South East England European Regional Development Fund Competitiveness Programme 2007-13

Effective Evaluation
A guide for ERDF Projects
Contents
1. BACKGROUND

All ERDF projects are required to undertake an evaluation of their activity.

This guidance is intended to help projects conduct a successful evaluation. There is a requirement for the ERDF Programme as a whole to be evaluated and the evaluations undertaken by projects will contribute to this. ERDF’s approach to project evaluation has been designed to:

- help projects robustly demonstrate their achievements
- enable projects to identify and share best practice which will help to improve performance across the programme
- provide project-level evidence that supports the evaluation of the programme as a whole that collectively demonstrates to a range of audiences the performance, achievements and impact of the projects that have been delivered
- inform the development of any future programmes
- help projects plan and implement successful exit strategies

2. WHAT IS EVALUATION?

Evaluation is a process which we all carry out, often inadvertently, on a daily basis. It is neither complex nor difficult to understand, and is merely a method by which judgements are formed about the success or otherwise of an action or decision.

Project and programme evaluation is essentially the same, the only difference being that for more complex interventions we need a more structured and formalised approach. There are many more formal definitions of evaluation, one being

“Evaluation examines the outturn of a policy, programme or project against what was expected and is designed to ensure that the lessons are fed back into the decision-making process. This ensures government action is continually refined

The term evaluation is often used rather loosely. It should not be confused with the following.

| Appraisal | The process whereby decisions are made about which projects or programmes will be funded by the funders. Although appraising interventions requires some evaluative skill (e.g. judging the relevance of a particular programme), it differs from evaluation, as it is not concerned with the impacts and successes of interventions. |
| Monitoring | This is the day-to-day collection of information and assists in the management of the programme. The key aim of monitoring is to ultimately ensure programme/project delivery. Monitoring should be systematic and regular whereas evaluation is not necessarily systematic and regular and may occur periodically. Crucially the difference lies in the fact that evaluation involves judging. You can have monitoring without evaluation, but you cannot have evaluation without monitoring. Evaluation therefore relies on effective monitoring procedures. |
| Audit | The process of auditing is one which ensures that funds have been spent honestly. It is important that stakeholders appreciate the difference between auditing and evaluation from a buy-in perspective. Stakeholders may feel defensive if they feel they are being financially inspected and scrutinised. |

3. WHY EVALUATE?

An evaluation takes place in order to determine the worth or value of a policy, programme or project. It seeks to assess impact or effectiveness using a defined process and methodology.
Evaluation is not merely a necessary process because funders’ require it. It is also a question of **good governance**. The projects receive ERDF money and it is important to know whether it is being spent well. Without evaluation it is only possible to see that funds have been allocated, that they have been spent, and (through audit processes) that they have been spent honestly.

Without evaluation there can be no **judgement** about the appropriateness of ERDF interventions. In the worst case scenario, interventions continue to be funded which do more harm than good, and individuals and areas of greatest need may be over-looked. There is no strategy, coherence with other programmes, and no evidence to justify on-going funding. No lessons are learned and money cannot be allocated where it will have the greatest impact.

All publicly funded bodies are increasingly being asked to create an **evaluation culture** so that it becomes a practice which is embedded throughout all stages of project and programme planning. In essence there is an increasing recognition that policy should be based on a sound rationale and firm evidence of what works. The practice of evaluation is more than this however. It allows for effective and efficient project and programme planning and implementation.

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*It is a common misconception that evaluation will create additional burdens. In reality the opposite is true; by following some simple processes project management will be easier.*
In summary, some of the reasons for doing evaluation are

- It allows projects to identify what worked well and what did not work so well, in terms of both what was done (outputs/results) and how it was done (processes)
- It helps projects and others to plan current and future projects or programmes (by improving the performance of the intervention, or identifying new opportunities)
- It assesses whether an approach adds value and or provides value for money
- It allows projects to build on their successes, develop good practice and avoid repeating mistakes
- It produces usable recommendations on the basis of evidence
- It helps you to shape projects’ dissemination strategy and to feed information into the decision making process

4. KEY EVALUATION CONSIDERATIONS

The following are key considerations when thinking about an evaluation.

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4.1 When to undertake an evaluation?

