INVESTING IN OUR SHARED FUTURE

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#CohesionEval2019
Potential development of Counterfactual Impact Evaluation (CIE) in ESF

Workshop 8: From administrative registers to impacts of the European Social Fund operations

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The sources

• The presentation is based on:
  • the results of the **Pilot and feasibility study on the sustainability and effectiveness of results for ESF participants using CIEs** carried out for DG Employment (forthcoming)
  • The experience of the **Helpdesk** evaluation service carried out for DG Regio and DG Empl (see the library of evaluations [https://ec.europa.eu/regional_policy/EN/policy/evaluations/member-states/](https://ec.europa.eu/regional_policy/EN/policy/evaluations/member-states/))
  • My own experience in carrying out evaluations for MAs and EC
Why is CIE an advantageous method for ESF?

• **CIE is the best way to measure impact on individuals** → ESF has a high number of individuals and relative simple causality mechanisms

• CIE allows to estimate **the ‘value for money’** of alternative policies

• CIE can **stratify programme effects** by key features (different programme durations, participant groups, programme operators, etc.)

• CIE can spell out **clear policy conclusions** regarding: (a) continuation, (b) alteration, or (c) discontinuation of the intervention, and give substantive reasons.

• However, **CIE is not a “religion”** and it can be combined with theory based approaches or qualitative analyses to better understand ‘why’ and ‘how’ policy results occurred.
Are counterfactual methods diffused in ESF evaluation?

Completed evaluations (April 2018)
- **332 ESF and YEI evaluations** of the 2014-2020 interventions have been completed, of which 58 are impact evaluations and **20 are CIEs**
- CIEs are mainly focused on **labour market policies**
- **Administrative data widely used** to identify control groups and often to estimate effects

Planned evaluations in the 2014-2020 period
- **132 CIEs** planned for 2014-2020, around **1 planned CIE every EUR 1 billion** of total resources. Half of planned CIEs covers employment issues.
Are ESF monitoring data adequate to carry out CIEs?

- ESF monitoring data are **adequate for CIE**

- Possible improvements are:
  - To include information on **people who applied but did not participate** in the operations
  - To define **type, intensity and duration of activities** according to an EU classification (which does not exist at the moment)
Are administrative data adequate to carry out CIEs?

**Labour market administrative data**
- Administrative data make it possible to identify a control group for ESF operations targeted at the unemployed
- Overall, data on control variables (education, gender...) and outcome variables are available
- For 15 out of 26 examined countries direct linkages between ESF monitoring and administrative data are possible through a unique code

**Education administrative data**
- Data are updated yearly, hence calculations need a long period
- Outcome variables available in around half of the cases
- Linking ESF and administrative data is problematic
- Privacy rules are stricter than in administrative data on labour market
How to improve the use of administrative data?

• **Facilitating access to administrative data**
  a) Define a *unique interpretation of privacy rules* among different bodies;
  b) Provide ESF and administrative *integrated data-sets*;
  c) **Simplify and standardise delivery procedures**;
  d) Make available *instructions* for researchers.

• **Disseminating good practices**
  • Countries (for instance, DK, SE, EE) with a *single body in charge of* preparing, anonymising, integrating and delivering datasets;
  • Production of *datasets for research* (Veneto Lavoro in IT)
What have we learnt?

- **Administrative data are appropriate for CIE in all MSs** for many labour market policies and, to a less extent, for education policies.
- Monitoring data **make possible a systematic use of CIE** in ESF.
- Current practices are encouraging, but a **strategy to use CIE in ESF is necessary at EU and national level**. This strategy must involve:
  a) **Strengthened evaluation capacity** at OP level;
  b) **Improvements in accessibility and quality** of administrative data and ESF monitoring data;
  c) **A planning and coordination of CIEs** at OP, national and EU level;
  d) **Reinforced and better quality Evaluation Plans**.
What approach for CIE at EU level? 3 options

1. **A unique European CIE on several countries and similar ESF operations**: theoretical and practical obstacles.

2. **Coordinating and comparing a pool of national or regional CIEs** examining very similar interventions. Challenges due to the heterogeneity in actual programme implementation, beneficiary groups and, in particular, data collection and data contents.

3. **Developing the meta-analytical approach**. At the moment, it seems the most suitable approach; it correlates the programme outcomes measured by CIEs with variables representing the characteristics of the programme and the socio-economic context to identify relevant patterns.
How an overall strategy for CIE in ESF can be designed?

**Principles of the EU-wide strategy**

- **Coverage of ESF operations**
  - Representative and comprehensive subset of ESF interventions systematically subject to CIE

- **Evaluation quality**
  - Key methodological and data requirements are agreed upon by all MSs

- **Comparability**
  - CIE results are gathered across the EU, centrally collected and reported using a standardized approach

- **Usefulness**
  - CIE results systematically inform the design of future policy interventions

- **Timeliness and focus**
  - Establishing the importance of pilot evaluations

**Immediate objectives to pursue**

- EU meta analysis

**Intermediate objectives**

- MS results orientation

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**EU wide evidence based ESF policy making**

Each specific CIE, and all CIE jointly in the meta analysis, inform the design of future, improved ESF interventions.
What does a meta-analytical approach need at EU level?

• To **make comparisons between operations easier** (EU-wide classification of the basic characteristics of the operations)

• To **define minimum set of relevant information** that all CIEs of ESF have to report on (e.g. programme information, measure of programme effectiveness, data and methodology, contextual factors)

• To rely on a **good coverage of financially and/or strategically most important operations** (coordination with MSs, current experience of YEI)
What approach for CIE at OP / National level?

**Strengthening the use and the quality of CIEs** in the OPs needs:

1. **A better awareness of methodological and data aspects** →
   verify the possibility of randomized groups → improve administrative data accessibility and quality

2. A **“CIE strategy”** which in advance identifies:
   a) **interventions to evaluate with CIE methods** (large scale interventions as well as innovative or demonstration interventions);
   b) **the needed ESF and administrative data** and the process to prepare and link them;
   c) the **intervention logic, the feasibility and the timing** of the different CIEs.
What can be done in the **current** programming period?

- Verify and support **the implementation of the planned CIEs**
- Ask MSs to **make easier the access to administrative data** (agreements between data owners and MAs) and **clarify privacy rules**
- Promote **comparisons and meta-analyses** at national and EU level
- Promote **exchanges of practices** and **support evaluation capacity** in the MAs
What can be done in the 2021-2027 programming period?

• Rules are vague and do not require specific impact evaluations, hence a *voluntaristic effort* is necessary

• Produce **guidelines and check-lists** to easily assess the possibility of carrying out a CIE in the single OPs and at national level

• The **Evaluation Plan is the main tool** for coordinating and planning CIEs at OP, national and EU level. **Evaluation Plans** should contain:
  a) **A ‘strategy’ for CIE** (on what operations and why, when, how, with what data; paying attention to large-scale and innovation operations)
  b) **A ‘road-map’ for each CIE** to clarify feasibility, necessary data, preparation activities and timing
  c) **Possible linkages**, if any, with other CIEs in other Plans