

Ex-ante evaluations in DEVCO and in other donors' practices – a possible way forward (January 2020)

Abstract

This paper compares 2015 DEVCO's guidance on ex-ante evaluation with Better Regulation's indications on Impact Assessment, with the present process for design of interventions and with practice of some other agencies on the same topic.

It then formulates some options on a possible evolution of ex-ante evaluation practices in DEVCO.

A detailed annex provides an overview of the present process for interventions design (Identification and Formulation).

1 EUROPEAID 2015 guidance

During identification and formulation, ex-ante evaluation (from Latin: ex-ante means "before") is an instrument supporting design and facilitating the later monitoring and evaluation of intervention.

According to a 2015 EuropeAid / Evaluation Office document, it aims at achieving three objectives¹:

- Analysing the clarity and internal coherence of the objectives' intervention as well as assessing whether the resources planned for are sufficient to achieve the expected results;
- Quantifying the intended effects of the intervention;
- Defining the indicators to be used to measure the results of the intervention.

The 2015 document **does not advocate** for the integration of ex-ante evaluations in DEVCO's practices, but it rather considers that the evidence to be gathered with ex-ante evaluations processes is usually collected during programme / project preparation following the PCM; because of this, it concludes that no specific ex-ante evaluation exercises are needed in DEVCO:

"Ex ante evaluation does not require a specific exercise to be undertaken to gather and analyse information; usually the information required has already been collected, or in fact analysed, during the preparation of the project or programme as stipulated by the project management cycle."

Then, it provides a checklist of the evidence that is usually gathered with ex-ante evaluation with the recommendation to staff to ensure that this be collected during P/P preparation.

*"The (...) table provides a **checklist** which allows verification that all of the elements of an ex-ante evaluation have been taken into account in the design of cooperation projects and programmes."*

"This checklist does not intend to be additional to the various exercises already specified for the identification stage of projects: it mainly uses the principal elements of the logical framework approach (supplementing them where necessary) followed in the project management cycle (PCM)."

The checklist is organised around 8 key areas broken down in different sub-elements; these areas are:

1. Needs assessment

¹ EC/EuropeAid Cooperation Office, Evaluation: Good practice for including principles of ex-ante evaluation in the design of cooperation projects and programmes, June 2005

2. Objectives to be achieved
3. Intended results and the indicators to evaluate them
4. Added value of the Commission intervention
5. Alternative intervention options and risks
6. Lessons learnt from similar experiences in the past
7. Amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness
8. Monitoring system

This checklist was prepared based on the 2001 DG Budget guidance “Ex-ante evaluation, practical guide for preparing proposals for expenditure programmes”, in force at that time.

Maybe as a consequence of what suggested by the document and coherently with DEVCO approach to project design, very few ex-ante evaluations are done, yearly and they represent a tiny 1% of the overall number of evaluations managed by Delegations and HQ Units.

2 Impact Assessment: Better Regulation

Impact assessment (IA), which must be carried out “for Commission initiatives that are likely to have significant economic, environmental or social impacts²” under many profiles can be compared with ex-ante evaluations.

Better Regulation lists 7 key questions an IA should answer:

1. What is the problem and why is it a problem?
2. Why should the EU act?
3. What should be achieved?
4. What are the various options to achieve the objectives?
5. What are their economic, social and environmental impacts and who will be affected?
6. How do the different options compare (effectiveness, efficiency and coherence)?
7. How will monitoring and subsequent retrospective evaluation be organised?

The 7 questions are not very dissimilar from the checklist of the 2015 document quoted in previous chapter.

3 DEVCO: evidence gathered during design

As known, since 2018 the design process has been considerably simplified and is composed of 2 separate and sequential phases; they are Identification and Formulation.

The key output of Identification is the Annual Action Programme (AAP) Fiche, while the key outputs of Formulation are the Action Document (AD) and the Annual Action Programme (AAP).

