



Linking strategy and evaluation in the public sector

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What's new and what works in the EU cohesion policy 2007-2013: discoveries and lessons
for 2014-2020"

3-4 March 2011, Vilnius, Lithuania

Evaluation: a programme management tool?

- Evaluators usually have to start from scratch:
 - whatever logic models or theories of change they produce, even if done in a participatory way, are in practice labelled as “an evaluator thing”
- At best, some of the recommendations will be implemented but nothing much will happen until the next evaluation
 - the organisation will not put a clear understanding of what it aims to achieve and how it aims to do this at the core of its daily operation

Relevant context

- Preparing for the next structural funds round:
 - DG REGIO
 - High level group reflecting on the future of cohesion policy:
discussions about outcome indicators and targets
 - DG EMPL
 - ESF working group on Intervention Logics and Related
Common Indicators

Key question?

How to put evaluation at the heart of programme management rather than at the margin?

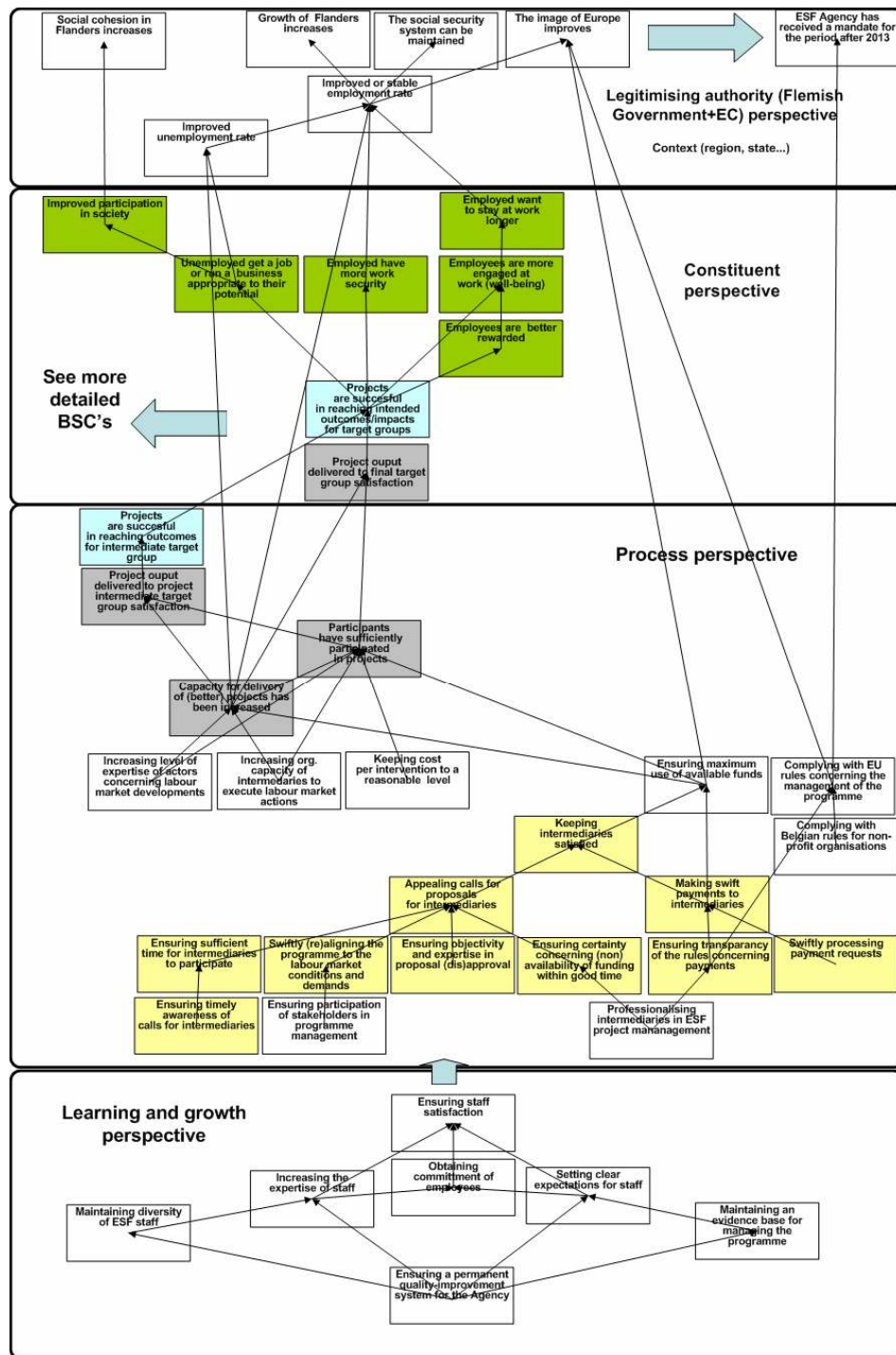
Presentation is focused on Flemish ESF Agency, yet many lessons relevant to ERDF

We need to move from this...

Reference	Measure/target
D1	Yearly questionnaire to members of the Flemish Monitoring Committee (actual target still to be set)
D2	Availability of monitoring tables for the execution of the OP twice a year
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D4	a) Min 8 weeks period to submit proposals for a call + b) max 12 weeks to process proposals
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D8	Yearly 50% women at level N2, 10% new recruits come from ethnic minority, 4% have handicap and "diversity" trainees from 2% of the total number of employees
M1	3 monitoring committee meetings per year
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M20	Bi-annual staff satisfaction survey
M21	Yearly nr of staff evaluations and planning sessions versus total number of staff
M22	Yearly number of internal newsletters

Source: OP documents and service level agreement

OP 1	100% absorption of funding (bi-annual reporting)
OP 2	Coverage of types of participants (no target) in terms of unemployed, employed, employers vs respective total population (bi-annual reporting)
OP 3	Yearly budget % allocated to types of participants in terms of unemployed, employed, employers (no target)
OP 1.1	Yearly coverage of priority target groups (e.g. age 50+) (% set as target) by quarter
OP 1.2	Yearly average cost per action (in hours or heads) financed (no target)
OP 1.3	Yearly number of persons leaving unemployment and going into work as % of total nr of participants (% targets set) immediately after action as well as 6 months after the action per quarter / Yearly number of persons moving from one action into another one, 3 months after action as % of total nr per quarter (% targets set)
OP 1.4	Number of persons moving into another job after a restructuring (no targets, no frequency)
OP 1.5	Quarterly/yearly number of working persons reached in heads (absolute target set) and hours split up in priority groups (with target on % of each group)
OP 1.6	Quarterly reporting on number of persons reached for career guidance per year by priority groups (absolute target for whole + % for priority groups)
OP 1.7	Id. for actions concerning validation of acquired competences (absolute target for total)
OP 2.1	Yearly number of persons reached for work experience (absolute targets for 3 types of work experience)
OP 2.2	Cost and duration of interventions (no target or frequency)
OP 2.3	Yearly % of persons leaving unemployment for work 6 months after participation (% target by priority groups)
OP 3.1	Number of organisations reached by type (no target or frequency)
OP 3.2	Number of projects started (no target or frequency)
OP 4.1	Number of projects started (no target or frequency)
OP 4.2	Number of validated products (no target or frequency)
OP 5.1	Number of projects started (no target or frequency)
OP 5.2	Number of validated products (no target or frequency)



...to something like this...

With a proper Balanced Scorecard, evaluators have a good place to start assessing the performance of a public organisation but more importantly, the foundations of evaluative thinking are already embedded in the strategic management system of the organisation.

What do we need to consider?

- We should move away from overly simplistic ideas about **reporting** of programme outputs, results (outcomes) and impact to...
- ... a sophisticated strategic **management** approach that enables each staff member in a Managing Authority to contribute to overall policy objectives

Logic models: how useful are they?

- “An output is considered to be everything that is **obtained in exchange for public expenditure**. Outputs are normally under the entire responsibility of operators who report on them through the monitoring system. “
- “Result indicators represent the **immediate advantages** of the programme (or, exceptionally, the immediate disadvantages) for the direct beneficiaries. An advantage is immediate if it appears while the **beneficiary is directly in contact** with the programme... generally easily known to the operators, ... quantified during monitoring... provide information on changes which occur for direct beneficiaries,...”
- “Impact indicators represent the **consequences** of the programme **beyond its direct and immediate interaction** with the beneficiaries.
 - An initial category of impacts group together the consequences **for direct beneficiaries** of the programme, which appear or which last **into the medium term** (specific impacts)
 - A second category of impacts consists of all the consequences that affect, in the short or medium term, people or organisations that are **not direct beneficiaries**”

Logic models: how useful are they?

- “An output is considered to be everything that is **obtained in exchange for public expenditure**. Outputs are the entire responsibility of operators who are responsible for the monitoring system. “
- “Result indicators represent the **advantages** of the programme (or, exceptionally, the **disadvantages**) for the direct beneficiaries. A result indicator is **beneficiary is directly involved** in the programme if it appears while the programme is being implemented. Result indicators are known to the operators, ... quantified during monitoring information on changes which occur for direct beneficiaries.”
- “Intermediate impacts present the **consequences** of the **mediate interaction** with the beneficiaries. Intermediate impacts group together the consequences for beneficiaries which appear or which last **into the medium term** (specific impacts). Intermediate impacts consists of all the consequences that affect, in the short or medium term, the beneficiaries or organisations that are **not direct beneficiaries**”

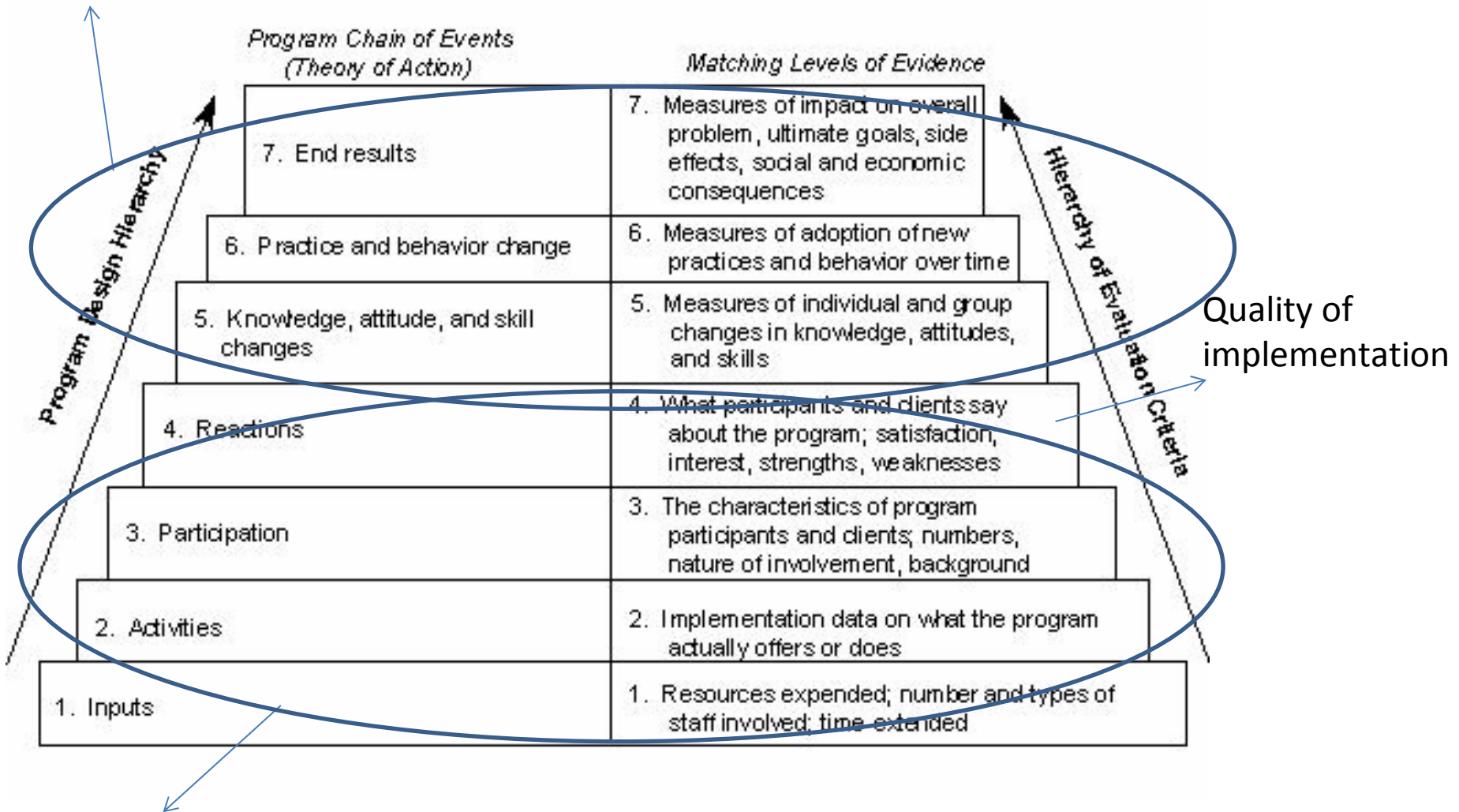
Childcare services: output or result (outcome)?