Evaluation can (and often should) be carried out at all stages of project – at some level, whether simply as an outline evaluation plan or through a more
formal contractual process. Evaluations are often characterised by the point in time or the stage in the project life-cycle in which they are carried out.

- **Ex-ante evaluations:** This term is used to describe evaluations which occur at the beginning of a programme, in the planning or developmental stages. It is at this stage that the logic and rationale for the project are considered, indicators developed and baseline data collected. Robust planning at this stage will make all subsequent stages of the evaluation easier.

- **Mid-term evaluations:** These types of evaluations occur at some point during programme implementation and are designed to measure and report on performance to date. They allow for adjustments and refinements of programme operational procedures and can help to identify whether the original objectives are still relevant. They tend to be less focused on outcomes and more focused on processes.

- **Ex-post evaluations (or final project evaluation):** These take place at (or towards) the end of an intervention. They are focused more on the outcomes, impacts and results of an intervention. The final evaluation report should largely be based on the accumulation of the monitoring data and mid-term evaluation reports. Evaluation that is saved to the end of your programme is evaluation too late to improve and sustain your work.

- **Longitudinal evaluations:** These cover all evaluation stages and commonly involve follow-up at some point down-stream once an intervention has finished.

4.2 Why? The types of the evaluation

There are two main types of evaluation which can be used depending on the purpose. These are called

- Formative evaluation (also called Interim evaluation)
- Summative evaluation (also called final evaluation)

**Formative evaluation** asks how, why, and under what conditions a policy intervention works, or fails to work? Formative evaluations are important for assisting the effective implementation and delivery of policies, programmes or projects. **Formative evaluation** is performed during the project/programme to improve the work in progress and the likelihood that it will be successful.
Summative evaluation (sometimes called impact evaluation) asks questions about the impact of a project or intervention on specific outcomes and for different groups of people. It looks back at achievements. Summative evaluation is performed near the end of the project/programme to provide evidence of achievements and success.

The distinction between summative and formative evaluations is not always as rigid as the above characterisation might suggest. The following table gives a quick comparison of formative and summative evaluation.

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4.3 What can be evaluated?

Evaluation is a very wide ranging concept, and at a general level virtually anything can be evaluated. In principle, if money has been spent some assessment should be undertaken of all activities.

In practice however, formal evaluations are important for
• **Programmes/Projects** – often a set of organised but often varied activities (a programme may encompass several different projects, measures and processes) directed towards the achievements of specific objectives. Some projects have evolved into programmes.

• **Other activities that are sensitive or complex** – This may include thematic areas (gender issues, equal opportunities) for example.

• **Pilot activities** – these should be evaluated as they exist in order to test programme or project ideas.
4.4 By whom? Internal or external evaluation?

The next key decision to make is whether or not the evaluation is carried out in-house or whether it is contracted out.

These two terms can be defined as

- **Internal evaluations**— also called self-evaluation are performed by members of the organisation which is conducting the activity being evaluated
- **External evaluation** – is performed by persons outside of the organisation managing the intervention.

There are advantages and disadvantages associated with both approaches.

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**Internal evaluation**

- Internal staff will often have excellent domain knowledge (i.e. expertise in the area in which they are working e.g. waste management on or SMES). In other words internal staff will know their work better than anyone else, they know the questions that need to be asked and perhaps the best way to ask them. Some larger organisations have internal evaluators who are independent of the programmes implemented.
- Can help to create a culture of organisational learning

**External evaluation**

- Can offer expert services both in their knowledge of evaluation and the subject area.
- Can often provide a more cost-effective solution than burdening internal project staff with work they may not have the time or skills to carry out.
- Can offer a more objective evaluation of your programme/project and its activities.
- May also be able to carry out the evaluation within a wider context which may help to answer evaluation questions relating to relevance, coherence and sustainability.
4.5 How? The focus of the evaluation

Determining whether or not a policy has had an impact often involves asking questions about how it has done so, for whom, why, and under what conditions it has had/not had the effect.

The focus and scope of your evaluation will be determined by the following factors:

Resources: the depth of the project analysis will be directly dependent on the budget and other evaluation resources the project have. The size of the budget will not only affect what can be done, but also how it can be done.

