

## **Evaluating Rural and Community Development Investment and Supports**

WEBINAR LAUNCH

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## INTRODUCTION

#### Introduction I

- DRCD's Statement of Strategy 2021-2023 commits to building capacity to evaluate ongoing work and inform future policies and programmes
  - DRCD established in July 2017
- All DRCD expenditure is targeted at rural and community development in a bid to "support vibrant, inclusive and sustainable communities throughout Ireland"
  - In 2019, DRCD gross expenditure was €291 million
- A research programme between the ESRI and DRCD was formed in late 2019 and this report is the first output
  - Evaluation and monitoring are key tools to ensuring that public monies are being effectively spent and that government funded programmes, and initiatives, are achieving their stated goals and objectives
  - Role of evaluation is crucial to ensure good policy making and to maximising the policy impact of programmes



29 April 2021



# AIMS & METHODOLOGY

#### **Aims**

- DRCD undertakes a diverse range of activities
  - Specifically, six key areas of common activity were identified across 20 programmes of expenditure: (i) community development, (ii) rural development, (iii) capital infrastructure, (iv) enterprise supports, (v) employment supports, and (vi) provision/development of amenities.
- In this study, we identify international best practice in evaluating and monitoring expenditures across all of these areas and assess the degree to which evaluations in Ireland have been adhering to international standards
  - The objective of the work is to help further develop the DRCD's monitoring and evaluation infrastructure



#### Methodology I

- 1) Overview of the **DRCD suite of programmes and supports**
- Target our international review at the areas of rural and community development most relevant to DRCD
- 3) Review approaches taken internationally in the measurement and evaluation of programmes aimed at rural and community development
- Examine current approaches utilised in Ireland and benchmark them against international best practice







## Review of International Approaches & Current Practices





## 1. Community Development



## **Community Development I**

- Measuring key areas of DRCD activity in the area of community development is highly complex
  - Especially counterfactual evaluation of community level outcomes i.e. allowing for a comparison with the outcome an individual, business or local are would have experiences had it not had the intervention/supports
- However, other forms of effective monitoring are possible and recommended
  - Using frameworks, such as the Logic model, in connection with a combination of quantitative and qualitative tools where possible

Inputs	Activities	Outputs	Outcomes/Impacts
What resources go into a programme?	What activities does the programme undertake?	What is produced through those activities?	What are the changes or benefits that result from the programme?

Source: Milstein and Chapel, 2011

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## **Community Development II**

- Current approaches to the evaluation of community development programmes in Ireland are found to be in line with international best practice
  - There exists a rich quantitative and qualitative data framework that will enable effective monitoring and impact measurement through a range of tools including the Logic Model framework, distance travelled tools and thematic qualitative reports (for example, see Whelan et al., 2019)
  - In order to **capture the benefits** resulting from programme activities that would otherwise be missed if only hard outcomes are recorded (DWP, 2003; Learning and Work Institute, 2016)





## 2. Rural Development



### Rural Development I

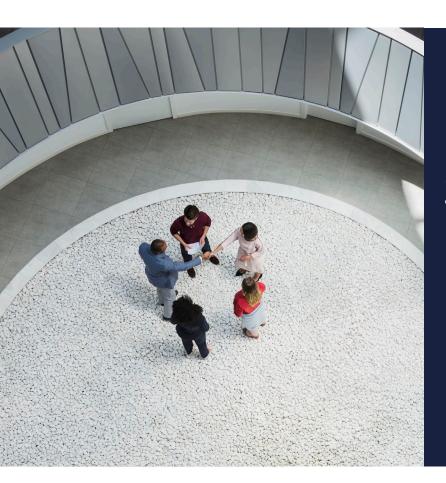
- Rural development is focused on improving the welfare of rural communities, but also encompasses aspects such as the improved utilisation of amenities within rural areas and the development of the rural economy
  - As is the case for community development, it can be difficult to **isolate the** impacts had by interventions
- However, international literature shows that empirical methodologies may be more readily applied as there is some evidence of successful implementation of counterfactual evaluation in other countries
  - For example, see Michalek et al., 2020 and Gertler et al., 2016
  - The Rural Development Index



### Rural Development II

- **Publicly available evaluations** of rural development programmes are **limited** in Ireland
  - However, the data infrastructure and modelling tools appear promising
- In Ireland, a **BIO-ECONOMY input-output model** has been used for counterfactual impacts of large-scale rural investment programmes such as the Rural Development Programme (RDP) 2014-2020
  - **Data infrastructure** developed under the monitoring requirements of EU funded programmes, such as the **LEADER programme**, are likely to be an important data source
  - Developments in official statistics at a national level such as the CSO's sixway urban/rural area categorisation of Ireland in 2019 could potentially be used to facilitate analysis of metrics at more distinct geographical levels





## 3. Capital Infrastructure



## Capital Infrastructure Projects I

- Evaluation methods are long-standing and well developed
- The extent of the financial and economic analysis varies by the scale of the project, but Cost Benefit Analysis (CBA) is the main approach used for the evaluation of large-scale capital projects
  - CBA requires the **specification of a number of critical parameters** including expected costs, benefits and the discount rate, leading to additional methodological challenges
  - Systematic optimism bias may play a role in forecasting for capital infrastructure projects and the international literature finds that large-scale projects often do not go as planned
- In Ireland, weaknesses have been identified in terms of the appraisal, implementation and governance approaches applied to large-scale capital projects