What is “medium” term?

Beneficiaries or participants?

Back to basics

CONSEQUENCES=INFLUENCE



IMPLEMENTATION=CONTROL

Participants or beneficiaries

- Initial reactions come from participants
- Participants and “end” beneficiaries (target groups, end users) are not always the same:
 - E.g. changing leadership attitudes towards employees in companies so that they behave differently towards these employees
- If the latter is the case, participants are referred to as intermediaries:
 - Intermediaries, as they are not the final target group, are expected to do something (different) for the latter
 - this triggers a new cycle of reactions from the target group
- **Best not to confuse “participant” with “beneficiary” and to leave the latter to mean the final target group**

Is ERDF very different?

- Typical ESF: organising a training
 - Courses are offered
 - Some targeted beneficiaries (users: e.g. employed) will participate
 - They may (not) be satisfied with the quality of the course
 - Hopefully they learn something (even if they did not, they may still rate the quality highly) they can apply in their job (behaviour)
- Typical ERDF: building a road:
 - Km of concrete are offered (a transportation facility, if you have a car)
 - Some targeted beneficiaries (users) will use it
 - They may (not) be satisfied with the quality of the road
 - Hopefully it allows them to reach some places faster or even new ones (mobility) (but even if it doesn't, they may still think the road is well built)

Implementation vs consequence-1

- Implementation:
 - What actions have “participants” completed within a project that they can express their immediate (dis)satisfaction with?
 - “Number of participants that have been reached with a particular type of action (Flemish ESF OP indicator 1.1.)”?
 - ...or: “Number of participants that have completed the action to a minimum level of satisfaction”?
- Consequence:
 - Knowledge, attitude, skill changes lead to...
 - ...practice/behavioural change
 - usually secondary consequences
 - sometimes directly influenced:
 - e.g. affirmative actions to ensure practice change if intermediaries BEFORE attitude change

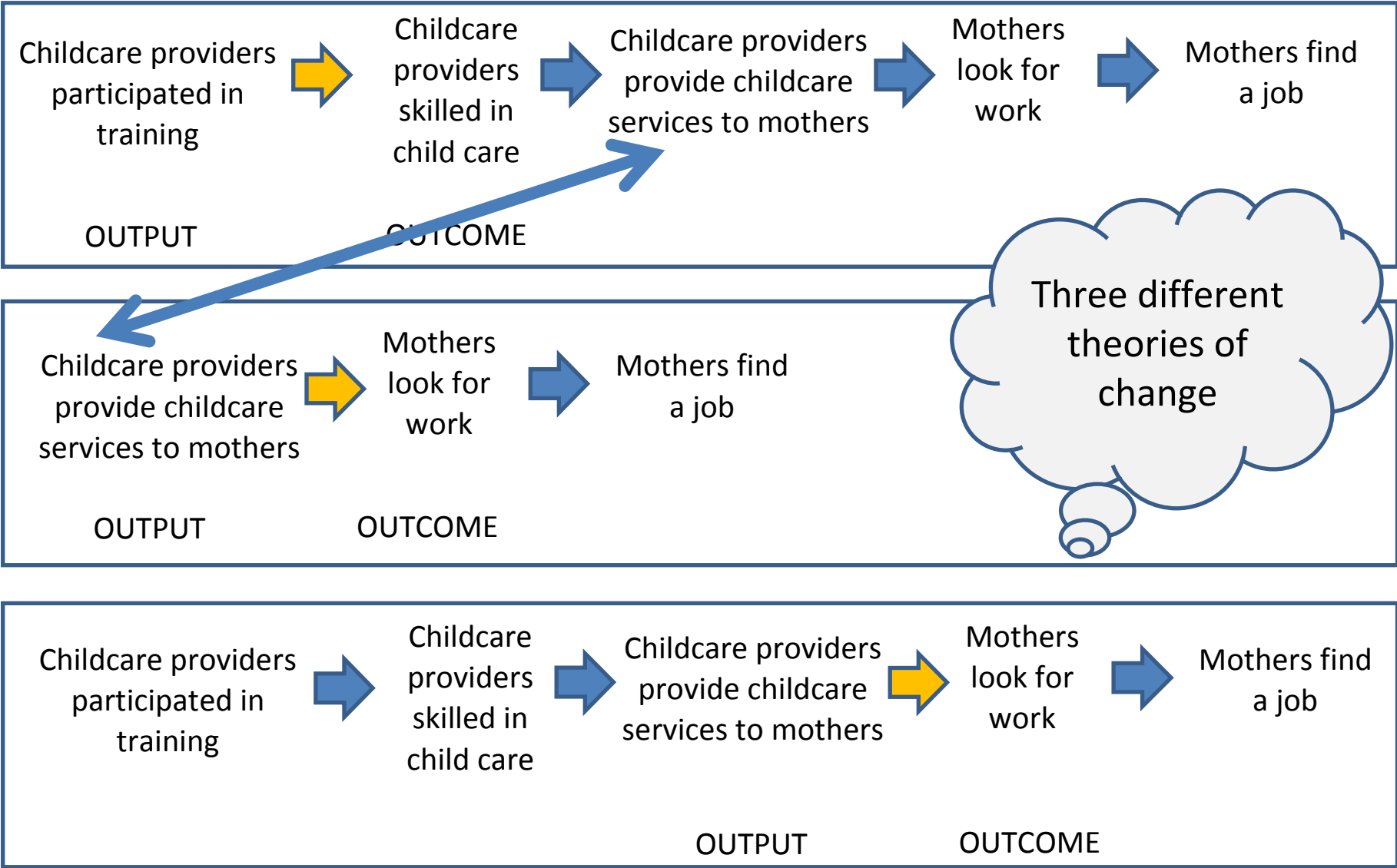
Implementation vs consequence-2

- Childcare services?
 - If participants were childcare providers:
 - Participated in training, internships etc. to a certain degree of (dis)satisfaction
 - Are “expected” some time later to provide (behaviour/practice) childcare services to mothers (final target group) but this is not part of the project
 - Project team consisted of trainers, coaches etc.
 - If participants were mothers:
 - Participated in receiving the childcare to their (dis)satisfaction (e.g. with opening hours, attention given to the children, information given to parents, etc.)
 - Mothers went and looked for a job (behaviour, assumes attitude towards working is already positive))
 - Child care providers were part of project team
 - What if both participated?
 - Outputs = what final target group participates in
 - Child care providers part of project team

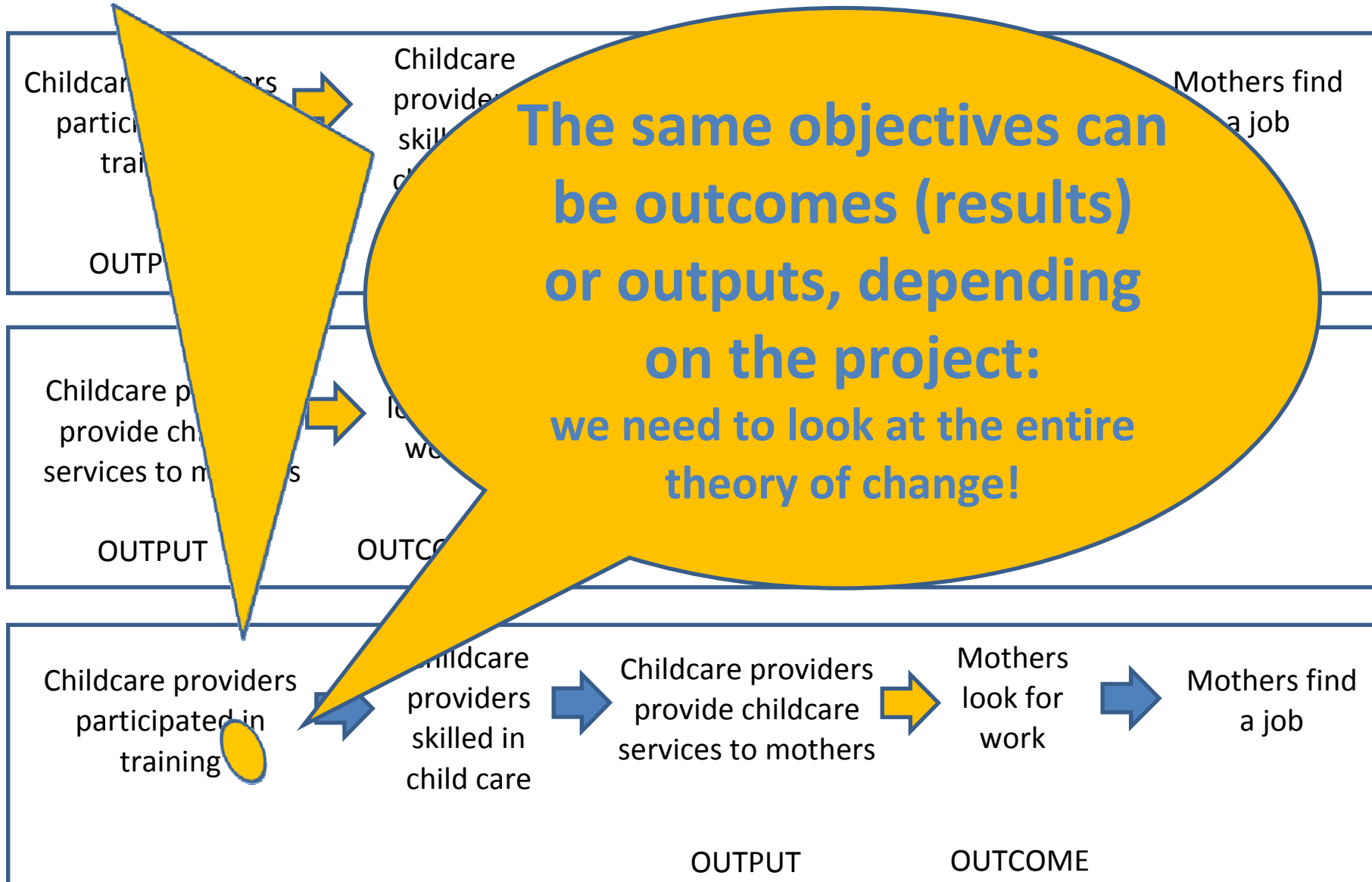
Implementation vs consequence-3

- *“It is reasonable to hold government responsible for outputs but not entirely for outcomes as many other factors beyond government’s control may influence the latter”* OECD (2009) *Measuring government activity*, Paris: OECD”
- **Therefore:**
 - **Implementation = control = output**
 - **Consequence = influence = outcome (result)**
- **Managers are interested in this distinction!**

Implementation vs consequence-4



Implementation vs consequence-5



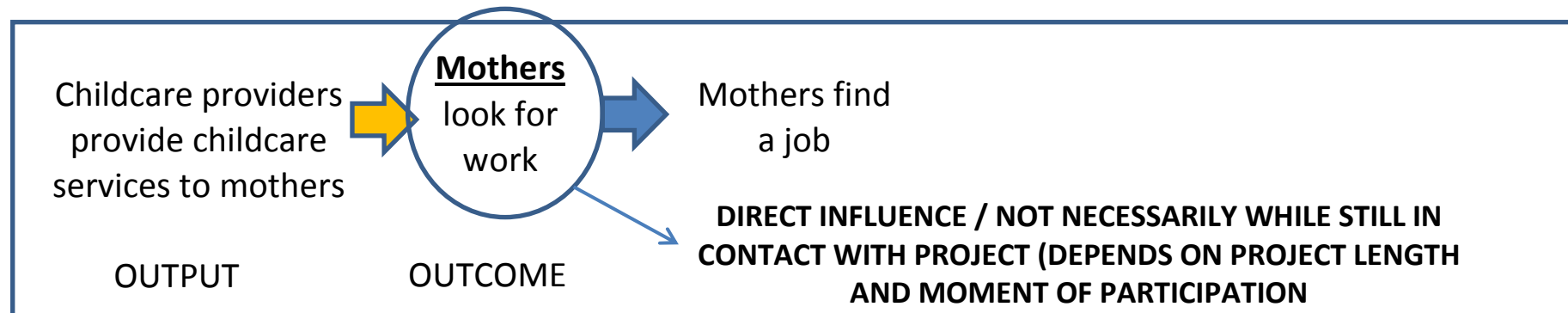
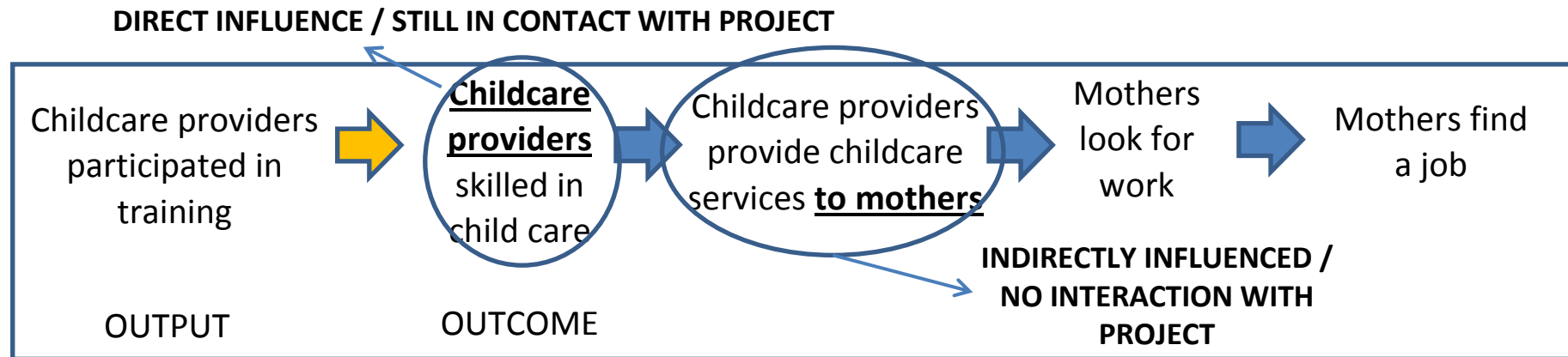
How about this?

