

# 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



# 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**
- 2) 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
- 4) 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 area would have experienced 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

# 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 six-way 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

# 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