## 4. Enterprise Supports



#### **Enterprise Supports**

- **Enterprise supports** in terms of rural and community development typically relate to assistance for SMEs
  - **Outcomes** in this case are **firm level performance indicators**: Employment growth, employment sustainability, firm turnover, profitability etc. (Storey, 1998; 2000; 2003)
  - Evaluations may also focus on measuring the differential impacts of different forms of grant assistance on the performance of assisted firms (McGuinness & Hart, 2004)
- To determine a counterfactual evaluators usually examine similar firms who did not receive support as a 'control group'
- There is a lack of counterfactual evaluation in the area of enterprise supports when examining Ireland relative to other countries
  - Somewhat surprising given the importance of enterprise within the Irish economic policy framework
  - May be due, in part, to the lack of administrative or survey data that would facilitate such analysis





## 5. Employment Supports



#### **Employment Supports**

- The evaluation of employment supports usually involves comparing the employment rate between jobseekers who receive the support with a comparison group of jobseekers who do not receive support
- However, as rural and community development employment supports may target those furthest from the labour market comparing employment rates may not be ideal
  - Mixed-method (qualitative and quantitative) approaches are necessary to examine the impacts of such supports more fully (for example, see Whelan et al., 2020)
- Many studies published in Ireland using international approaches to measure the impact of employment supports
- Evaluation approaches within these studies overall appear to meet international best practice standards
  - This is well documented in Ireland (Kelly et al., 2019; McGuinness et al., 2014; Indecon, 2013) and has been examined in detail due to data which has been made available





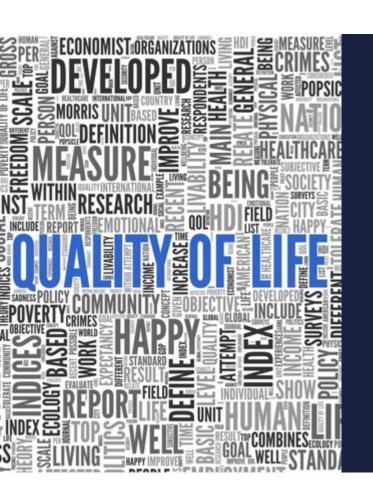
## 6. Amenities



#### **Amenities**

- The evaluation of amenity projects varies considerably depending on the goals of the project, the data available and the budget available for evaluation
  - For example, amenity projects include the development of local parks, woodlands, libraries & leisure facilities (sports centres and swimming pools)
  - Primarily focuses on the benefits to immediate users and this will generally require some primary data collection
- Two main approaches:
  - A contingent valuation method (CVM) whereby respondents are asked about their willingness-to-pay to use the amenity
  - A revealed preferences (RP) approach such as the travel cost method (TCM) which measures individual's willingness-to-incur charges to enjoy an amenity can be used as an indication of the value they place on the good
- In Ireland, there is a **limited amount of literature** evaluating the impact of amenities but that which exists appears consistent with international best practice





#### **CONCLUSIONS**

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#### **Conclusions I**

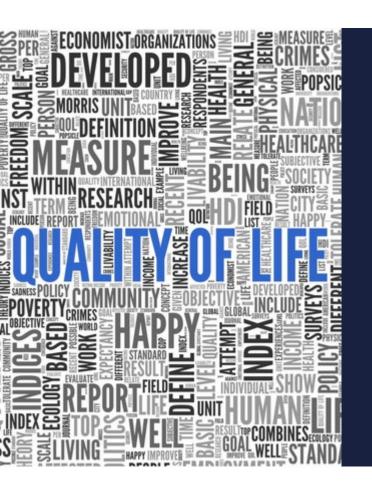
- The evaluation of programmes internationally in key areas of DRCD activity is heterogeneous
  - Some areas are well developed and relatively straightforward, namely, capital infrastructure projects and employment supports
  - Whereas measuring the benefits and outcomes of community and rural development programmes is more complex
- **In Ireland**, evaluations in the areas of:
  - employment supports, capital infrastructure projects, and amenities appear to meet international best practice
  - enterprise supports lack counterfactual approaches relative to international studies
  - rural and community development where studies exist, the modelling capabilities and data are promising in terms of future evaluation



#### **Conclusions II**

- There is **no set toolkit** for specific programmes and the methodology adopted should be **customised** to both the objectives of the programme and the needs of beneficiaries
  - In some cases, evaluations could be purely empirical or purely qualitative, while others may involve combinations of counterfactual estimation, monitoring techniques and qualitative assessments
  - Monitoring and evaluation of DRCD interventions can be improved by using mixed methods approaches as well as by improving the consistency and quality of data collected
  - Role of evaluation is crucial to ensure good policy making and to maximising the **policy impact** of programmes
- Next steps within this research programme will be to identify appropriate key indicators for the monitoring of rural and community development





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