- Result indicators measure specific objectives and relate to the **direct and immediate effect** on direct beneficiaries brought about by a programme

EU Structural Funds Working Document No 2: Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators

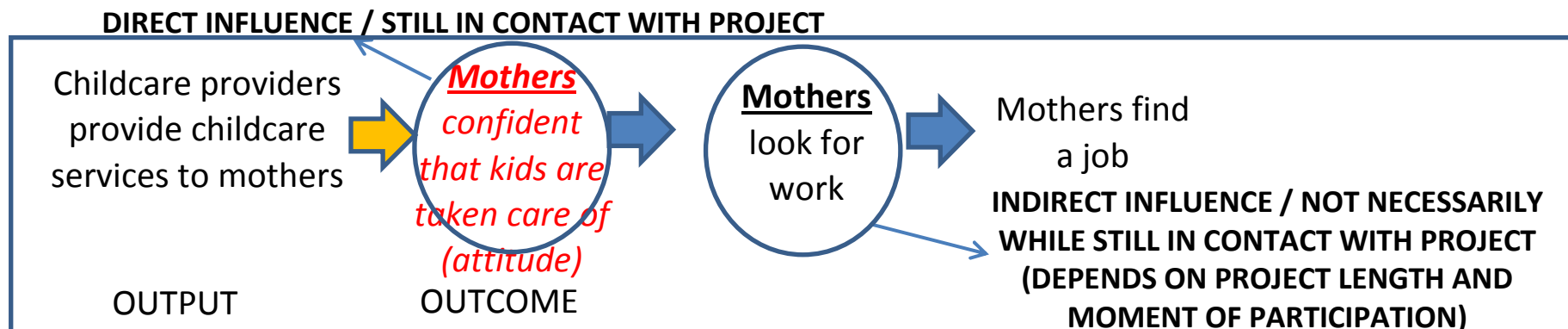
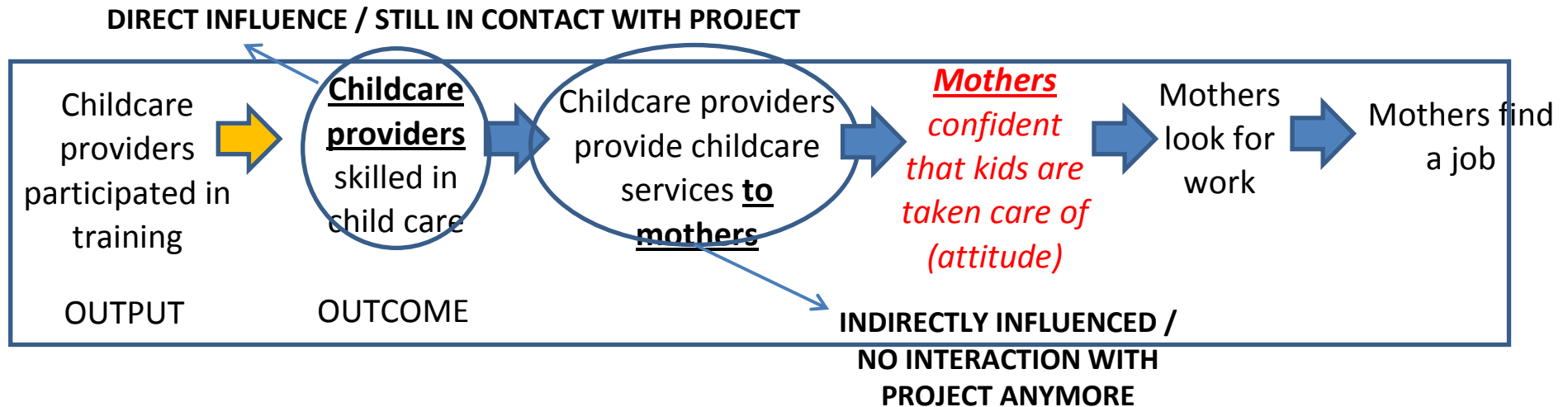
- **Direct effects are very interesting for managers:**
 - If they do not materialise, then probably nothing else along the chain of consequences will change

Direct and immediate effects on beneficiaries?-1



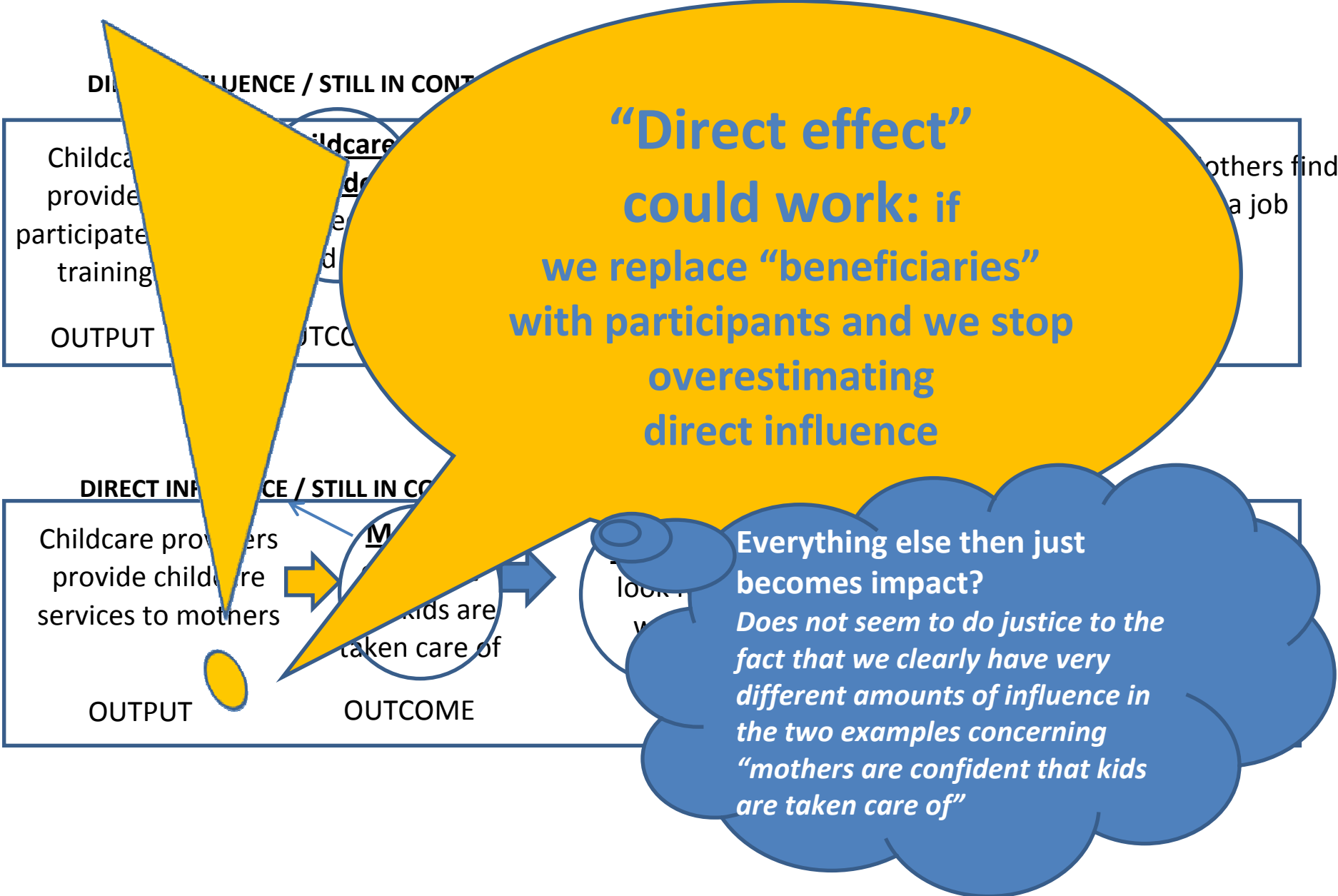
We need to take into account that we do not always influence final target groups directly

Direct and immediate effects on beneficiaries?-2

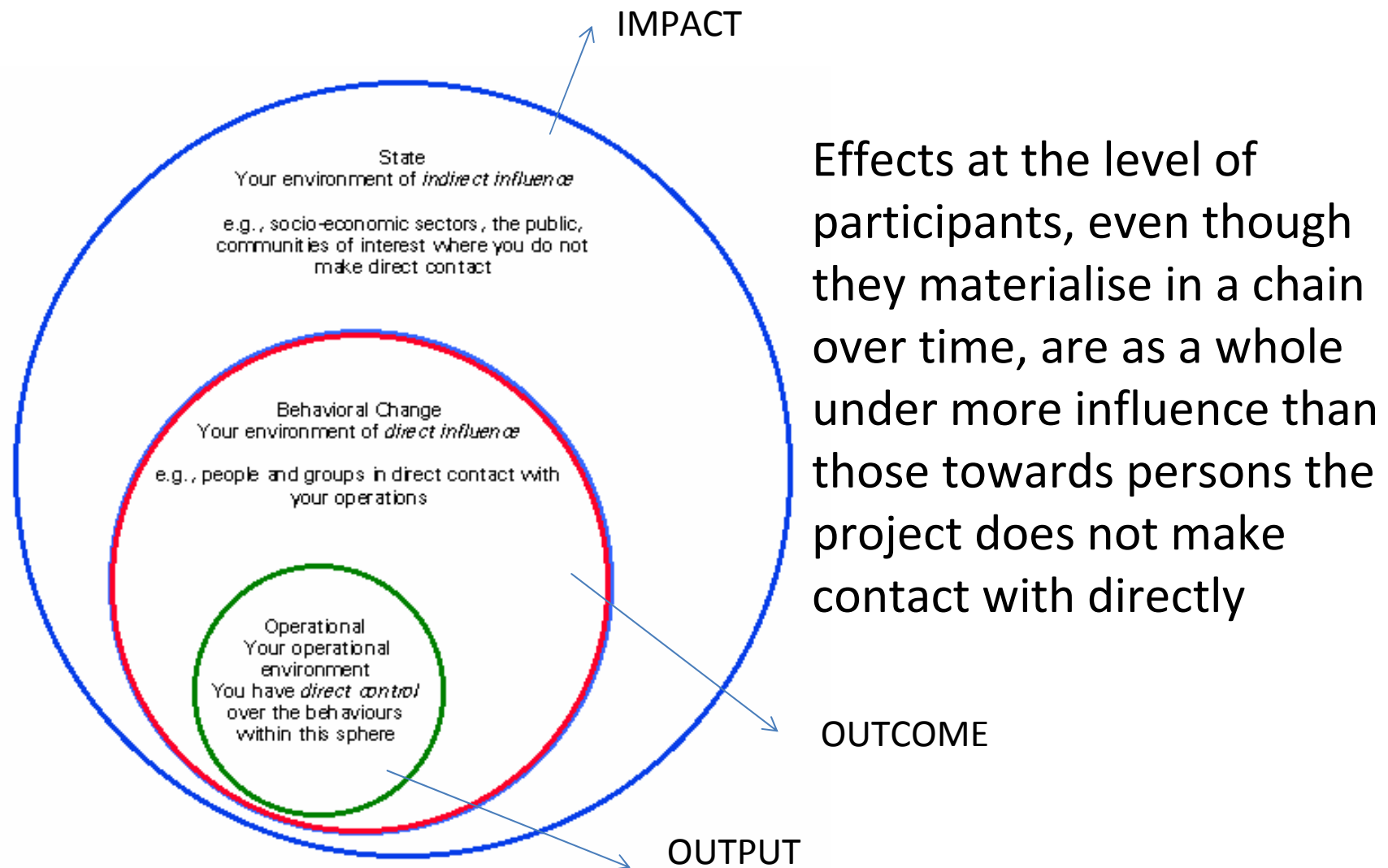


Even if we do influence final target groups directly, we should not overestimate the extent of our influence