Time: Time constraints will limit what can be achieved. When time is short a tightly structured evaluation with a narrow focus may be required.

Programme and policy priorities: the focus of evaluation questions will be driven to some extent by the key programme priorities and/or funding bodies (e.g. Government, European Fund). Each one will have different priority questions.

Cross-cutting themes. It is possible that there will be good reason to examine important thematic areas across a range of projects or programmes. Issues such as Environmental sustainability and equal opportunities are pertinent to all ERDF projects. It may therefore be decided that a thematic area will be examined in a range of interventions.
The ERDF Operation Plan (OP) has two cross-cutting themes that will underpin all the actions undertaken as well as the approach to programme management and implementation:

- Environmental sustainability whereby actions should provide demonstrable positive environmental benefits
- Equality of opportunity whereby actions should promote equal opportunities for all and counter discriminatory practices.

These cross-cutting themes are a central part of the OP and have been reflected in the actions and targets for the Programme. They do not form a separate dimension to the delivery of the OP. The cross-cutting themes are to be considered at every stage of the life of a project, from its development, application and delivery, to how it is monitored and evaluated.

5. EVALUATING THE PROJECT

5.1 Internal evaluations

This guidance is relevant for project managers responsible for conducting the evaluation of projects which have been awarded ERDF funding of less than £500,000. The cost for an evaluation should be between 1% and 3% of the total project value, though this may vary on a case by case basis.

This guidance should be used with the internal evaluation template at the annex 1.

The internal evaluation process is important for learning lessons and improving projects, so it is important that it is completed as objectively as possible.

Internal evaluation should be used to tell the project’s ‘story’ with a clear beginning, middle and end. Why it was needed in the first place? What happened and with what effect?
The project manager should use an evidence-based approach to assess the impact of the project. Wherever possible analysis, arguments and conclusions should be drawn from and supported by a combination of quantitative data (hard data) and qualitative data (descriptions or distinctions based on quality rather than quantity) collected throughout the project’s lifetime. Indicate clearly where statements are opinions as opposed to an objective piece of evidence. This does not mean that opinions are less valued but it is important to distinguish the differences in meaning and interpretation.

Projects can also decide to include appropriate elements from the externally commissioned evaluation requirements (see next chapter).

Projects should plan for evaluation as early as possible to enable you to identify the type and amount of information to collect during delivery of the project that will be most useful to support the evaluation later on. Projects should allow 1-2 months to undertake an internal/self-evaluation depending on the type, amount and quality of evaluation information that you have managed to collect over the lifetime of your project.

PDT, DCLG will peer review the draft final internal/self-evaluation report to review its objectivity, accuracy and to check its compliance with the ERDF’s evaluation requirements. Once the report has been finalised PDT, DCLG needs to receive the final report for formal sign off.

The final report will contribute to ERDF’s programme-level evaluation; PDT, DCLG may also use the project-level evaluations for communications or publicity purposes.

5.1.1 Internal Evaluation Report

Internal evaluation report should contain following information. Template for the internal evaluation has been presented in annex 1.

5.1.1.1 Executive Summary
This should be a brief (no more than one A4 page) summary of what is in the report, stating:

- Brief Project Description
- Key Strengths of the project
- Key Weaknesses of the project
- Lessons learnt (what worked well and what worked less well)

It is suggested to complete the Executive Summary last so that you can summarise information from other sections

5.1.1.2 Project Background, Context and Rationale

Provide a short description of the background to the project, in particular:

- the key reasons supporting the original rationale for the project;
- the evidence of the need for the project; and
- who or what was driving the demand for the project.

5.1.1.3 Projects Aims and Objectives

Briefly explain the project’s stated aims and objectives set out in the ERDF application form, advising where these relate to the ERDF cross-cutting themes of Equality and Environmental Sustainability

5.1.1.4 Methodology

This should detail the various research methods/approaches and information sources used that support your conclusions in the report.
Examples could include:

- Feedback/interviews with key stakeholders (state with whom);
- Feedback from primary beneficiaries, could be via a survey (state how many responses);
- Case studies;
- Project monitoring information;
- Value for Money comparisons with other similar projects and activities.

