

# Evaluation – Contextual and Methodological Issues

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# Outline

- Types of Evaluation
- Context for evaluation in Ireland
- What do we need to ensure that evaluation makes a positive contribution to policy?
  - *Appropriate Methodologies*
  - *Strong Governance*

# Types of Evaluation

## Timeframe

	Project	Programme
Ex Ante	√	√
Interim		√
Ex Post	√	√

## Coverage

- Economic / Social / Environmental

# Historic Context for evaluation in Ireland – Pre Boom



- Weak planning [spatial/budgeting] history => system-wide benchmark problems
- Weak link between objectives and policies
- Benefits from EU Structural Fund evaluations?
- Without learning from evaluation process, few improvements in policy design ..

# Boom Period

- References to ‘evidence based policy’
- Funding for the Irish Evaluation Network:  
[http://www.dcu.ie/education\\_studies/ien/conference.shtml](http://www.dcu.ie/education_studies/ien/conference.shtml)
- But Rhetoric Vs Reality problem as absence of budgetary constraints => reduced standards
  - More ‘validation’ than ‘evaluation’
  - Optimism bias regarding costs and benefits
  - Little application of rigorous methodologies

# In fact, who really wanted evaluation?



- “When I have it I spend it” syndrome
- Raising hard issues  $\equiv$  “Raining on the parade”
- Questioning costs  $\equiv$  “Negative attitude”

***Cultural legacy: No wish for tight decision making informed by strong evidence***

# Changed Context for Evaluation now:



- Exceptionally tight budgets
- High opportunity cost of spending:  
*unemployment, poverty, increased taxation/borrowing*
- Declared public commitment to reform
  - *Programme for Government*
- Greater Oversight
  - *International [Troika]*
  - *Local [G&AG/PAC]*
  - *Freedom of information*

# Chose relevant Evaluation Methodology

- Process evaluation
- Impact evaluation
- Economic evaluation [Ex Ante/Ex Post]
  - Cost effectiveness analysis
  - Cost benefit analysis
  - Value for money
- Ideally design with evaluation in mind

***Clarity on objectives is essential***

***Choice of evaluation approach matters ...***



## Some key areas\*

- **Unemployment – labour market activation**

*How do we evaluate the interventions?*

- **Export Growth and Innovation**

*What drives them and what policies work?*

- **Public Infrastructure spending**

*Is there optimism bias re use/costs? how do discount rates affect projects of different durations?*

\*ESRI Renewal Series:

[http://www.esri.ie/publications/latest\\_publications/economic\\_renewal\\_papers/](http://www.esri.ie/publications/latest_publications/economic_renewal_papers/)

# Best Practice for Policy Making

- Analyse initial conditions
- Clarify intervention/policy deliverables
- Design intervention/policy in terms of
  - Actions, their effects and associated risks
  - Expected costs, public and private
  - Metrics to measure degree of success/failure
  - Timeframe for evaluation of effectiveness/efficiency
- UK documents cover ‘complete evaluation’
- [http://www.nationalschool.gov.uk/policyhub/evaluating\\_policy/](http://www.nationalschool.gov.uk/policyhub/evaluating_policy/)

## Possible lessons from UK...

- Evaluations themselves must be cost effective
- Build evaluation into policy from the outset
- Use pilots and experiments
- Incentive problems if evaluator is not independent, e.g.,
  - Internal, when evaluation is done very locally
  - External, when future funding depends on conclusions reached rather than quality of evaluation

# Governance and Evaluation Issues

Governance requires clarity on who decides

- the “evaluation context”?
- the focus of the evaluation?
- the standards, scope and timeframe?
- the type of evaluation?
- the specific methodology?

***Independence of evaluators is essential***

# Who should undertake evaluations?

1. Programme/project promoters?
2. Programme/project designers?
3. Programme implementers?
4. Evaluation units within departments/agencies?
5. Central [national] evaluation unit?
6. Outside evaluators?

