From techniques to policy: roles of, and issues around the use of impact assessment

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A policy shaper's perspective

- E.g. how legitimate, credible and usable 'impact assessment' is for:
  - parliamentary representatives
  - ministers and their equivalents
  - and heads of key stakeholders (firms, NGO…)

- The exemplary case of the US ATP programme as a source of reflection

3 considerations for this presentation

1. Do not forget impact assessment is one type of evaluation (and often one dimension in an evaluation)
   → beware of 3 major pitfalls
2. There may be a wide gap between the goals of the program and what can be expected
   → ex ante disentangling of 3 classical issues in evaluation (appropriateness, effectiveness & efficiency)
3. Delineate the policy objectives of the impact assessment
   → 6 questions about "what we are looking for" derived from experience

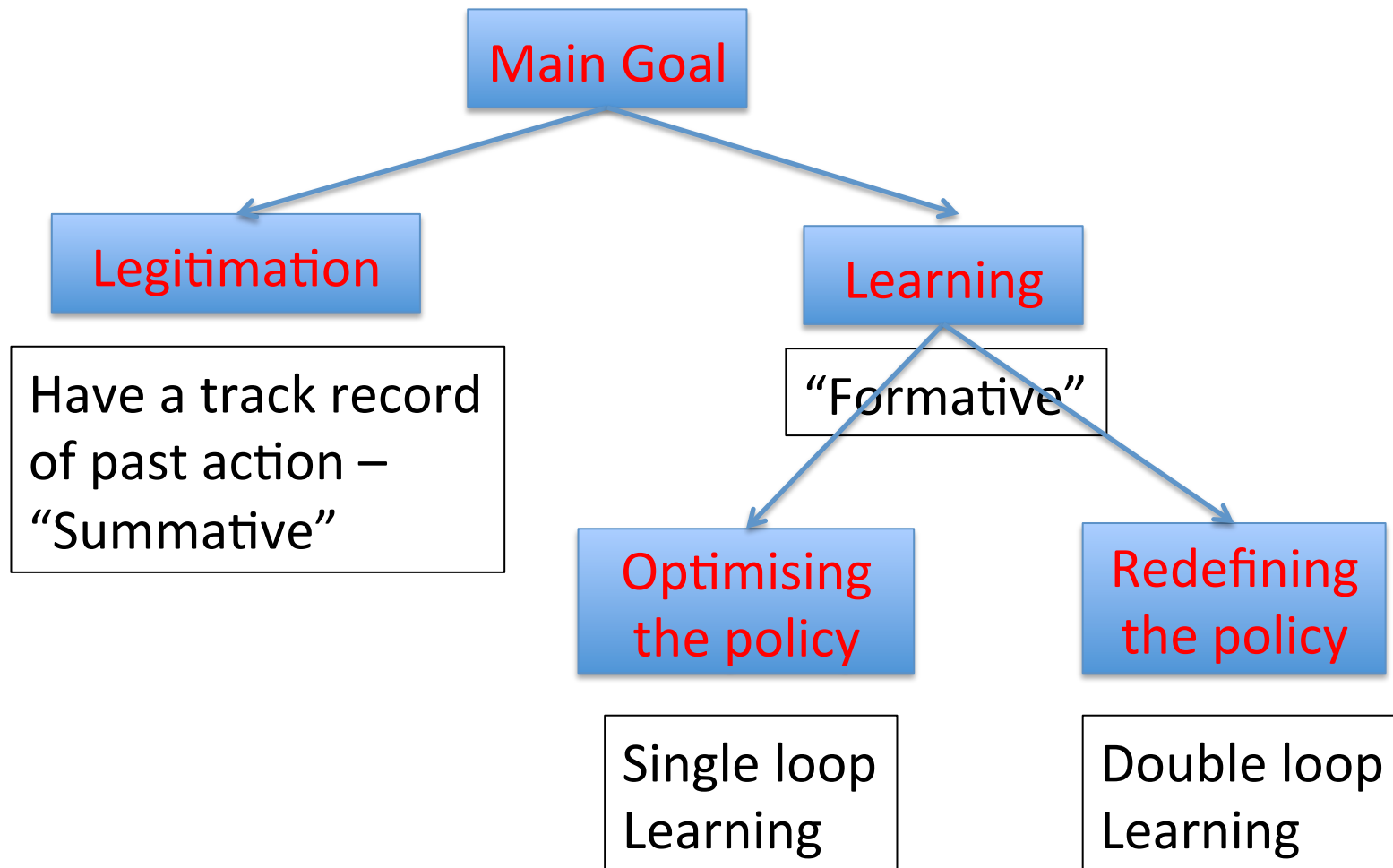# Impact assessment as a policy evaluation: 3 pitfalls

