith & Wales 1999) and other deliberative methods (Hartz-Karp & Pope 2011)

Qualitative Methods for programme evaluations II

- Document analysis (i.e. analysing all available documents, photos, letters, emails, and other outputs of the activities associated with a project or program)
- Go-along interviews (Carpiano 2009), in situ interviewing, shadowing (where the researcher/interviewer follows the participant as they go about their normal daily business)
- Story-telling with stories either written down, audio-recorded, or video-recorded
- Photo-elicitation (photo-voice) and other visual 'triggering' techniques to stimulate participants to recall and articulate their thoughts and/or stories about certain topics (see Wang & Burris 1997)
- Mental models, mind maps, and mud maps (i.e. a representational diagram showing the interconnections between related concept) – sometimes called spider-grams
- Participant diaries, logbooks and audio or visual recordings of reflections/comments as soon after they happen as practical
- Observation (sometimes aided by video recording)
- Participant observation and other experiential techniques
- Researcher diarising (systematically recording notes in a field notebook).

MONITORING – SOME BASICS

Legal requirements on IT systems and data reliability

- Effective Monitoring often only with the help of IT systems
- Cohesion Policy regulations set framework for IT system
  - E-cohesion (Art. 122 (3) CPR): ”All exchanges of information (…) can be carried out by means of electronic data exchange systems (no later than 31/12/2015)” (not EMFF)
  - IT system has to comply with international audit standards regarding data collection, quality, availability and security
  - Art. 24 of regulation 480/2014 provides details how data shall be recorded and stored in computerised form
  - Will be examined by Audit Authority during designation exercise

What kinds of data can and should be measured – is this right would be better to say recorded and monitored?

Reliant on both the regulatory requirements in particular Article 114 (8) - sets out in detail what data has to be recorded and stored in a computerised form) :

Headlines:

- ✓ Beneficiary data (name, ID reference) etc.
- ✓ Operational data (name of operation, physical start and completion dates)
- ✓ Data on indicators
- ✓ Operation – payments to the beneficiary
- ✓ Operation – recoveries and recoverable and irrecoverable amounts
- ✓ Costs reimbursed and paid
- ✓ Standardised scales of unit costs

What kinds of data can and should be recorded and monitored?

- Payment applications to the Commission
- Cross –financing operations outside the programme area
- Basic data on contract subject to public procurement

Debate about whether this level of information is appropriate

- Your business processes (some are more complex than others)
- e-cohesion is a key issue for the Commission and is one of the key drivers for making the user experience (once the grant agreement has been signed) as streamlined as possible:
- essentially means that if they send in a document that we do not (whoever we are MA, AA, CA) etc. ask for it again “Once Only” principle,
- Interoperability i.e. systems have to be able to talk to each other such as SCF14.

Establishing Sound data collection systems

Key Principles :

- about being clear what you need at the outset (i.e. that the information requested fulfils both the EC regulations as well as MA requirements).
- gathering it in the most user friendly way possible.
- being granular about what you need so that you can aggregate later (can't do this in reverse) - i.e. satisfy a range of MI needs
- being sensitive to the red tape burden and only asking for what you will need - this means negotiating with the data users in advance to sure you have the right information.
- Use baselines that are commonly collected for other purposes and design targets that can be measured by changes in those baselines rather than requiring a new industry of collection methods.

Establishing Sound data collection systems

Key Principles continued:

- Recognising that there are sensitivity issues around personal data and the requirement to collect and store it in a secure way for perpetuity. - particularly relevant for ESF.

- Similarly, controlling access to data so that only those who need to use it can access it and that it is anonymised wherever possible.

- Assurance - there is also something there about disclaimers and information that you give to providers to assure them that their data is going to be protected.

Additional information

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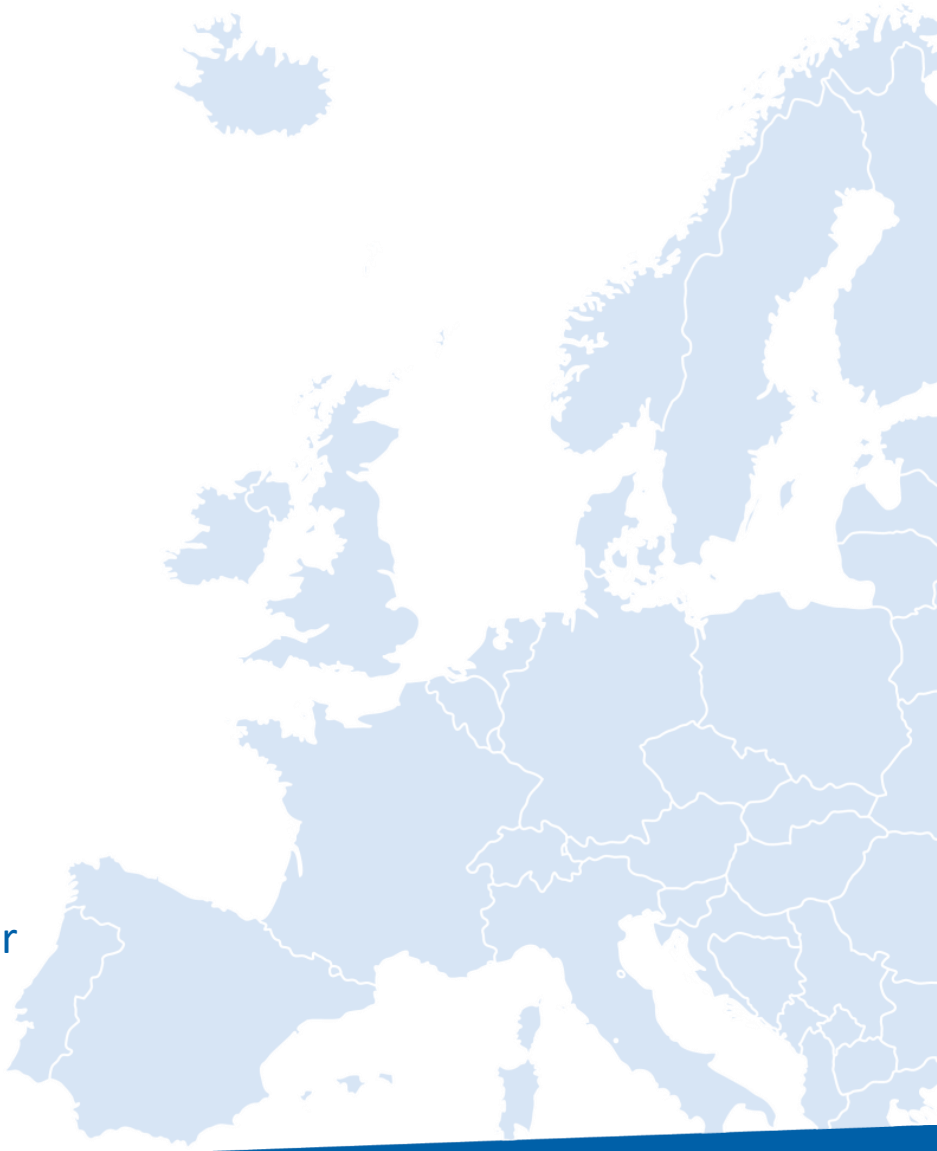

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