Answers: 1,2,3,: **NO!**      4: **MAYBE?**      5,6: **YES**

***Promoting/designing/implementing/evaluating  
must be kept separate for good governance***<sub>13</sub>

## Overseeing the evaluation....

- Independent steering group appointed before the ToR are written
- Approach based on agreed process
- Accessibility promoted by standard template
- Independence and quality require
  - *Publication of the evaluation following transparent peer review system*
  - *Standard practice for all ESRI work*

# Moving to quality also requires

- Mindset change needed by commissioning body
- Improved ability to commission properly
- Commitment to good standards/system [e.g.,UK]
- Building of cadre of professionals with
  - Experience – use of appropriate methods
  - Independence – peer review standards
- ***Good news: Ireland can benefit from late mover advantage by looking outwards...***
- ***Realism: Evidence can still be ignored.....***

# Recent Developments on Evaluation...



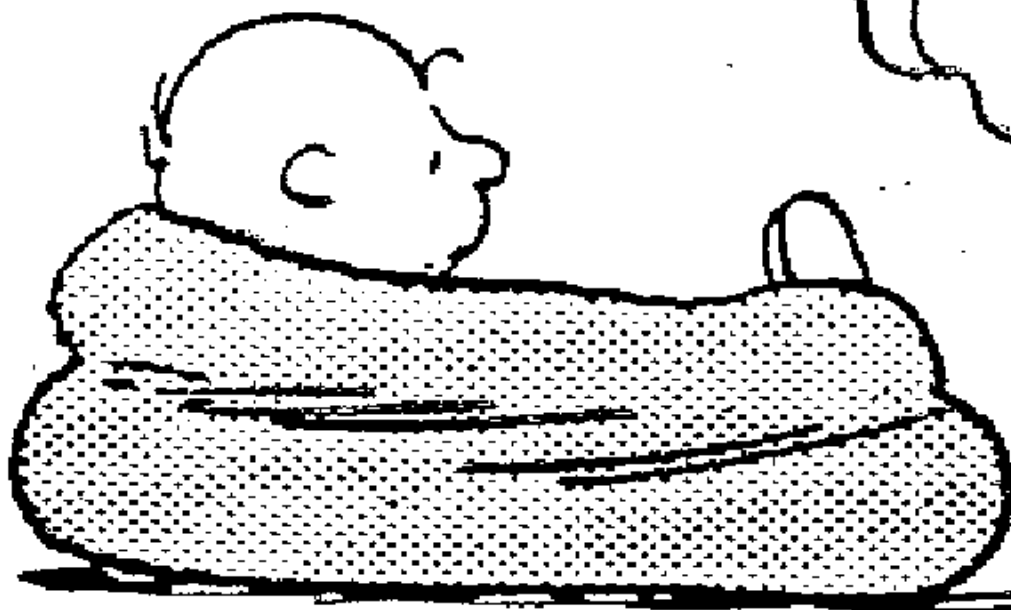
- **Central Government [DoF/PER] has**
  - Established the Central Expenditure Evaluation Unit *but still very small....*
  - Started revising VfM Code <http://vfm.per.gov.ie/>
  - Begun Budgetary Reform <http://per.gov.ie/expenditure-reform/>
- **PER plans to**
  - publish reviews of all capital project appraisals
  - establish a public service evaluation network
  - build analytic/evaluation capacity in Line Departments

*Economic evaluators are never going to be popular because they focus on costs ... Charles M. Schultz*<sup>6</sup>