5.1.1.5. Project Achievements

5.1.1.5.1 Project Outputs, Results and Impacts

Use your ERDF Funding Agreement and quarterly claims to complete the tables showing the achievement of outputs and results. You should show clearly the numbers that have been achieved (actuals) compared to the original targets. Use this table to analyse whether the project met its output and result targets. If applicable, compare actual trends with other available benchmark datasets such as area-based or sector-based profiles.

You should also include reasons for any over-achievement or under-achievement and, as appropriate, outline how you would address any issues in future projects.

You should clearly state within this section the Results that were expected at the start of the project and compare these to the Results that were actually achieved and the reasons for any variance.

5.1.1.5.2 Cross-cutting themes

*Equal Opportunities*
This section should look at the equalities information for your project. The following questions may be useful in completing this section:

- Were all equality forecasts met? Please explain any variances.
- Were your original equalities targets appropriate to your project? If not, why not?
- Did the equalities outputs and results delivered by the project reflect the needs of the key groups that you set out to support at the start of the project?
- Did the delivery of the project have any unexpected positive or adverse effect on beneficiaries? For example, you may have supported an unexpectedly high proportion of BAME beneficiaries through the project (i.e. a positive effect) or on the other hand you may have experienced an unexpected low proportion of BAME beneficiaries engaged through the project (i.e. a negative effect). Either way, effects and results not envisaged at the start of the project should be explained where relevant in order to enhance our understanding of how the project has impacted on different communities and why these effects occurred.
- How did your project develop and implement and equality and diversity delivery plan (if applicable)?

Demonstrate within this section whether your project has delivered against these equality and diversity points (if applicable):

- Reducing/overcoming barriers to equality and promoting equality and diversity.
- Contribution to community cohesion and promoting good relations across all equality groups.
- Involvement with partnership organisations representing equality groups.
- Promotion of race, disability and sex equality, for example the extent to which project partners understand their duties and responsibilities and that resources have been fairly and equitably allocated.
- Effects of regeneration activity on different ethnic groups in terms of participation, satisfaction and results.
Environmental Sustainability

This section should look at the environmental sustainability information for your project. The following questions may be useful in completing this section:

- To what extent did the project contribute to the ERDF Programme’s environmental sustainability objectives of:
  - Climate change and energy;
  - Natural resources and waste management;
  - Environmental quality;
  - Environmental awareness;
  - Market development and support for the environmental sector

- How did environmental sustainability inform the project and how well were environmental objectives incorporated into project delivery?

- To what extent did the project identify, assess and act on environmental impacts and opportunities?

- Were the original environmental sustainability targets realistic and achievable? If not, why not?

- Were the project’s environmental sustainability targets met? Please explain any variances.

- How did the project develop, monitor and review its environmental policy?

- How did the project promote and disseminate good environmental practice?

- Did any additional positive or negative impacts arise? For example, if the project supported an SME to improve its environmental performance, did this encourage other SMEs in the area to implement changes themselves, based on the benefits they perceived to arise?

- How were lessons learnt incorporated into your project?
5.1.1.5.3 Project Spend

Analyse the spend information and provide a brief commentary on the spend profile and any variances.

Provide details on:

- The baseline budget (what was agreed at the start of the project);
- The final budget (if the budget has changed from the baseline budget position, include an explanation of these changes); and
- Actual project spend.

Provide a commentary on any variances between baseline budget and actual project spend and the final budget and actual project spend. Take into account any ‘material’ changes during the project lifetime.

5.1.1.6 Assessment of Impact by Aims, Objectives and Results

To undertake this evaluation you are required to review the project’s performance and impact against each of its stated aims and objectives and each of its results.

5.1.1.6.1 Achievement against project aims and objectives

Key questions:

- To what extent were the project’s aims and objectives achieved?
- To what extent are the project’s aims, objectives and rationale still relevant after taking into account any changes in the context in which the project is working?
• What alternative project activity, if any, could have been used to deliver the project’s aims and objectives?

5.1.1.6.2 Achievement against project results to assess impact

Key questions:

• To what extent were the project’s results realised?
• To what extent were these results due to the project’s activities?
• If the project had not been funded by ERDF, what outputs and results would have been achieved anyway?
• What impact did the project have on its intended participants and/or participant areas?
• How sustainable are the impacts that were achieved?
• Were complementary or cross-cutting benefits realised regarding equalities and environmental sustainability?
• Were there any unintended benefits?