Direct and immediate effects on beneficiaries?-3

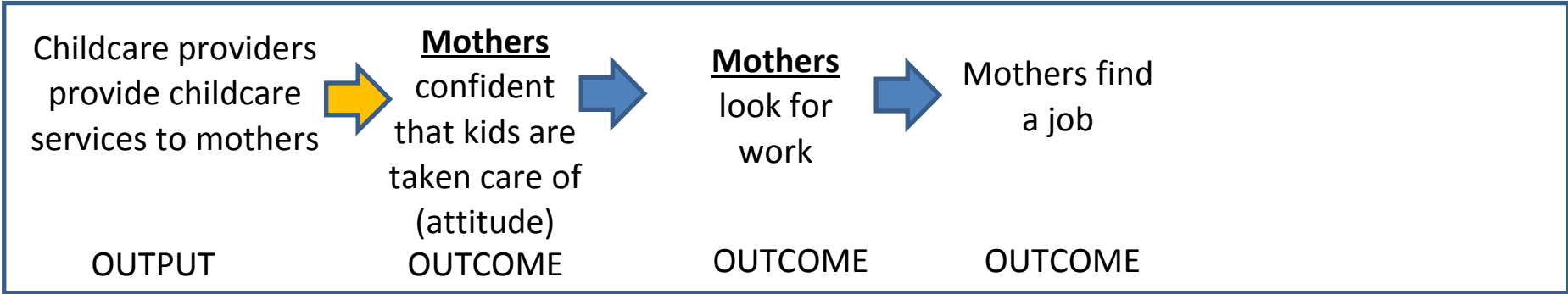
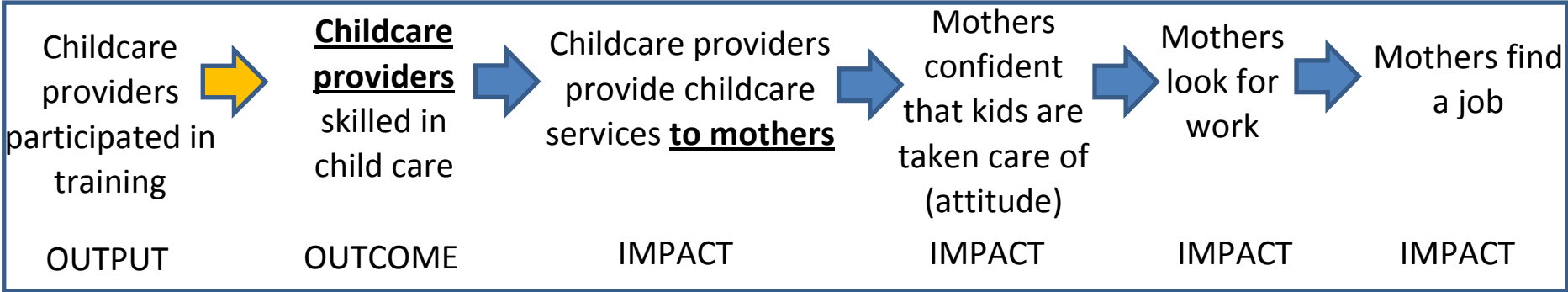


Direct and immediate effects on beneficiaries?-4



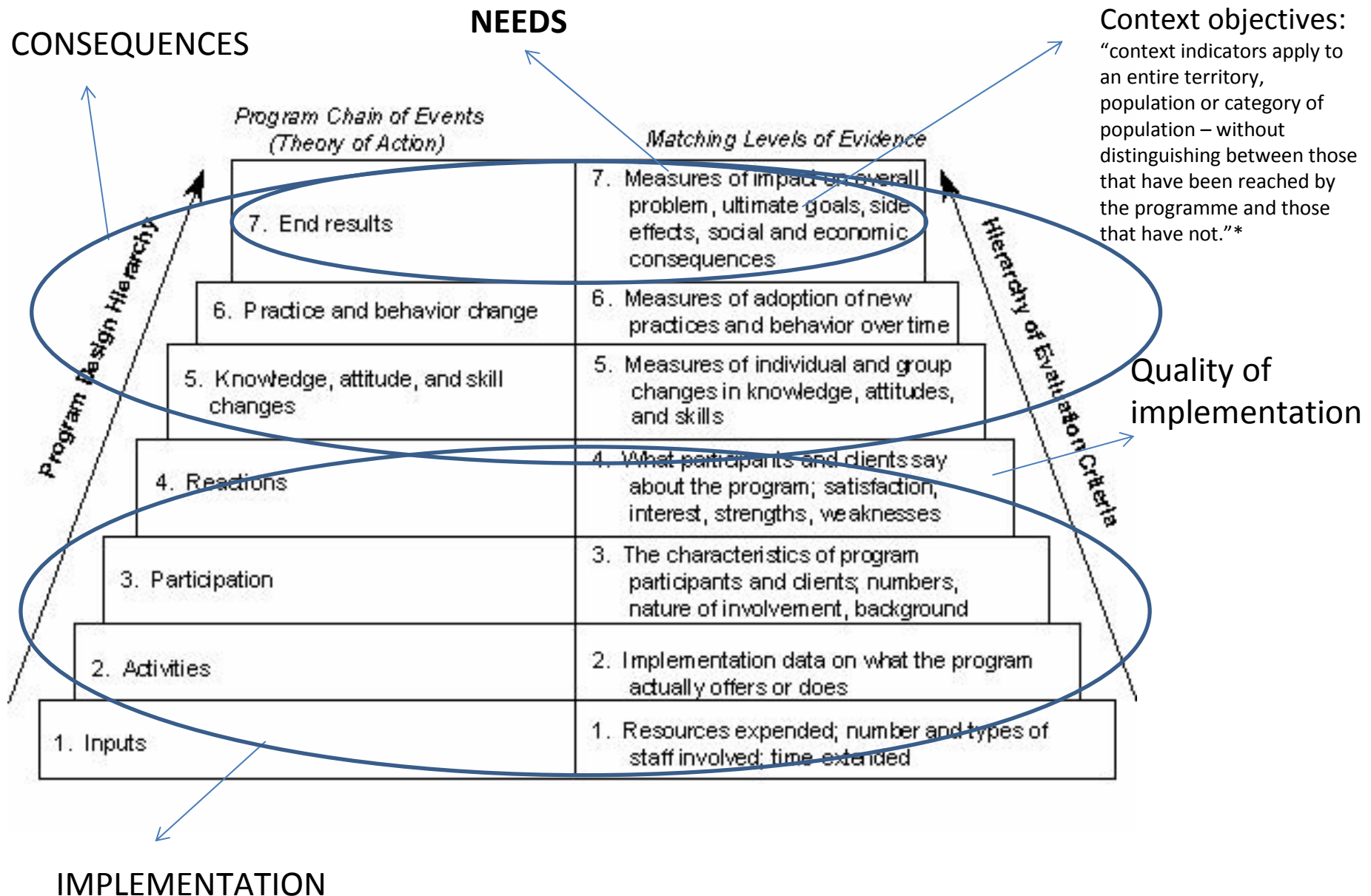
Effects at the level of participants, even though they materialise in a chain over time, are as a whole under more influence than those towards persons the project does not make contact with directly

Direct and immediate effects on beneficiaries?-5



Outcome (result) vs impact clearly delineates at which point the project does not reach actors (end users) itself but relies on intermediary participants to do this

What about target group needs?



*European Commission (2009) *Impact assessment guidelines*, Brussels: European Commission.

Maslow's pyramid = real needs

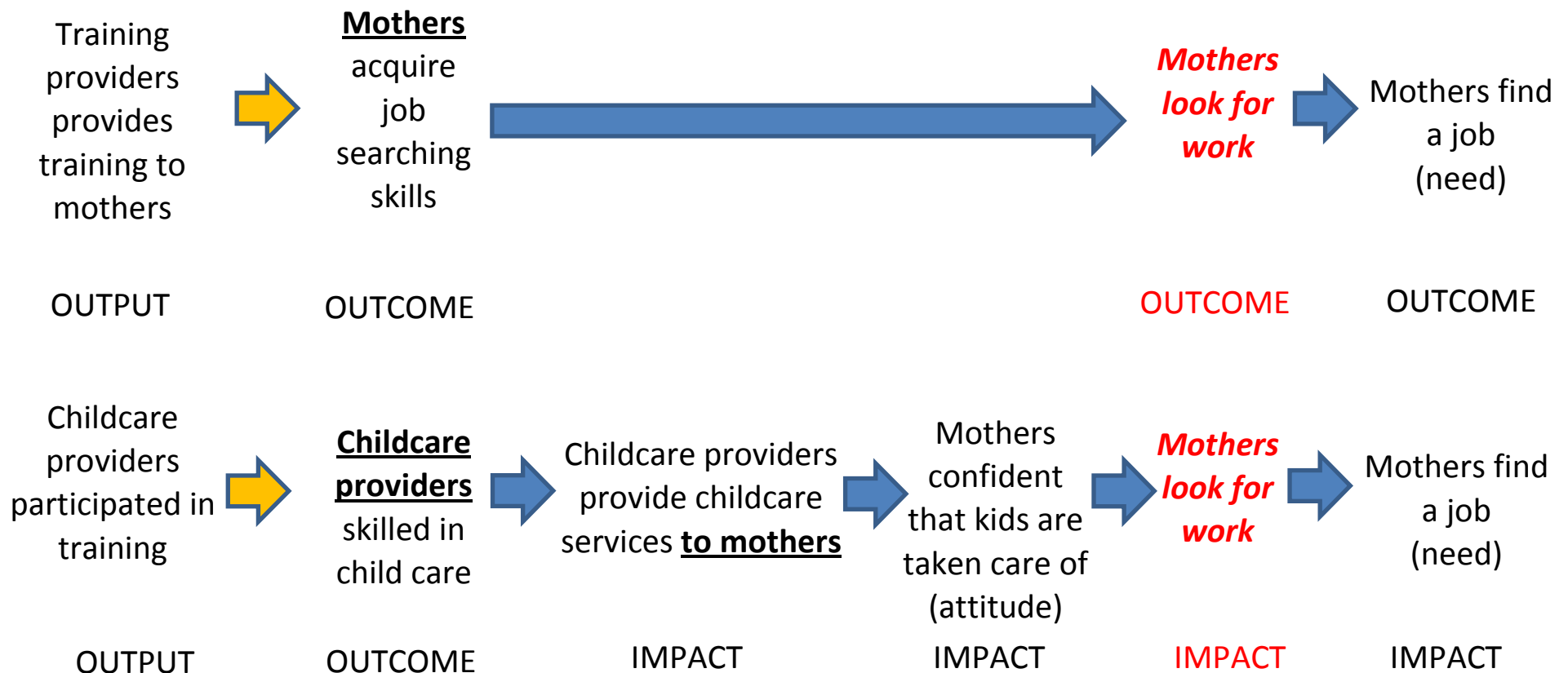
- Primary physiological needs concern sustenance needs, etc.
- The safety and security needs concern e.g. having a home in a safe neighbourhood, a degree of job security, etc.
- The belonging needs concern e.g. part of what we look for in a career.
- The esteem needs:
 - the lower esteem need is the need for the respect of others etc.
 - the higher form involves the need for self-respect, including confidence, etc.
- Growth motivation “involves the continuous desire to fulfil one's potential.