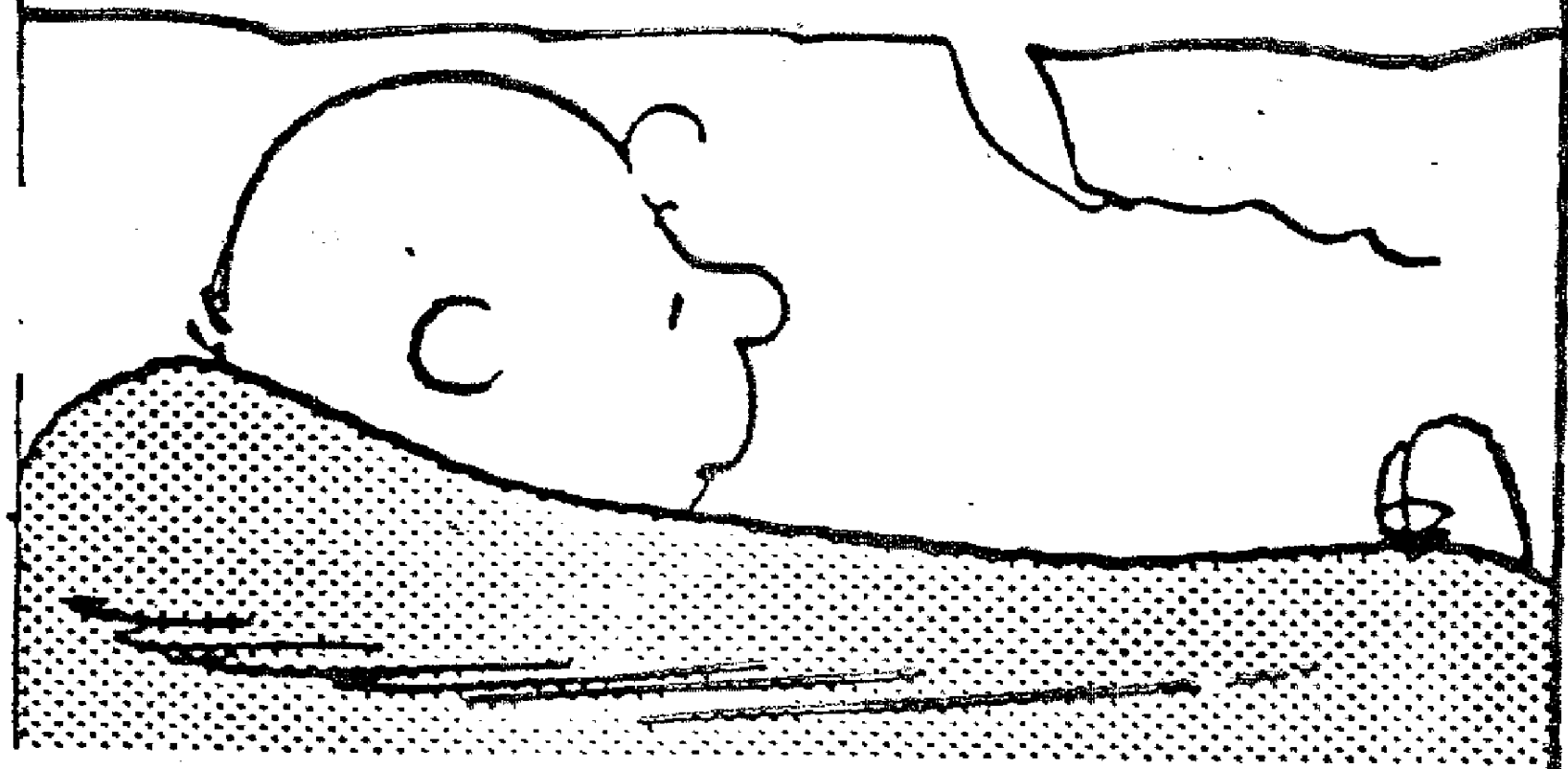


# PEANUTS

"THOUSANDS OF PEOPLE PARADED HAPPILY THROUGH THE STREETS, BUT ECONOMISTS PREDICT THE CLEANUP WILL BE COSTLY"



"SKIES WERE SUNNY TODAY,  
BUT ECONOMISTS WARN THAT  
THIS COULD CAUSE AN INCREASE  
IN THE PRICE OF SUNGLASSES..."



"ALTHOUGH AUDIENCES ACROSS  
THE COUNTRY LOVE THE FILM,  
ECONOMISTS ARE SAYING IT  
WILL PROBABLY LOSE MONEY"

SCIENCE