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The pitfall	description	Most common outcome
'Routinisation'	Ask the same questions with the same approach to all programs	Fill the shelves of administrators
Timing	Do it 'too early'	Only anticipated results, outcomes and impacts
Questions raised	* Evaluate along problems of the day * Evaluate along objectives set when the policy was enacted	Often mixt results Interesting reports but often irrelevant to policymakers' questions

Back to basics: 2 reminders (1)

- The classical view on impacts – associated with the diffusion of innovations (Rogers)

  - outputs: the direct results expected from individual activities

  - outcomes: their embedding into effective innovations

  - impacts are linked to the diffusion of innovations in society – hopefully leading to hoped systemic transformations

  (see also Wolfgang Polt presentation)

Back to basics (2): Evaluation goals –
A simplistic categorisation

Main Goal

Legitimation

Learning

Have a track record
of past action –
"Summative"

"Formative"

**Optimising
the policy**

**Redefining
the policy**

Single loop
Learning

Double loop
Learning

Clarifying the "potential for impact" (1)

- Key issue: the translations made (and the directions they promote).
  The "aim- goal – objectives followed & results expected – implementation structures" model

3 main issues	
Appropriateness	Implications of the type of program selected to implement goals
Effectiveness	Implications of the implementation mechanisms selected
Efficiency	Of the delivery mechanisms put in place

Clarifying the "potential for impact" (2)

One very partial example – support to innovation capabilities of firms: The use of a classical well established 'logic chart'

Approach	supply		demand
	Direct (subsidies vs soft loans)	Indirect (tax credits)	…
Implementation mechanism	Periodic competition (best selected)	Continuous criteria-based selection	…
Delivery mechanisms	Type of peer committee		
	Monitoring practices: funds used vs results obtained		

"What are we looking for" (1)

IFRIS

6 questions	Derived from past experience
1- Impacts really?	→ See next overhead
2- Direct or indirect Effects	Remember the seminal and exemplary impact assessments of space research
3- Economic effects only?	What about societal, environmental, political effects? What about 'grand challenges' Remember that mission oriented research build 90% of the US federal budget for research

Impacts really? The case of tax credits evaluations

- Aim: improve innovation capabilities of firms

- Objective: reduce the cost of R&D activities

- Implementation mechanism: provide a tax reduction (multiple ways to do so)

- Expected output: increased R&D expenditure by firms

- Expected outcome: more innovations by firms

- Expected impact: more jobs (and more exports)

- The problem: nearly all assessments have only considered outputs – what is the expected/realised increase of R&D per unit of tax credit.

"What are we looking for" (2)

6 questions	Derived from past experience
4- One number only?	- Credibility issues of rates of return - The asymmetric distribution: few projects generate most impact - the role of case studies and stories
5- What about creative destruction?	- Raw vs net effects? - Balancing job creation & destruction: the sensitive issue of location

"What are we looking for" (3)

6 questions	Derived from past experience
6- What about understanding the role of policy?	- Innovation is the outcome of Networks - What is measured counts for all actors in the network - policy being one actor, how to approach its role? * attribution, i.e. allocating one portion of the measured effects * contribution, i.e. characterising the roles played by the policy

To sum up

BEFORE LAUNCHING AN IMPACT ASSESSMENT

1. Be clear about addressing the classical evaluation pitfalls

2. Disentangle what **can** be expected from what **should** be expected

3. Clarify what are the impacts you wish to know about

A final note

- Preparing and designing an impact assessment is mostly an issue of comparative knowledge and of learning from others

- Some resources:

- OECD-World Bank IPP platform: www.innovationpolicyplatform.org

- MIOIR innovation policy compendium: www.innovation-policy.org/compendium

- RISIS SIPER repository of R&I policy evaluations (opeing March 2015): http://risis.eu

- SIPER needs your support to include evaluations done in your country → contact Abdullah Gok, abdullah.gok@mbs.ac.uk