A summary

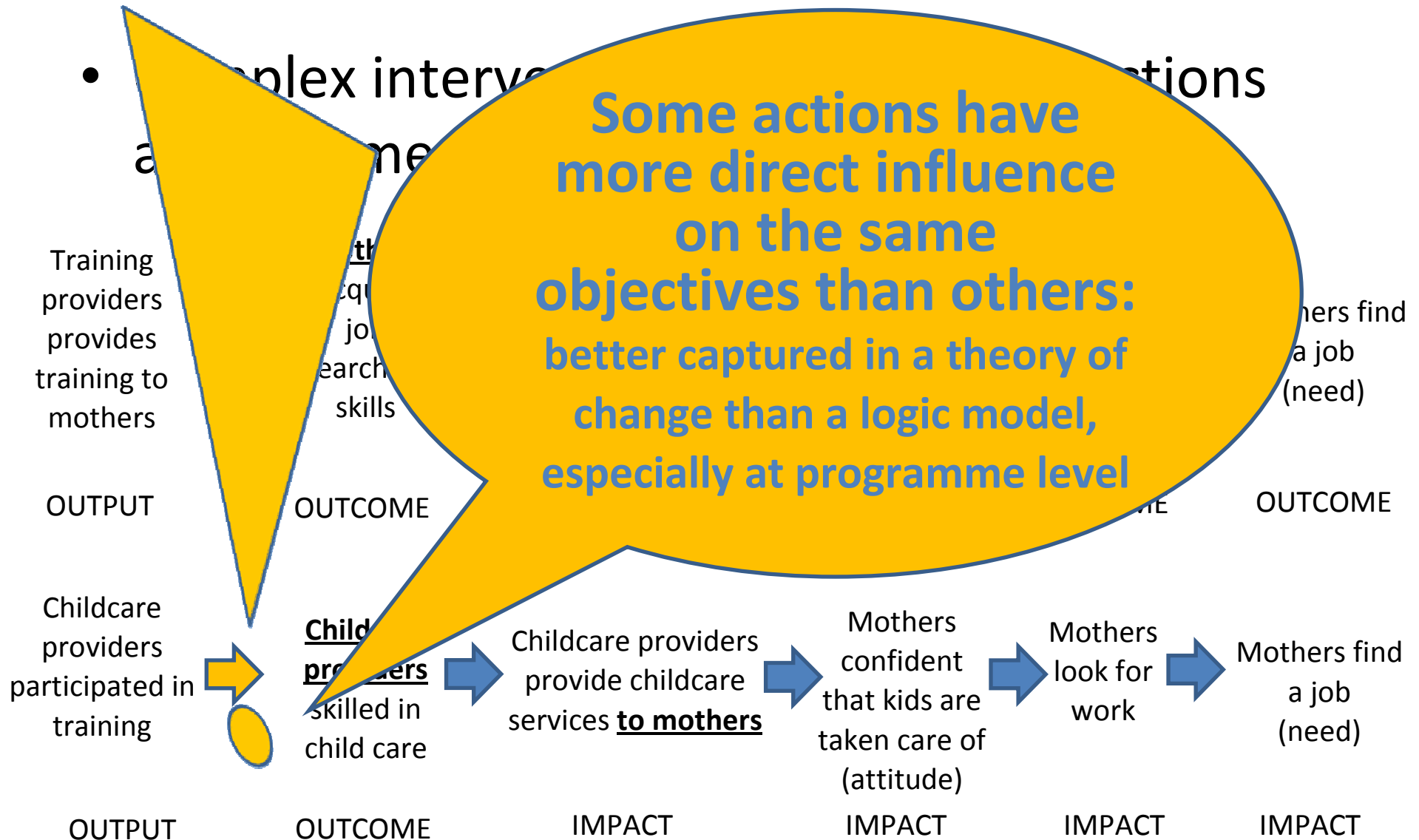
- Managers are (or should at least be) interested in:
 1. Being held accountable for what they control, to a lesser extent for what they can only influence directly, even less for what they influence indirectly
 2. Looking at immediate effects: they can take corrective action on this
 3. Needs: if there is no need, there should be no intervention
- Managers are not interested in being lost in typology classification exercises

It can get more complicated-1

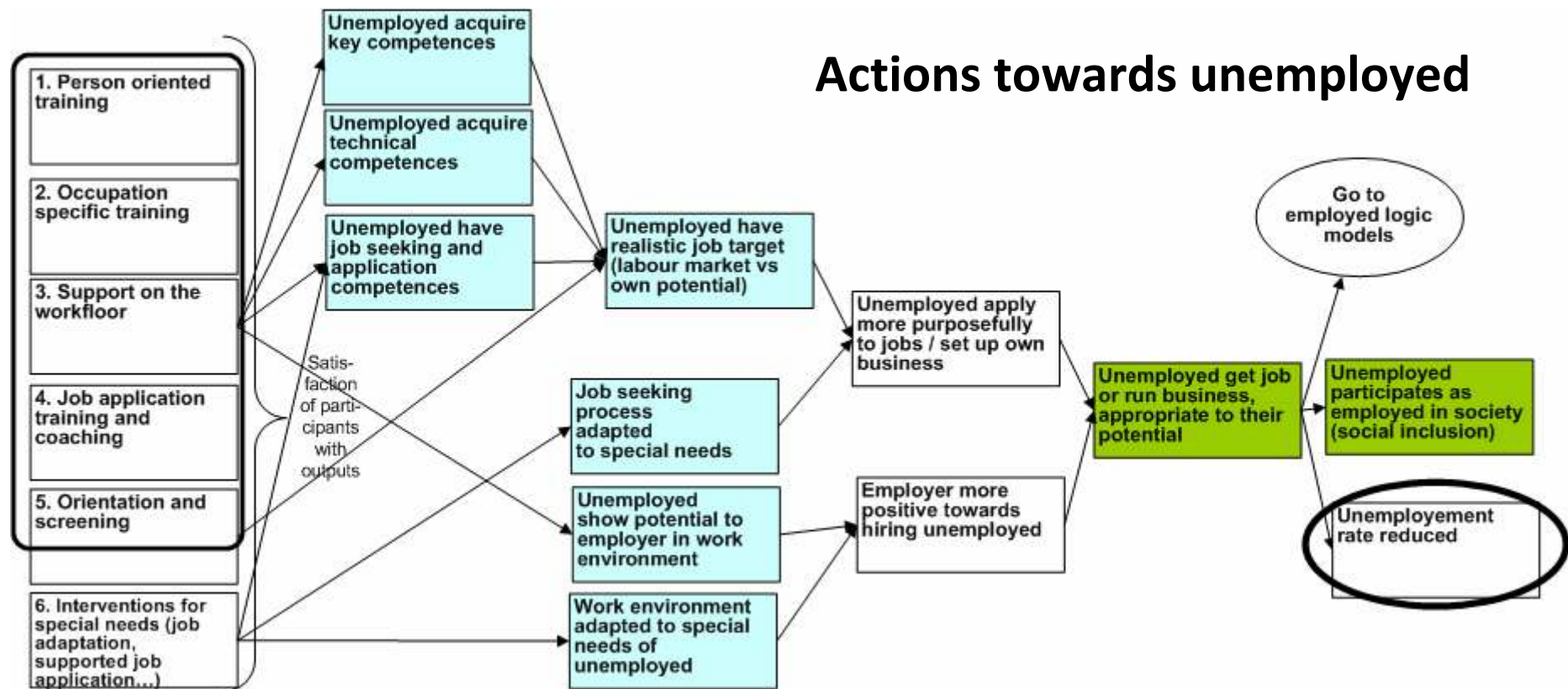
- Complex interventions with multiple actions at the same time



It can get more complicated-2



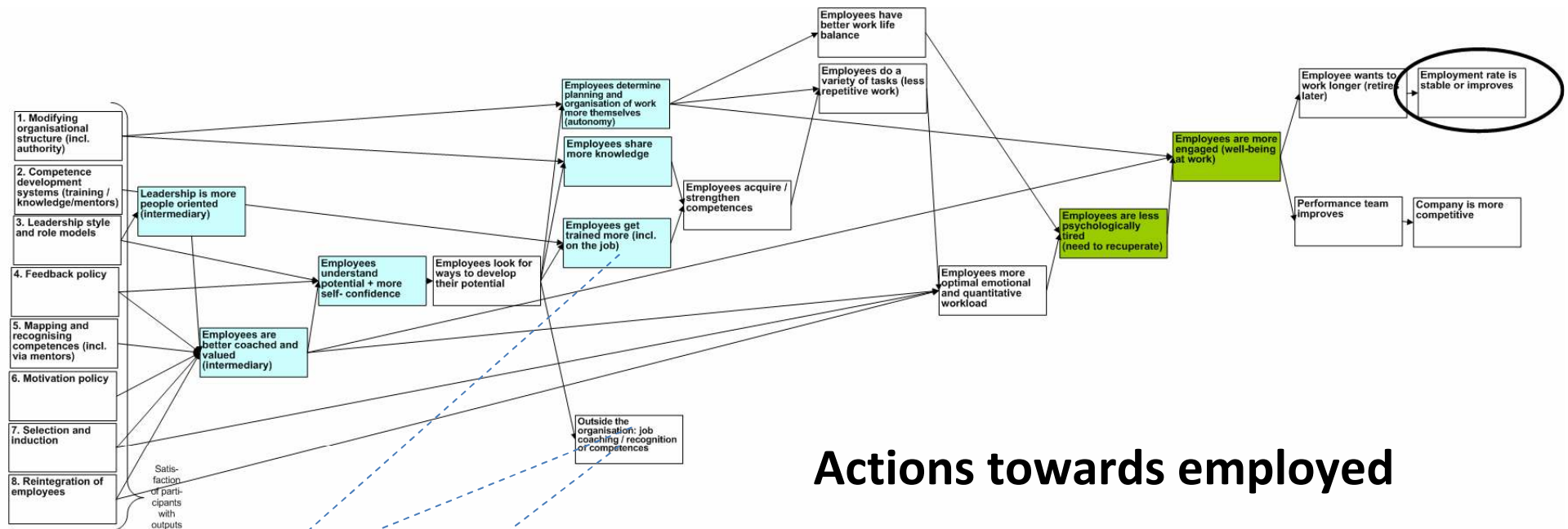
Theory of change ESF Flanders-1



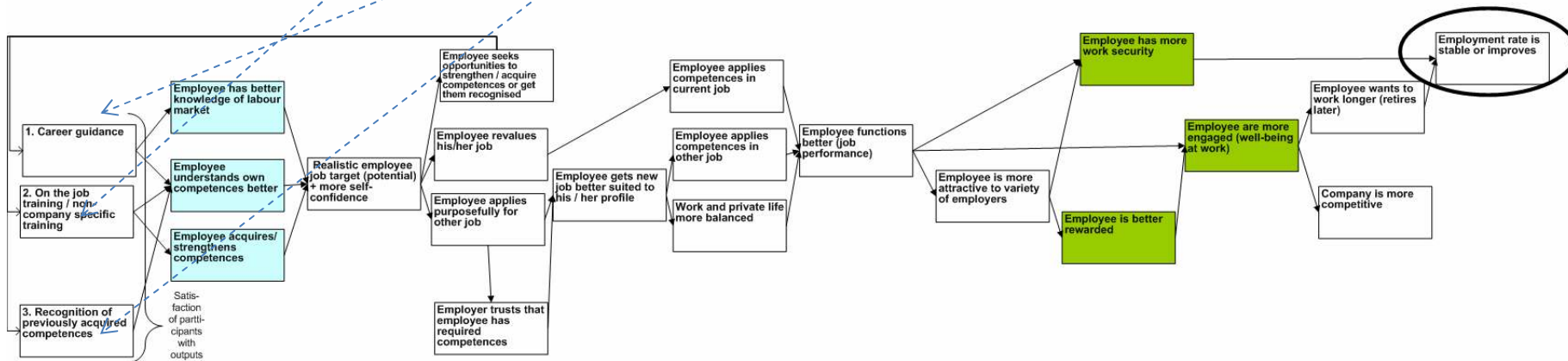
Direct influence shaded in blue: can be assessed by gathering info from participants directly after they participated in an intervention. This is highly likely to be attributable to the intervention. The farther we move away from this, the less likely that monitoring info tells us anything real: we will need evaluation to ensure we look at attributable (net) effects. Target group needs are shaded in green. Context objectives are circled

Source: adapted from evaluation report

Theory of change ESF Flanders-2



Actions towards employed



Direct influence shaded in blue. Target group needs are shaded in green.

Context objectives are circled

Source: adapted from evaluation report

What do we need to consider?

