



GUVERNUL ROMÂNIEI



Instrumente Structurale
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Evaluation a management tool supporting decision-making

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Importance of evaluation

Evaluation is a **judgement on interventions regarding their results, impacts and needs they aim to satisfy.**

The European Commission regulates that evaluations must be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. This makes evaluation an important tool:

- to be used in the design and management of programmes financed by EU Structural Instruments;
- to assess the extent to which interventions reach the policy objectives set and how their performance can be improved in the future;
- to provide a rigorous evidence base to inform decision-makers.

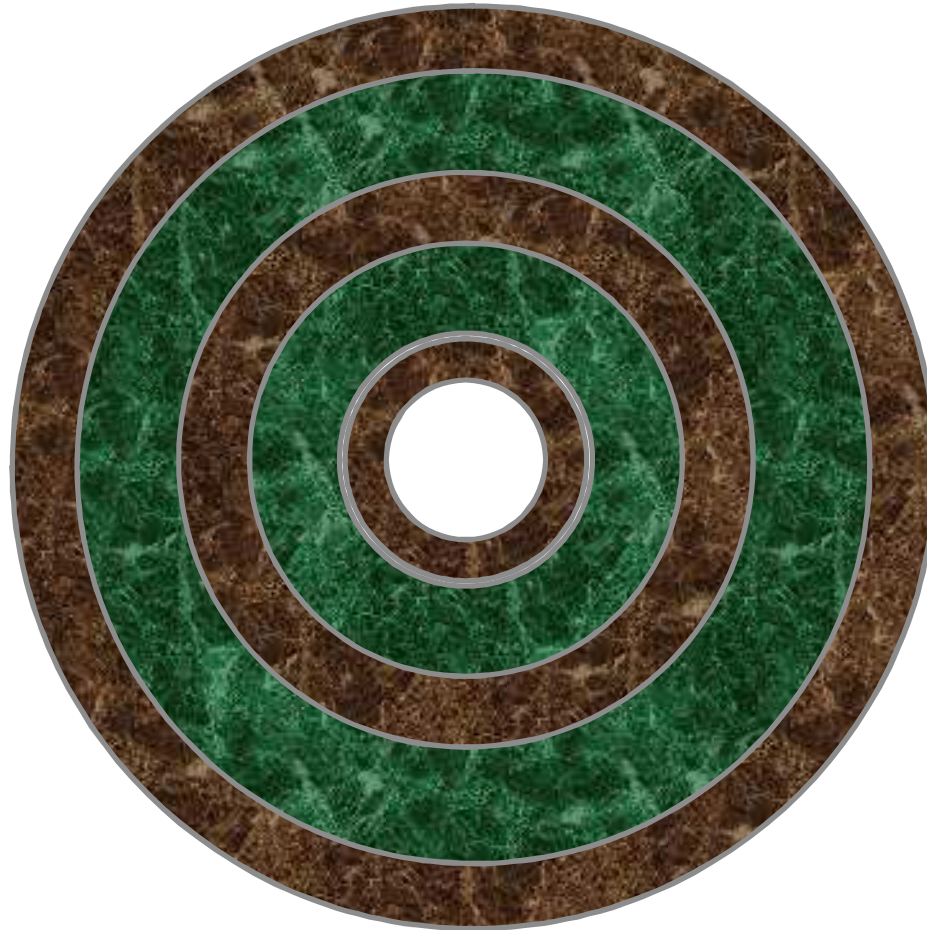
Importance of evaluation

Thus, evaluation can be regarded as:

- a way of **ensuring accountability**, throughout the process of decision-making;
- a way of **measuring performance** by assessing effectiveness, efficiency and impact of the intervention;
- a valuable **input** into the shape of future programmes and policies that can lead **to the improvement** of the quality of the design and implementation of programmes.

In order to achieve this, evaluation must be planned, designed and performed in partnership with all stakeholders.

The project and evaluation cycle



Policy cycle

Programme cycle

Project cycle

Evaluation cycle

Who can make use of evaluation and how?

HOW?

WHO?