5.1.1.6.3 Strategic Added Value (SAV)

This section is where you can demonstrate (where relevant) what was achieved through the project that made a difference in addition to the achievement of outputs and results. The bullets below are intended to help you but only include if applicable to your project.

• Improved organisational profile in the community/region leading to increased confidence and investment in activities.
• Creation of a new partnership.
• Creation of awareness and interest in the community/region for partners to work together towards a shared strategic objective or to work together in a more effective way that builds capacity.
• Enables an increased knowledge and awareness about community/regional development needs (provision of an evidence base).

5.1.1.7 Trends and Issues

The purpose of this section is to draw out (in summary form) the key trends and issues arising from your analysis in the previous sections. This enables you to identify and differentiate between key aspects of the project’s performance that could help improve the design and delivery of future projects.

5.1.1.7.1 Key Barriers to Achievement

Key questions:

• What internal and/or external factors/barriers were critical in constraining the project’s success? How, if at all, were they overcome?

5.1.1.7.2 Key Opportunities

Key questions:

• What internal and external factors were critical in contributing to the project’s success? How, if at all, did the project take advantage of these opportunities?

5.1.1.7.3 Management and Delivery Processes

Key questions:

• Were any innovative delivery mechanisms used and with what effect?

• What changes (positive and negative) occurred in the management or delivery of the project? With what effect?

• What, if anything, was done to increase or reduce these effects?

• What alternative model of activity, if any, could have been used to deliver the project’s objectives?
5.1.1.7.4 Added Value

It is a requirement of ERDF funding that all activity must demonstrate added value. Added value means that the activity would not have taken place or would have happened in a different, less effective way without ERDF support. You should show how your ERDF project activity links with and complements other existing local provision; it should be over and above existing provision, not duplicating mandatory public sector provision.

5.1.1.7.5 Value for Money

Whether the project has achieved the best combination of:

**Economy** (‘doing things at the right price’) - are the project activities (project inputs) expensive? For example, how does the cost of providing a particular activity or service (e.g. business support by an advisor) compare with the cost of other similar public sector funded services or those available through the private sector (e.g. via banks)? If there are differences, why?

**Efficiency** (‘doing things the right way’) - given the above costs incurred in delivering activities for which outputs are claimed, what is the unit cost? In principle, from a breakdown of the project’s expenditure data it should be possible to determine which outputs have been claimed as a direct result of which activities delivered, enabling the costs of these activities to be apportioned appropriately to each output. Costs that support the delivery of all outputs (e.g. overhead/management and administration costs) should be apportioned across all of the outputs claimed. On this basis, unit output costs should be calculated for gross outputs achieved. As far as possible comparisons should be made with unit costs arising from other similar activities and if available compared with the original unit costs at the project's inception.

**Effectiveness** (‘achieving the right things, in the right way, at the right price’) – what is the return on the project’s investment when comparing the total costs incurred with the total benefits achieved? This involves placing a monetary value on the ‘results’ that arise from the outputs that have been delivered by the project, for example valuing an result such as a job filled as a result of an employment support output and comparing this result with the total cost incurred to achieve it. Cost benefit analysis is complex and therefore whilst a criteria for the impact of larger ERDF projects, it is not required as part of the ERDF self-evaluation.
5.1.1.7.6 Exit Strategy/Sustainability

Discuss what can be done to ensure that any positive effects are sustained and improved going forward.

*Key questions:*

- Has there been any succession planning?
- How effectively has the project planned for its long term sustainability where appropriate?
- What is being sustained and what could be sustained in terms of benefits and/or the services provided?

Explore the future sustainability of the project. The range of options for projects includes:

- securing further funding;
- developing the project into a social enterprise;
- developing the project into a private enterprise;
- mainstreaming; and

5.1.1.8 Key Conclusions and Lessons Learnt

The outputs, results and spend data and evidence should be brought together to produce informed conclusions. In the first instance collate all the evidence that is available. If there are significant gaps in your evidence base then it may be necessary to undertake further research, such as key stakeholder interviews or surveys of participants. For any evidence used it should be clear how and when it was collected in order to qualify the nature and meaning of the evidence used.