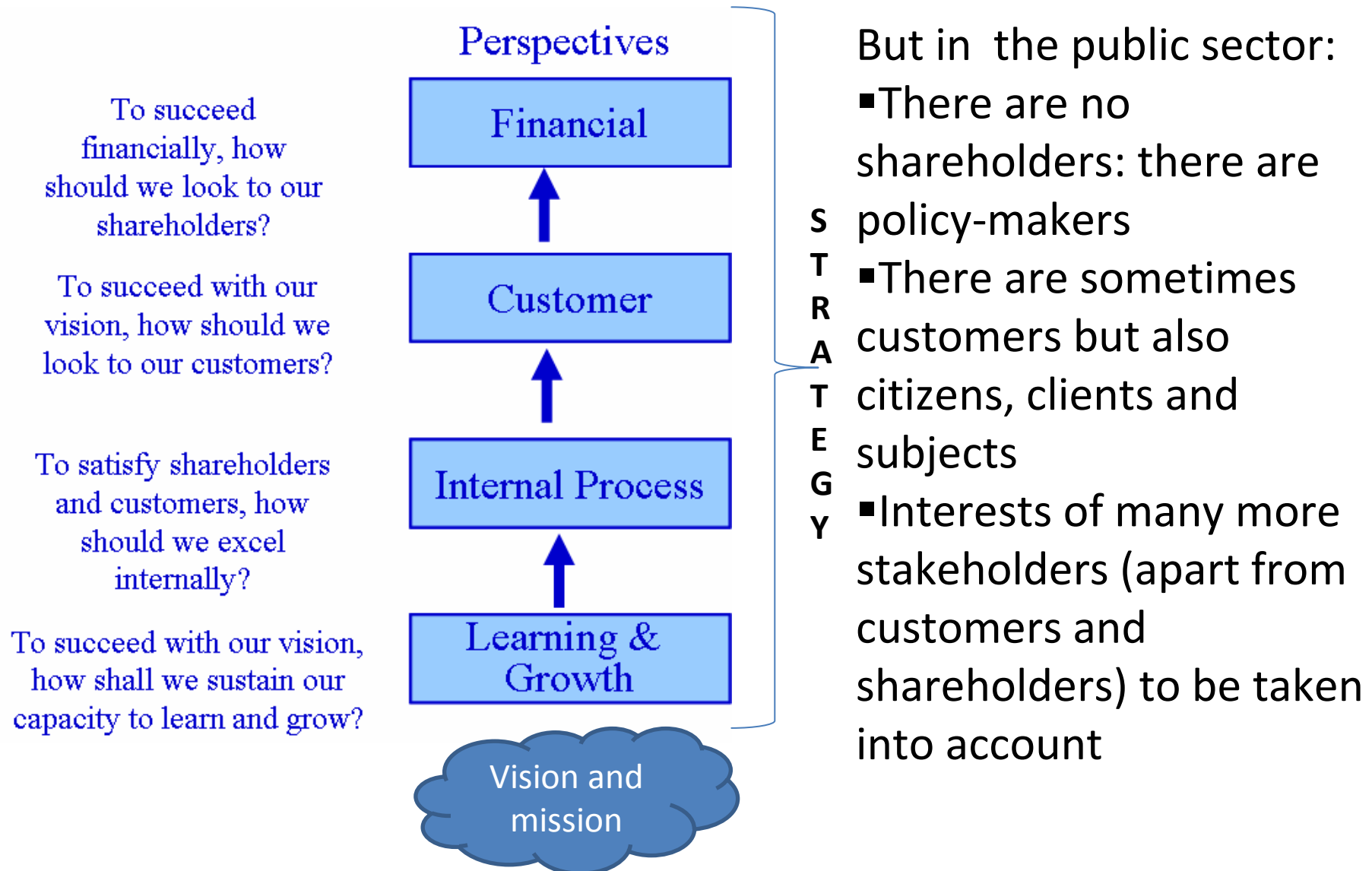
- *We should move away from overly simplistic ideas about reporting of programme outputs, results (outcomes) and impact to...*
 - *This part is dealt with, right?*
- **... a sophisticated strategic management approach that enables each staff member in a Managing Authority to contribute to overall policy objectives**
 - **Let us move to this part now**

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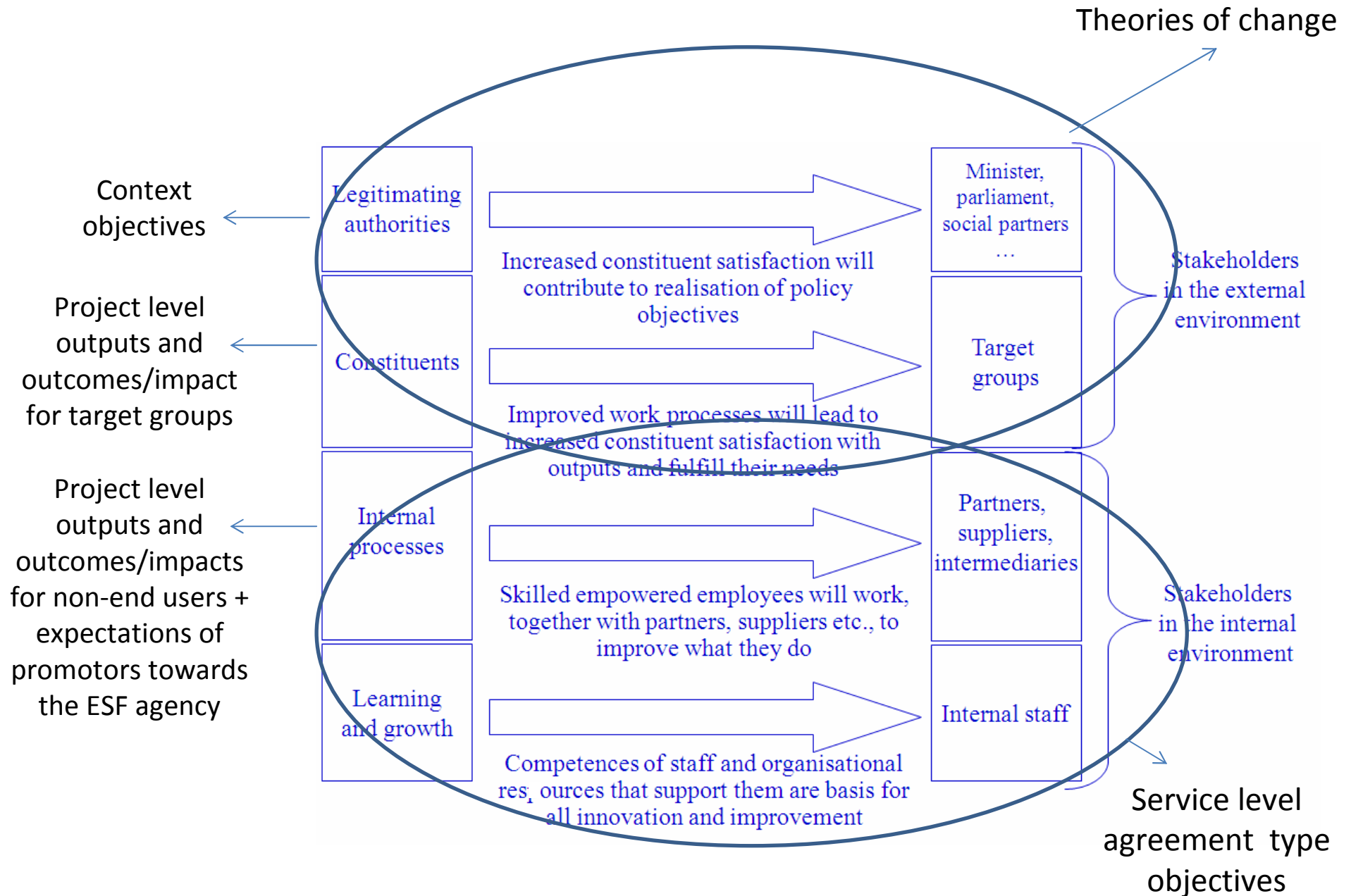
What the ministry of employment was really watching in the Flemish ESF Agency case

How to connect this with the earlier theories of change?

An organisational perspective: the Balanced Scorecard

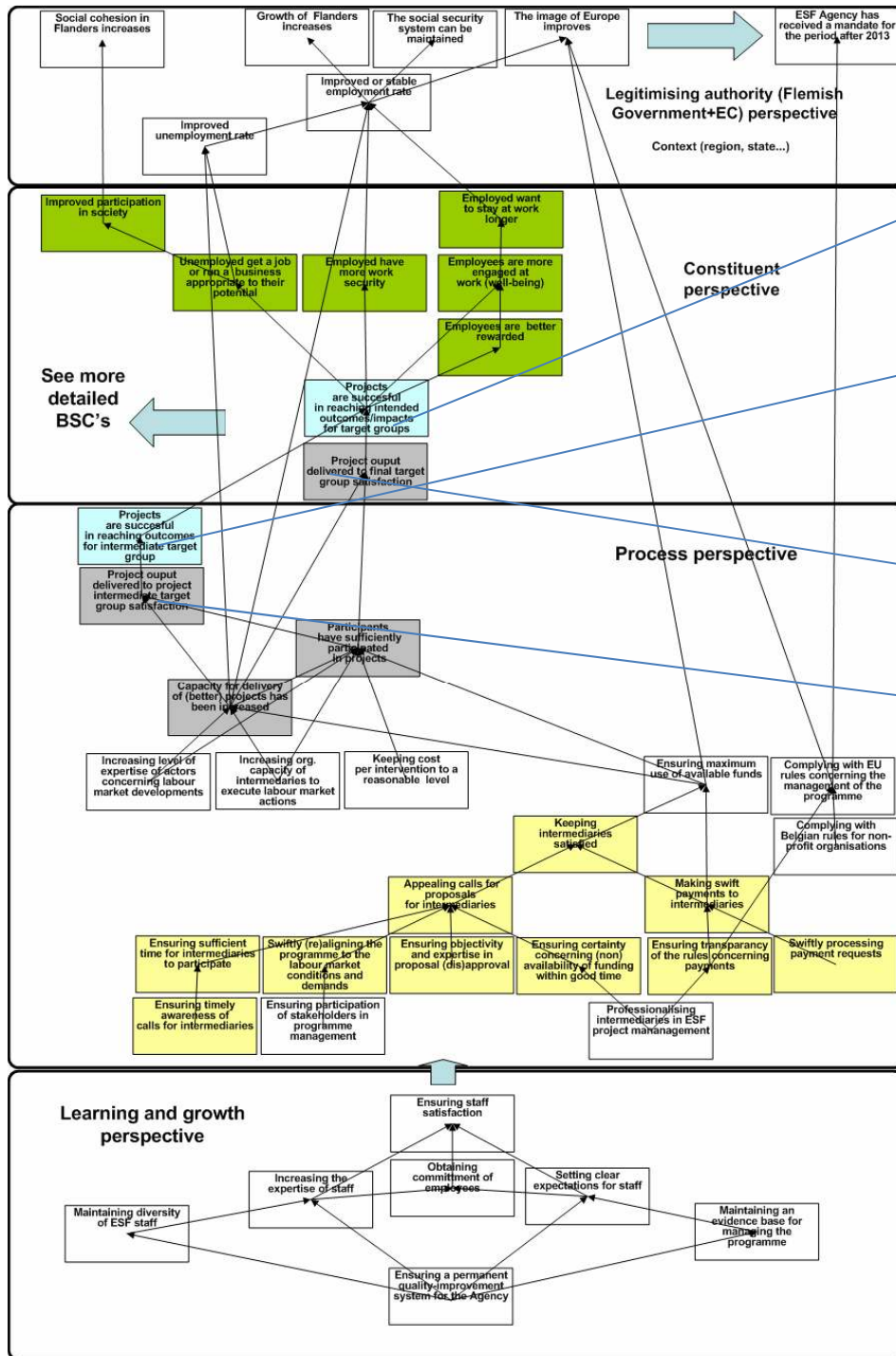


Public Sector Balanced Scorecard



What do programme managers do?

- We can now move on to imagining we are in charge of a Managing Authority:
 - Wait a minute, MA's do not actually implement any projects for target groups at all!
 - They run (parts) of organisations that launch calls for proposals, appraise projects, process payment claims etc.