Programme managers;
Policy- and decision-
makers;
Other stakeholders.

- By using experience gained from previous interventions to **translate political priorities** into meaningful **objectives** and **indicators**;
- By using evaluation results to **justify** existing or new initiatives on efficient **allocation** of resources;
- By using evaluation results to **complement** and enrich data from **monitoring** exercises;
- By using evaluation to **identify** gaps (or missing links) and emerging **needs**.

Support for enterprise and innovation in East Germany

Scope

This study is part of the Ex Post Evaluation of the ERDF in Objectives 1 & 2, Work Package 6: support for enterprise and innovation for the 2000-2006 funding period. The study compares enterprises in East Germany which benefited from investment or research grants with similar, but unsupported, enterprises. There were two specific samples: the IAB Betriebspanel for enterprise support and Gefra's survey of enterprise R&D in Thuringia.

Aim

- To analyze the impact of direct non-repayable investment grants to enterprise's investment and R&D behavior at the firm level in East Germany by using counterfactual analysis.





Support for enterprise and innovation in East Germany

Conclusions

- Investment grants induced strong investment effects. Average public support of €8,000 per employee led to €11,000-12,000 of extra investment. This implies a leverage effect, where every euro of public money generates up to €1.5 of total investment.
- R&D grants of €8,000 led to an additional €8,000 of investment. Although this 1-1 ratio is smaller than that for investment grants, it has an additional "spillover" benefit in terms of increased long term regional economic growth.
- Direct employment effect from investment grants was roughly 27,000 extra jobs. This is lower than figures derived from monitoring data related to number of new workplaces – 107,000 and safeguarded workplaces – 439,000, which suggest that the main impact of such support is increased investment and productivity, and job creation is a secondary impact.



Support for enterprise and innovation in East Germany

Recommendations

- To replicate the exercise to other recipient countries and regions provided that data is made available. By comparison with results from other studies, the East German results are in line with national and international evidence, so that they can be viewed as a hint on how public interventions work and have impact at the firm level.
- However, the actual experience shows that only few samples are available to perform this evaluation approach. To perform counterfactual evaluation it is necessary to set up regional or national data samples containing relevant data. The best way to do this is by using scientific knowledge from the beginning and before a programme or measure is implemented.



Randomized controlled selection in World Bank microfinance

World Bank's loans to countries for microfinance programmes are mostly loans to (private or public) banks, NGOs or other financial institutions that then directly lend to microentrepreneurs (e.g. the Crediamigo program). An experimental design uses credit scoring that approve or reject applicants based on their likelihood of default but then randomizes clients who should neither obviously be approved nor rejected based on the bank's criteria, to either receive or not receive credit. The outcomes of those in this middle group who were randomly assigned to receive credit are compared to those randomly assigned not to receive credit. It provides lenders with a less risky manner of testing the repayment rates on the marginal (or below marginal) clients and allows them to adjust the credit scoring approach.

Corollary

The microfinance industry needs reliable data to prove to donors, governments and other stakeholders that microfinance works. An experimental design provides easy-to-understand evidences while increasing efficiency and easing adaptability for the lenders.



Partnership and publicity

- When planning and carrying out evaluation, in order to ensure **relevant** and **useful** evaluation **results**, close co-operation between **all stakeholders** involved in national/local level monitoring and evaluation is important.
- Evaluators must **co-operate** with those concerned, which makes it necessary to define the evaluation objectives and **make** the concerned **individuals/entities aware** of these.
- **Open approach** is important during evaluation process and when formulating recommendations, in order to avoid that those concerned become opponents to the evaluation, or feel that they have no influence on procedures.
- When making informed decisions, **opinion** from **all stakeholders** should be sought and taken into consideration.
- All evaluations must be **made public** in their entirety so they can enhance **transparency** of state operations and democratic **accountability** and stimulate dialogue and **public debate** on evaluation findings.



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Thank you very much for your attention

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2006/wp6c_final_report_en.pdf

http://siteresources.worldbank.org/INTISPMA/Resources/383704-1146752240884/Doing_ie_series_07.pdf

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