*Evidence from other evaluations:*

if applicable, use relevant evidence and findings collected from interim project or programme evaluations already undertaken, internally or externally.
Please use the following headings within this section:

- **Key findings (performance and impact)**
  - What were the key strengths?
  - What were the key weaknesses?

- **Key lessons learnt**
  - What approaches /activities have worked well?
  - What approaches /activities didn’t work so well?

- **Informing future approaches**
  - What should the project have done more of?
  - What could the project have done differently?
  - Sustainability

The conclusions should summarise the key lessons learnt from the above analysis including:

- Why the project’s outputs differed from its original forecasts;
- The cost effectiveness of the project;
- How effective the project activity has been in achieving its aims, objectives and outcomes results and why;
- Assessment of whether the project’s rationale is or is not still valid and the extent to which the project has addressed the broad problem that it set out to address at the start;
- Areas of good practice that could be used to inform the design and/or delivery of other projects in the future; and
- Review of any difficulties that were met during the project and how these were remedied. These are very important lessons that will assist in developing more successful and effective
projects in the future. Almost all projects will suffer some delivery difficulties, and recognising these and potential ways to overcome them is an important part of the evaluation process.

5.2 External Evaluation

This guidance is relevant to project managers commissioning an external consultancy to conduct an independent evaluation i.e. those projects that been awarded ERDF funding of £500,000 or more. The cost for an evaluation should be between 1% and 3% of the total project value, though this may vary on a case by case basis.

The information contained in this section is provided as guidance only and should be read in conjunction with the guidance provided for internal evaluation.

In all cases, and especially when a project is late-starting, you should commence preparation for the evaluation as soon as possible; it should not be left to end, by which time it could be difficult to source baseline data or other information.

It is important that any delivery partners are signed up to the evaluation in their Service Level Agreement (SLA) and that you establish processes for coordinating the collection of data.

You should ensure that SMEs supported by the project are willing to participate in the project evaluation, and for their data to be used by you and/or an external third party.

You should ensure SMEs/individuals have opted in to the evaluation process; you should maintain a record of this.

All external consultants hired to undertake the evaluation must be appropriately procured. Lead applicants should seek their own legal advice as necessary.
Lead applicants should ensure that a full audit trail is maintained for all procurement decisions and actions, and that this documentation is retained until at least 2025.

Projects should plan for evaluation as early as possible to enable you to identify the type and amount of information to collect during delivery of the project that will be most useful to support the evaluation later on. When commissioning an external consultancy to conduct the evaluation you should allow sufficient time to complete the correct procurement process and at least 3 months to complete the evaluation.

PDT, DCLG will peer review the draft final external evaluation report to review its objectivity, accuracy and to check its compliance with the ERDF’s evaluation requirements. Once the report has been finalised PDT, DCLG needs to receive the final report for formal sign off.

The final report will contribute to ERDF’s programme-level evaluation; PDT, DCLG may also use the project-level evaluations for communications or publicity purposes.

5.2.1 External Evaluation Report

The external evaluation report should contain following information. Template for the internal evaluation (annex 1) can also be used for external evaluation.

5.2.1.1 Executive Summary

Summarise the key findings of the report including: context and rationale; project lifetime expenditure; gross and net outputs achieved; value for money assessment; key findings and lessons learnt.

5.2.1.2 Project Background, Context and Rational
Briefly explain the project's original rationale; background, strategic context etc. add more detailed information as an appendix if appropriate.

5.2.1.3 Background and Rationale to the Evaluation

Insert the rationale to this evaluation, in particular explaining its purpose – why it is required, how it will be used and by whom i.e. key audiences

5.2.1.4 Research Methodology

The successful bidder will be required, as part of the evaluation, to develop a research methodology that demonstrates the most appropriate approach and study design for evaluating the impact of the project. Bidders will be expected to identify the economic analytical tools/statistical methods that are proposed in order to meet the specification output requirements outlined throughout this document.