Projects reaching outcomes/impact for target groups (end users)

Projects reaching outcomes/impact for non-end users

Agency impact

Projects delivering outputs for target groups (end-users)

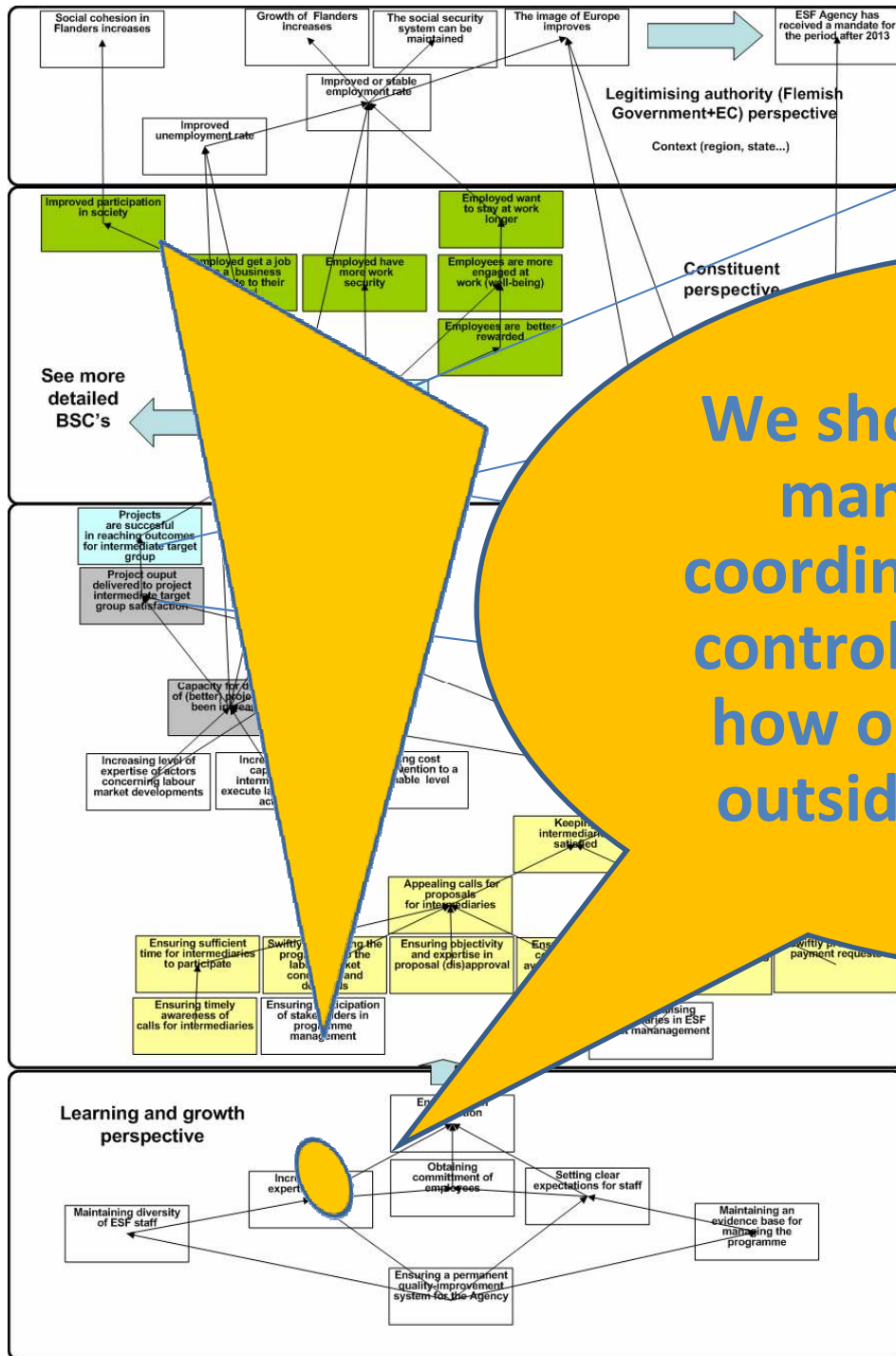
Projects delivering outputs for non-end users

Agency outcomes

Remember this one?

“It is reasonable to hold government responsible for outputs but not entirely for outcomes as many other factors beyond government’s control may influence the latter”

OECD (2009) *Measuring government activity*, Paris: OECD



Projects reaching outcomes/impact for target groups

Agency impact

We should focus more on managing (including coordinating) what we can control as well as learning how our influence works outside the organisation

Agency comes

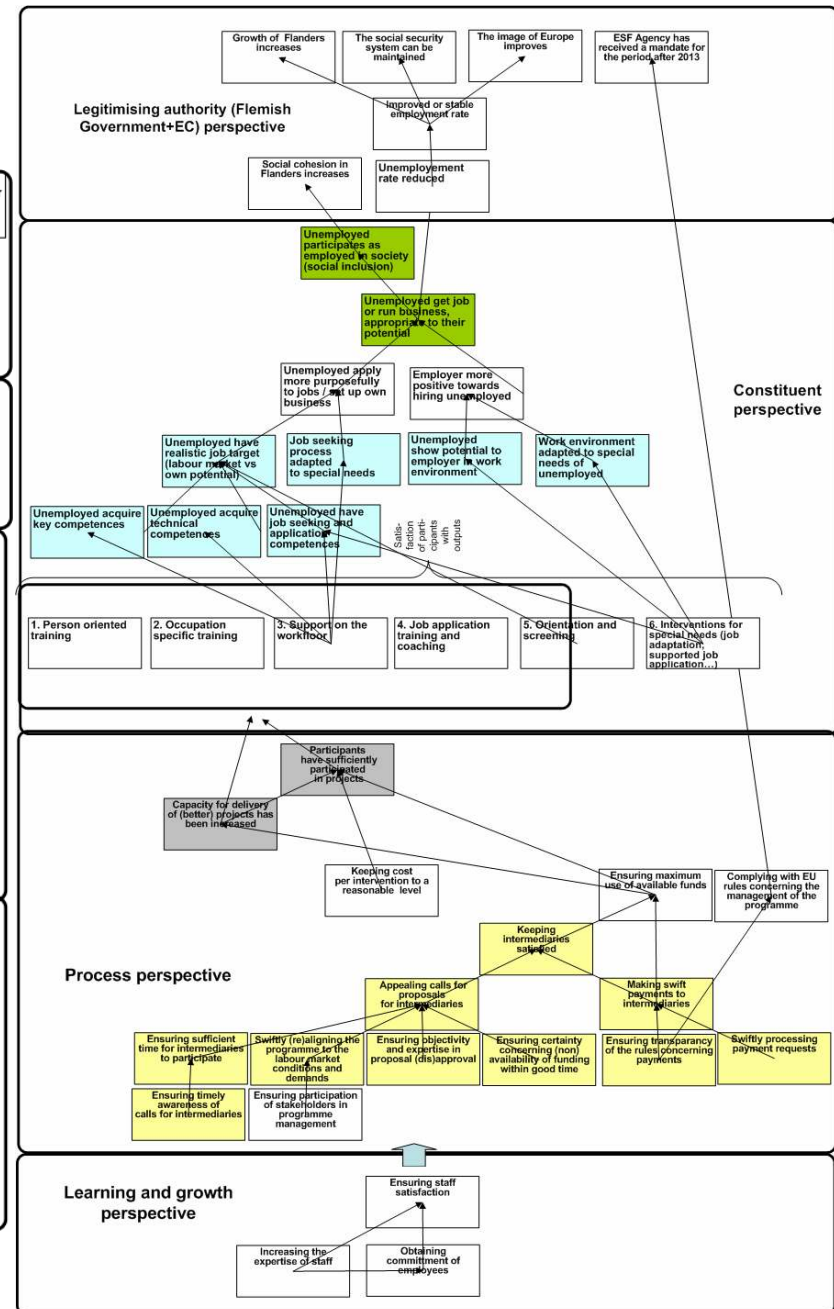
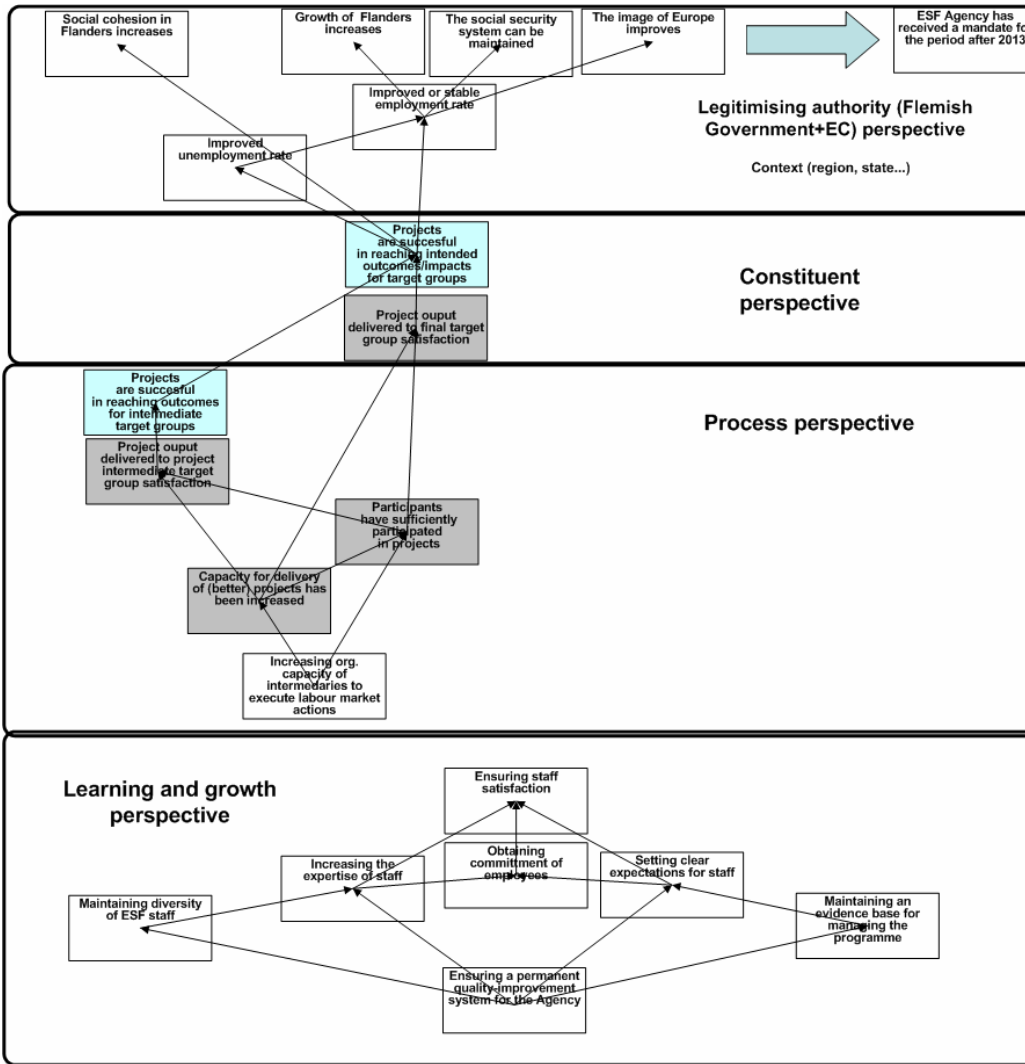
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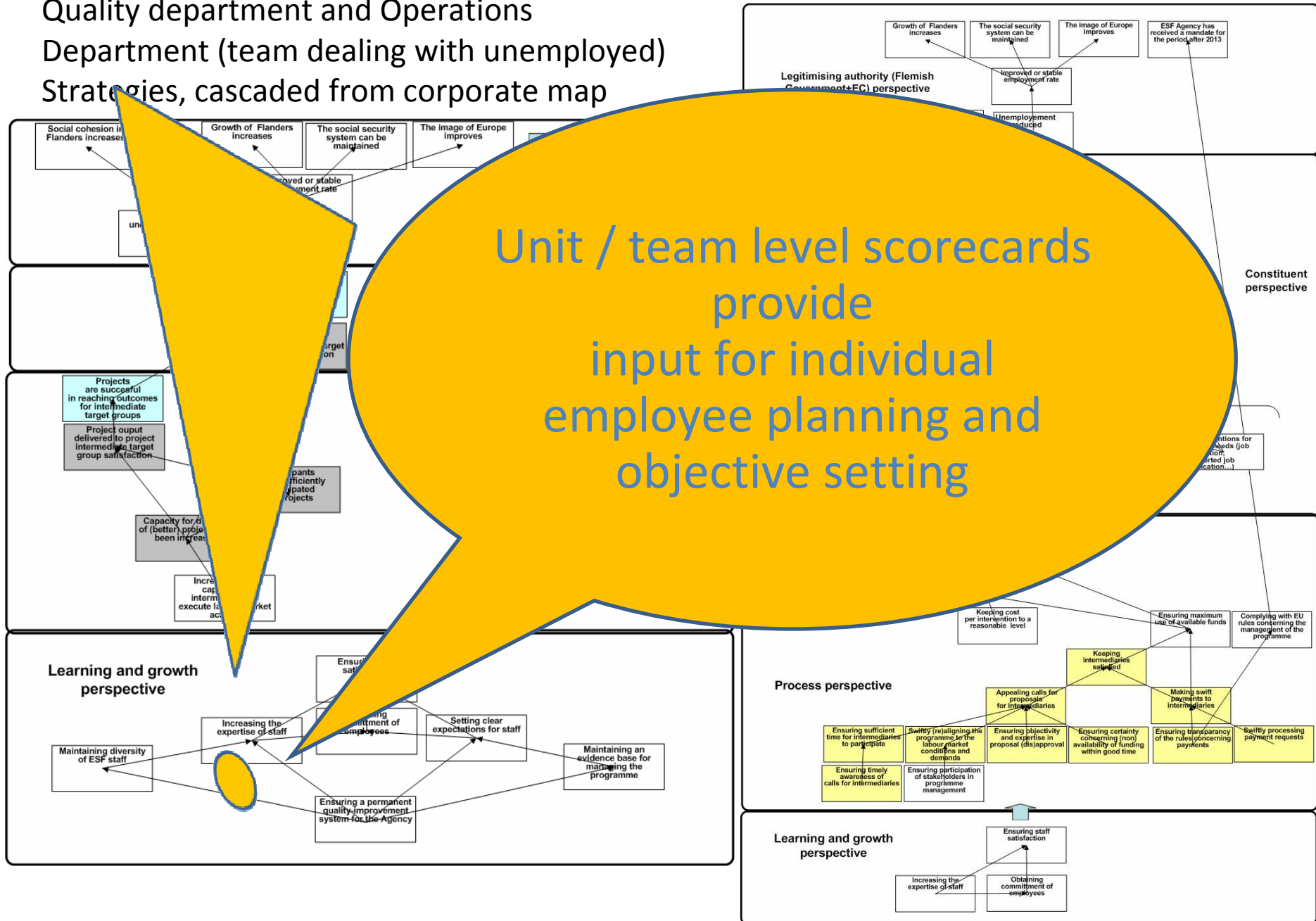
Managing = vertical coordination-1

Quality department and Operations
 Department (team dealing with unemployed)
 Strategies, cascaded from corporate map

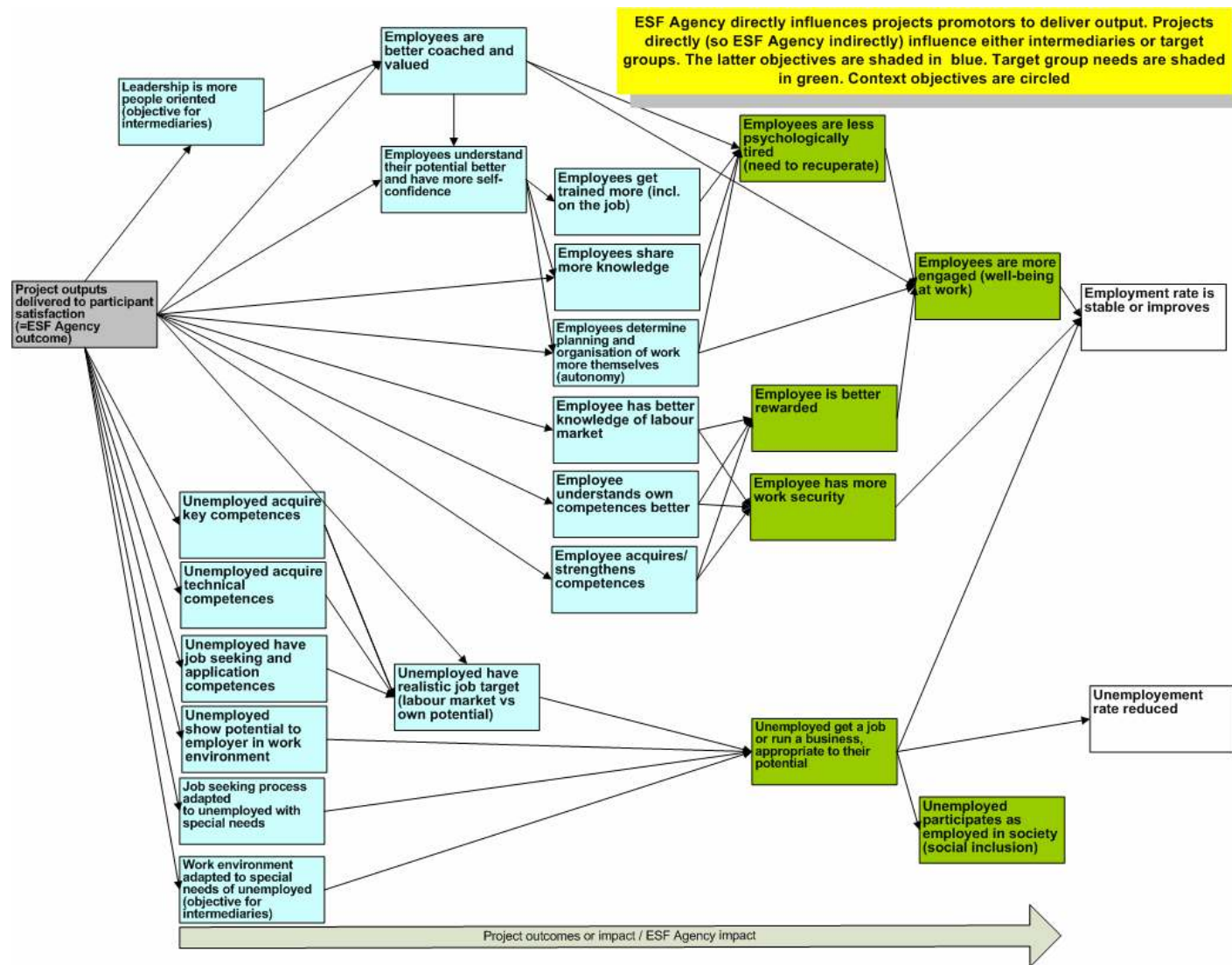


Managing = vertical coordination-2

Quality department and Operations
 Department (team dealing with unemployed)
 Strategies, cascaded from corporate map

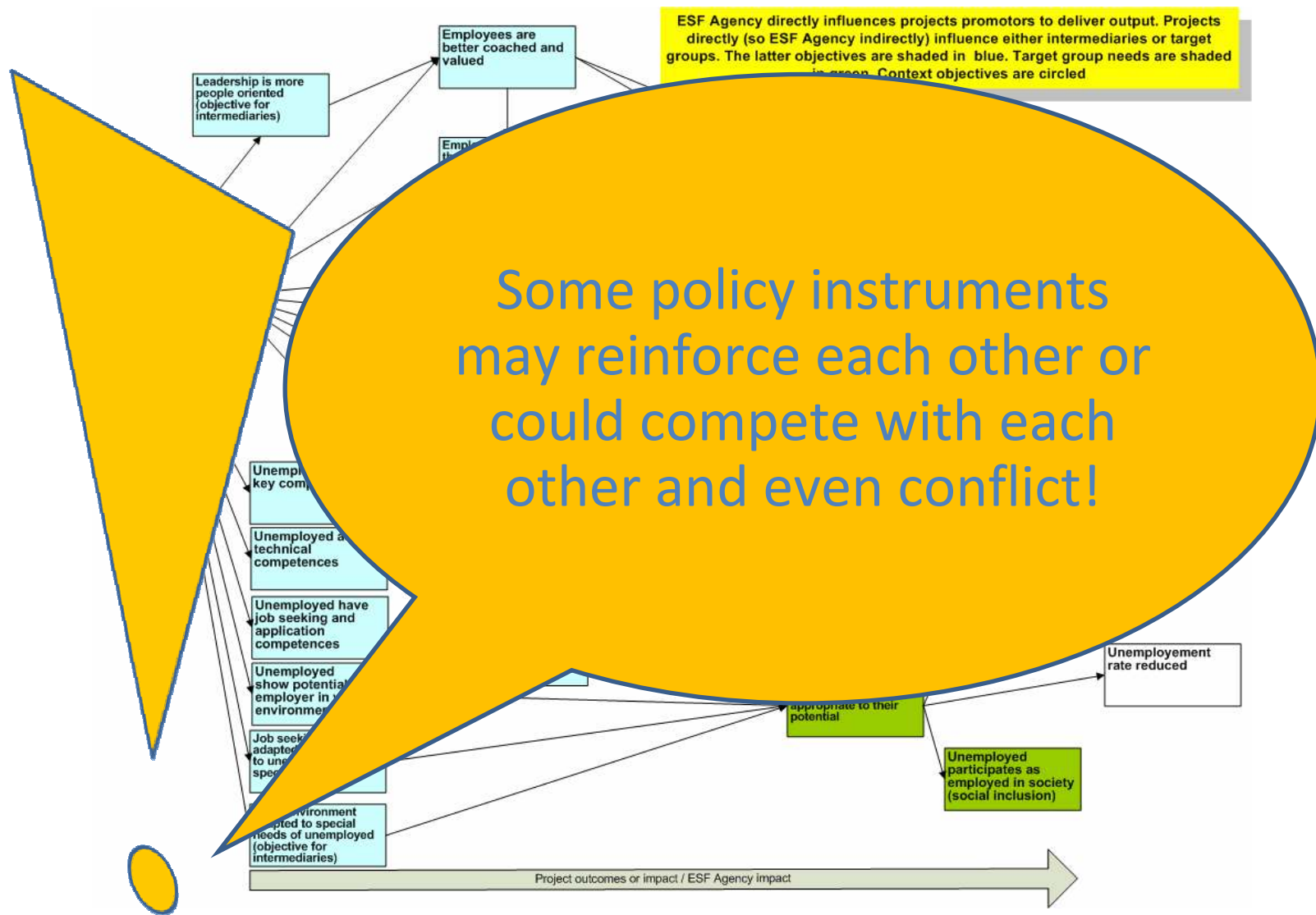


Managing = horizontal coordination-1



More detailed theories summarised by retaining only directly influenced objectives and needs:
how does it all fit together?

Managing = horizontal coordination-2



More detailed theories summarised by retaining only directly influenced objectives and needs:
how does it all fit together?

The role of evaluators-1

- Support planning:
 - Evaluability assessments:
 - Formulating the theories of change / proposing indicators in planning stages before programme is launched AND...
 - ...when new policy objectives / initiatives arise during the programme implementation period
 - Conducting small scale “assessment pilots/experiments”:
 - Prior to funding projects at a larger scale
 - Focus on key implementation elements that can be tested at short term
 - To appraise potential and help set better indicators/targets for future full scale deployment

The role of evaluators-2

- Support learning:
 - Testing causal links (influence outside of the organisation)
 - understanding how influence really works requires sophisticated mixed methods counterfactual evaluations
 - Draws upon the theories of change that are already at the heart of strategic management
 - Build capacity in evaluative thinking for staff members
 - through their contacts with stakeholders they can gain insights in how things are really working, from the perspective of the BSC
 - this can be fed into the quarterly strategic learning meetings alongside the numbers on the BSC and formal evaluations

Towards an “Office of Strategic Management”?-1

- To make the most of the new strategic management system, experience shows that it is useful to create an OSM with the following tasks:
 1. Create and oversee the strategic management system: help senior management to create the BSC, select performance targets and identify strategic initiatives;
 2. Institutionalise the use of the BSC across the organisation, making sure that all units support the common strategy (and each other in the case of support units);
 3. Communicate the strategy e.g. through newsletters, CEO speeches etc.; coordinate with HR to ensure that skills necessary to the new strategic management system are acquired by staff;
 4. Review the strategy: organise and lead the reporting and review meetings, ensure that changes to the strategy are implemented in the corporate BSC and throughout the organisation;

Towards an “Office of Strategic Management”?-2

5. Refine the strategy: screen new strategic ideas coming from staff and stakeholders and convey promising ones to senior management;
6. Manage strategic initiatives that cross unit lines and report progress to senior management;
7. Consult with key strategy support functions:
 - Planning and budgeting: ensure that budgets reflect those established during the strategic planning process (e.g. strategic initiatives, reallocations of resources to new priorities)
 - HR: ensure HR manages employee incentives, competency development and annual reviews consistent to with strategic objectives
 - Knowledge management: ensure that best practices and ideas critical to the strategy are shared throughout the organisation.

Towards an “Office of Strategic Management”?-2

Can the evaluation function grow into an OSM?

In the private sector, companies that have a turn-over of 500 million-5 billion USD and staff of 1000 to 10000 employees can get by with fewer than 10 people. This can incorporate evaluation staff but also staff drawn from HR, finance etc.

- Knowledge management: ensure that best practices and ideas critical to the strategy are shared throughout the organisation.

Time for a new idea of accountability?

- rather than a compliance approach (following the rules, including meeting the targets)
- a principles approach to accountability (acting responsibly):
 - demonstrate that we are learning...
 - ...purposefully...
 - ...and that we act on this!

Where did we start again?

How to put evaluation at the heart of
programme management rather than at
the margin?

Interested in discussing more?

- Register at the Community of Practice on Results Based Management website (www.coprbrm.eu):
 - Go to <http://www.coprbrm.eu/?q=node/337> to join an online discussion forum on this presentation and the larger paper that supports it