For this analysis, the most relevant document to consider seems to be the AD, which makes provision for a number of detailed information that largely correspond with the 8 key areas mentioned in the 2015 Ex-ante document and the 7 key questions to be answered by IA.

Still, two main issues are not covered; they are the analysis of the EU Added Value and the analysis of the Alternative Options (and of their effectiveness, efficiency and coherence).

The following table compares the key provisions of the three documents.

² Better Regulation Guidelines - 7 July 2017, SWD (2017) 350, ch.2:
<https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines.pdf>

2015 Ex-ante document key areas	IA questions (Better Regulation guidelines)	AD: chapter
1. Needs assessment	<ul style="list-style-type: none"> Q1. What is the problem and why is it a problem? 	<ul style="list-style-type: none"> Ch. 1.6 (Problem analysis/priority areas for support)
2. The objectives to be achieved	<ul style="list-style-type: none"> Q3. What should be achieved? 	<ul style="list-style-type: none"> Ch. 4.1 (Overall objective, specific objective(s), expected outputs and indicative activities)
3. The intended results and the indicators to evaluate them		<ul style="list-style-type: none"> Ch. 4.2 (Intervention Logic) Appendix (Indicative LogFrame matrix or Intervention Logic table)
4. Added value of the Commission intervention	<ul style="list-style-type: none"> Q2. Why should the EU act? 	<ul style="list-style-type: none"> EU ADDED VALUE: <u>not covered</u> Ch. 1.3 (Policy Framework (Global, EU))
5. Alternative intervention options and risks	<ul style="list-style-type: none"> Q4. What are the various options to achieve the objectives? 	<ul style="list-style-type: none"> ALTERNATIVE OPTIONS ASSESSMENT: <u>not covered</u> Ch. 2 (Risks and assumptions)
	<ul style="list-style-type: none"> Q6. How do the different options compare (effectiveness, efficiency and coherence)? 	<ul style="list-style-type: none"> COMPARISON ALTERNATIVE OPTIONS: <u>not covered</u>
6. Lessons learnt from similar experiences in the past		<ul style="list-style-type: none"> Ch. 3 (Lessons learnt and complementarity)
7. The amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness		<ul style="list-style-type: none"> Table page 2, item 6 (Amounts concerned) Ch. 5.6 (Indicative budget)
8. Monitoring system	<ul style="list-style-type: none"> Q7. How will monitoring and subsequent retrospective evaluation be organised? 	<ul style="list-style-type: none"> Ch. 5.8 (Performance and Results monitoring and reporting) Ch. 5.9 (Evaluation)
	<ul style="list-style-type: none"> Q5. What are their economic, social and environmental impacts and who will be affected? 	<ul style="list-style-type: none"> Ch. 1.6 (Problem analysis/priority areas for support)

4 Other agencies' practices

What are the practices of other Agencies in ex-ante evaluation? This is a short overview of some cases -which can be widened up in case of interest; the focus is on areas of analysis included in ex-ante evaluation rather than on processes.

- The World Bank³ underlines that Prospective Impact Evaluation⁴ is to be developed at the same time as the programme is being designed and built into programme implementation. They underline the importance of ex-ante evaluations in constructing a Theory of Change, developing a results' chain, identifying outcome and performance indicators, understanding the different outcome scenarios "to benchmark the type of effect sizes that can be expected across a range of indicators", to look into cost-benefit or cost-effectiveness of the planned programme, and finally to estimate the effects of reforms before their implementation. The WB underlines that not necessarily all interventions require an Impact evaluation as this depends on multiple factors including their expected results and budget; however, it is not clear if this refers to both Prospective and Retrospective evaluation or only to one of these two types.
- JICA defines that Ex-ante evaluations are done prior to project implementation to examine "the relevance, details and expected outcome of the project, along with evaluation indicators"⁵ and advocates⁶ the use of ex-ante evaluation to confirm "in advance the need and priority of the project" to verify "the project outline and anticipated outcomes" and to establish "indicators for measuring those outcomes". They underline that this is the time when it is to be confirmed that "the results from reviewing environmental and social considerations and lessons learned from past projects have been properly reflected." JICA conducted ex-ante evaluations of all ODA loan projects since 2001.
- IFAD⁷ organises its project design around the COSOP (results-based country strategic opportunities programme), whose scope is not very dissimilar from DEVCO AD; the most important differences are: i) a higher level of attention to Lessons Learnt from past experience, and; ii) an accurate economic analysis of the background and of the opportunities from the planned intervention. We could not find evidence whether the production of COSOP is guided by ex-ante evaluations.

5 A possible way forward for ex-ante evaluation in DEVCO

How can ex-ante evaluation further support DEVCO practices in the design of interventions? The brief analysis in previous chapters shows that many of the areas that are traditionally addressed

³ World Bank Group, IDB – Impact evaluation in practice, 2nd edition - 2016:

<http://documents.worldbank.org/curated/en/698441474029568469/pdf/108270-PUB-Box396299B-PUBLIC-PUBDATE-9-13-16.pdf>

⁴ Prospective Impact Evaluation (ex-ante in EU jargon) is opposed to Retrospective Impact Evaluation (ex-post or impact evaluation in EU jargon)

⁵ https://www.jica.go.jp/english/our_work/evaluation/about.html

⁶ Japan International Cooperation Agency (JICA), Evaluation Department - JICA's project evaluations: What's involved and how do they help? (2019):

https://www.jica.go.jp/english/our_work/evaluation/c8h0vm000001rdg1-att/evaluations_01.pdf

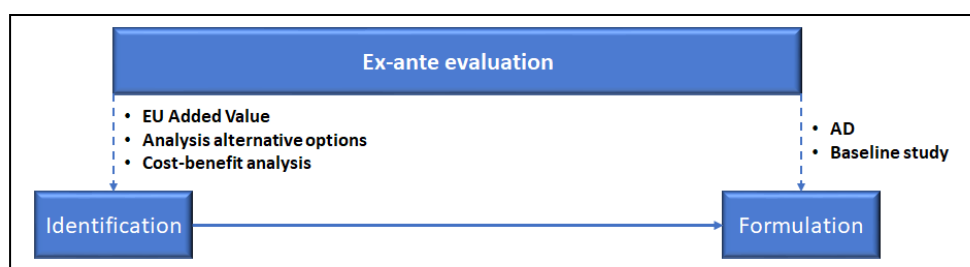
⁷ <https://www.ifad.org/en/project-design-and-management>

during ex-ante evaluation are already addressed in DEVCO either during Identification or during Formulation – and they are synthesised in the AD.

However, a few areas of analysis remain uncovered; they are:

- **EU Added Value.** It seems that this analysis should more properly be conducted during Identification. It is at this moment in fact that the rationale for EU intervention should be assessed, as assessing it during Formulation would be too late. In absence of EU AV there is no room for the intervention, or the intervention should be drastically revisited.
- **Analysis of alternative options** and how they compare (effectiveness, efficiency and coherence). Likewise, this analysis seems more relevant to Identification than to Formulation. If the result of this analysis would suggest a different approach, this should inform Formulation.
- **Cost-benefit analysis of the intervention.** This analysis would complement the analysis of alternative options by estimating the strengths and weaknesses of these options in view of achieving the more substantial results while saving on budget.
- **Baseline studies.** An ex-ante evaluation would be an ideal moment for the conduction of a baseline analysis that will guide the following monitoring and evaluation of the intervention.

Ex ante evaluations can be a useful complement to the present design process, by providing inputs both to Identification⁸ and to Formulation (they can provide the analysis needed to formulate the AD). This is represented in the following figure.



In case of interest, additional analysis is needed to understand how ex-ante evaluation can be integrated into the present intervention design process without altering it, the sphere of application of ex-ante evaluation and its actors.

Following to this, a specific ToR template is to be prepared (based on the FWC SIEA template for evaluations).

⁸ See above bullet list