As such the proposed research methodology might be expected (but not exclusively) to include:

- Interviews with key stakeholders/partners at strategic and operational levels;
- A robust survey of primary beneficiaries to gather insights into the impact of the intervention and its additionality;
- Survey of non-users as a control group to support identification of the counterfactual position and deadweight effects;
- Focus groups;
- Assessment of financial inputs (e.g. management & administration) and activities;
- Desktop analysis of project documentation – strategic and delivery information e.g. monitoring returns on expenditure, milestones, outputs;
• Assessment of standards of service provided;
• Case studies, particularly to demonstrate strategic added value;
• Benchmarking to compare with other similar projects and activities;
• Cost-benefit analysis.

5.2.1.5 Project Achievements

Section 5.1.1.5 – section 5.1.1.8 of Internal Evaluation can be used for internal evaluation.

5.2.2 Key Research Questions

Projects should prepare key research questions specific to the project that they would like answered by the evaluation. Some of the generic questions are presented below.

**Baseline/rationale for project**

• What was the strategic context for the interventions and how has this changed (e.g. new Government policies)? What were the baseline conditions?
• What was the rationale for the intervention? What were the market failure arguments?
• What were the equity arguments? Were the market failure arguments clearly evidenced and articulated? What were the key drivers behind the demand for the project that supported its rationale?

**Background Information**
• What does the intervention involve? How much has been spent on the intervention? Who has been involved in delivering it? How (if at all) does it link to other ERDF funded activities?

Aims and Objectives

• What were the appraised and contracted aims and objectives of the project?

The Offer

• What are the operational characteristics of activities and assistance provided? For example: what were the geographic area/spatial level of operation/benefit; location of activities in deprived wards; method of delivery; project timescales and nature of activities?

Organisational Linkages

• Which organisations (delivery partners/strategic partners) were directly or indirectly involved in the design and/or delivery of the project?

Profile of Expenditure

• What is the total project expenditure (to the end of the evaluation period and for total project outturn – achieved and forecast costs to date)? What has ERDF expenditure been (to the end of the evaluation period and for the total project outturn)?

Match Funding

• How much match funding is included? From whom and for what? What is the total public sector and private sector match funding expenditure?

Approved output targets

• What were the appraised outputs (performance indicator) targets including equalities targets?
**Gross Outputs Achieved**

- Have the contracted project outputs been delivered to target in terms of volume and quality and by target beneficiaries and locations? Are they economic, efficient and effective in their delivery? Have partner contributions been as intended and how have they performed against targets? What is the variance against targets?

**Achievements**

- Assessment of the achievement of the project including quantification of the benefits of the project, additionality and assessment of any future benefits.

**Conversion of outputs from gross to net**

- What have been the net outputs? What difference is there between gross and net outputs (i.e. what are the estimates of the adjustments for all relevant elements of additionality set out in the BIS/RDA Impact Evaluation Framework (IEF)? What is the extent of sub-regional displacement and multiplier effects? What unforeseen adverse and/or beneficial effects have there been?

**Net Results**

- How have the net outputs translated into net results? How far have the results and impacts varied across different groups, e.g. spatially or demographically? Cross-cutting analysis by beneficiary characteristics – location, ethnicity, gender, disability to assess impact of programme against cross-cutting themes of environmental sustainability and equalities.

**Impacts**

- What was the response to the need for intervention? How did/do the interventions align with the relevant ERDF objectives?

- What have been the gross outputs? What have been the direct benefits? What have been the indirect benefits?
• Has the intervention resulted in a change in the original situation identified in the rationale?

• Was there any potential duplication of provision? Or did the project create significant synergetic benefits?

**Net Additional Impacts**

• Were there any unintended impacts or indirect effects resulting from the project’s activities?

• What is the impact of the programme against the cross-cutting themes of equalities and environmental sustainability?

**Value for money**

• What was the value for money of the project as a whole in terms of the monetarised returns (all benefits) on the ERDF’s investments (all costs)?

• Was the project cost effective in terms of the ‘3Es’: economy, efficiency and effectiveness?

• What are the gross and net output unit cost ratios (total project cost and ERDF costs only)?

• What were the net result unit costs?

**Cost Benefit Analysis (as applicable)**

• Undertake economic cost-benefit analysis monetarising both social and financial returns on investment making clear all assumptions, benchmarks and comparators used. What is the cumulative Gross Value Added (GVA)? If applicable, GVA achieved to date and forecast GVA. Refer to separate LDA Cost Benefit Analysis Guidance. Please note that all additionality/impact calculations should be included as an appendix.

**Strategic Added Value**

• What (if any) strategic added value/impact has the ERDF delivered through this intervention over and above the impacts described above? Can this be quantified?
• Evaluate Strategic Added Value using BIS/RDA Impact Evaluation Framework (IEF) categories comprising leadership or catalytic functions, strategic influence, leverage, synergy and/or partner engagement.

Conclusions

Performance against contracted requirements:
• What has been the project’s achievement against its stated aims, objectives and outcomes? What are the intermediate and longer-term impacts on intended beneficiaries or beneficiary areas?
• Were the project objectives and rationale still relevant at the end of the project compared to its original intentions?

Economic Impacts:
• What has been the overall impact in terms of cumulative GVA (wherever possible)?
• What has been the impact of the ERDF’s interventions in terms of meeting the ERDF Programme’s objectives and other key targets?
• To what extent have the interventions addressed and corrected market failures and its original rationale? To what extent were the original rationale and stated market failures relevant? Was the problem that the project set out to address correctly identified and defined?

Measuring Outputs and Results:
• How reliable were the findings? Were any gaps in the evidence base or weaknesses in the design, implementation and utilisation of project monitoring and evaluation frameworks identified?

Key findings (performance and impact)
• What were the key strengths?
• What were the key weaknesses?
Key lessons learnt

- What approaches /activities have worked well?
- What approaches /activities have worked less well?

Informing future approaches

- What should the project have done more of?
- What should the project have done less of?
- Sustainability?

Important note: all additionality, impact and value for money calculations should be submitted in full, if necessary, as an appendix to the report. For transparency and quality assurance purposes, it is essential that any reader of the report is able to follow in a step-by-step way the calculations used for any of the figures produced.
### Annex 1. Project Evaluation Template

#### Project Summary

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>European Project Manager</td>
<td></td>
</tr>
<tr>
<td>Lead Partner/Manager completing the Internal evaluation</td>
<td></td>
</tr>
</tbody>
</table>

| Project Number | |
| Approved ERDF funding | |
| Approved Match Funding | |
| Total Lifetime Cost of the Project | |
| Actual Project Start Date | |
| Actual Project End Date | |

1.0 Executive Summary

2.0 Project Background, Context and Rationale

3.0 Project Aims and Objectives

4.0 Methodology

5.0 Project Achievements

5.1 Project Outputs, Results and Spend
### Project output table

<table>
<thead>
<tr>
<th>Output</th>
<th>Target outputs</th>
<th>Actual outputs</th>
<th>Actual Variance</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Businesses Assisted (O3c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of businesses involved in the programme</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project results table

<table>
<thead>
<tr>
<th>Output</th>
<th>Target result</th>
<th>Actual results</th>
<th>Actual Variance</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of jobs created (R1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Businesses with Improved Performance (R3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5.2 Cross cutting themes

*Equal Opportunities*

*Environmental Sustainability*

### 5.3 Project spend

*Project Spend Table*
<table>
<thead>
<tr>
<th></th>
<th>Approved Budget (£)</th>
<th>Actual Spend (£)</th>
<th>Variance (£)</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Public Match Funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Private Match Funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6  Assessment of Impact by Aims, Objectives and Results

6.1 Achievements against project objectives

6.2 Achievement against project results to assess impacts

6.3 Strategic Added Value

7  Trends and Issues

7.1 Key Barriers to Achievement

7.2 Key Opportunities

7.3 Management and Delivery Processes
7.4 Added Value

7.5 Value for Money

7.6 Exit Strategy/Sustainability

8 Key Conclusions & Lessons learnt
Bibliography

1. South East England European Regional Development Fund Competitiveness Programme 2007-13 – Operational Plan

2. ERDF user manual chapter 2

3. The Evaluation Library within the Knowledge Centre lists all key documents. To see the full list and an explanation before going into each document, go to the Evaluation Library, then into Evaluation Policies and Guidance folder and view the first word document E00 – Guide to the Evaluation Guidance Documents.


14. www.evaluate-europe.net (includes a useful handbook on evaluation)

15. Key evaluation references:
