



Policy Brief

Policy Evaluation in Ireland in the 21st Century – An Evolving Landscape







An ongoing series of seminars, jointly organised by the SFI MaREI Centre for Energy, Climate and Marine and the Evaluation and Audit Unit in the Department of Foreign Affairs and Trade (DFAT), aims to provide a forum for policymakers and wider stakeholders to discuss the challenges of system transition for policy, and build a common understanding of how such transitions can be implemented and evaluated. Previous seminars have discussed the OECD System Transition framework and its application in Ireland; and compared how long-term visions have been developed for both the climate transition and the bioeconomy in Ireland. This policy brief, based on two seminars in the MaREI/DFAT series, addresses the topic 'Policy Evaluation in Ireland in the 21st Century'.

Introduction - Evidence, Evaluation and the Policy Cycle

Evaluation is an intrinsic part of governance [1]. Results-based monitoring and evaluation represent public management tools that provide information that can be used to better develop and implement policies, and to demonstrate progress on national policy goals. Within this context, ensuring value for money and the effective use of resources are two well-established goals of evaluation. As illustrated in Figure 1, however, the use of evaluation goes beyond resource effectiveness to span the entire policy cycle. As Figure 1 shows, evaluation methodologies can also contribute towards problem identification, policy formulation, policy implementation, measurement of progress towards objectives, and policy learning.

The effective use of evidence-based evaluation across the policy cycle is becoming ever more important as policy makers grapple with complex societal challenges such as climate change, pollution, and environmental degradation. Other challenges, such as housing and healthcare, can also draw on evidenced-based evaluation across the policy cycle for their solutions. The increasing complexity of many policy challenges is also demanding greater use of experimentation in policy, so that learning from evaluation during policy implementation is becoming ever more important.



Figure 1: The benefits of evaluation span the entire policy cycle.

Demand for Evidence in the Policy Cycle

An effective evaluation system depends critically on two elements, namely (i) an ability to generate sound evidence (the supply side) and (ii) the capacity within the system for individuals and institutions to use that evidence (the demand side). An optimal evaluation system requires capacity building on both the supply and demand sides, across the entire policy cycle.

The first policy seminar on which this policy brief is based explored recent developments in policy evaluation in Ireland, particularly on the demand side.

The demand for evidence from Government Departments, in the form of data, modelling, international comparisons etc., has been growing in Ireland, in recent years. Three examples, explored in the first seminar, serve to highlight some of the drivers for this increased demand in Irish policy making and implementation.

1. The culture of evaluation within the **Department of Employment and Social Protection** strengthened considerably as a result of the 2008 Financial Crisis. This crisis resulted in high levels of unemployment and an urgent need for effective policy intervention. The introduction and scaling up of labour market activation programmes at that time, demanded evidence and evaluation to ensure that unemployment and other social issues were being effectively addressed. Following the crisis, the Department developed an informal network including allied professionals, academics and the OECD, to draw on for evidence and policy advice, and a cycle of evaluation and learning has been established. While evaluations today are typically carried out at a programme level, the importance of the evaluation of policy mixes is increasingly being acknowledged.

- 2. Development Cooperation in the Department of Foreign Affairs and Trade (DFAT) provides a second example of an increase in demand by Government Departments for evidence-based evaluation. Ireland's Development Aid budget has received increased public visibility in recent years, given Ireland's commitment to increase aid to 0.7% of Gross National Income (GNI) by 2030, and Ireland's commitment to the implementation of the Sustainable Development Goals. Evaluations of development programmes are challenging by their very nature, due, for example, to lack of sufficient data in many developing countries, and the fact that multiple funding partners typically contribute to development programmes, making it more difficult to establish attribution. Evidence-based evaluation has become quite well established within DFAT as a result of the combination of the need for accountability, demand for evidence of effectiveness, and need to learn from interventions to constantly improve impact. By responding to these drivers, Irish Aid, working as part of an international network for learning and evaluation, has established a positive international reputation for evidence-based policy and policy learning.
- 3. The Irish Government Economic and Evaluation Service (IGEES) was established in 2012 within the Department of Public Expenditure and Reform to enhance the role of economic and value for money analysis, policy evaluation in public policy making, and to build capacity across government Departments to do so. IGEES' establishment was a direct response to a weakness in economic analysis and economic planning highlighted during the 2008 Financial Crisis. IGEES' capacity building is based on the recruitment of economists and other specialists into the civil service, alongside a programme of training of IGEES staff in evaluation methodologies and techniques. IGEES aims to enhance the technical capacity of government Departments and agencies to systematically measure, evaluate and report on key economic aspects of their programmes and to design better policy. As part of its mission, IGEES also facilitates policy dialogue between government departments and academia and other external specialists.

These three examples illustrate how evaluation practices are becoming increasingly embedded across Government Departments and Agencies in Ireland in response to different demand side pressures. A similar strengthening of evaluation practices and cultures can also be observed across other Government Departments.

Evaluation and Grand Challenges

In addition to pressing problems such as employment, housing and healthcare, policy makers are also under increasing pressure to address urgent so called 'grand challenges', such as climate change, resource depletion, and environmental degradation. A series of policy initiatives are underway in Ireland which aim to tackle these grand challenges, including the *Climate Action Plan 2019*, the *National Policy Statement on the Bioeconomy*, and the *National Implementation Plan for the Sustainable Development Goals* (SDGs), among others.

Grand challenges require a new approach to policy. Recent work by the OECD has shown that addressing such challenges often involves fostering the transition of existing unsustainable systems, which provide the basics required for societies to function, such as food, energy, heating and transport, to more sustainable configurations. A policy framework, known as the system transition framework, has been developed by the OECD to help guide policy makers in facilitating these transitions. In the OECD's system transition framework, evaluation plays a wider role than is typically the case in policy evaluation. In system transitions, policy makers face the challenge of developing a vision of what future sustainable systems will look like, including what technologies are likely to play important roles, what infrastructures will be needed, how these will be financed,

and how individual patterns of behaviour will need to change. In addition, the management of system transitions also needs to ensure that the delivery of essential services such as energy, food and transport continues during the transition. This means that management of system transitions need to mitigate against the significant risks involved.

Figure 2 shows the multi-level perspective of system change widely used for conceptualising system transition [2]. It illustrates how change typically results from interactions at three levels:

- 1. The micro-level involves innovative experiments, for example by firms and communities developing and adopting new technologies and lifestyle practices
- 2. The meso -level is the existing technological paradigm, for example the existing technologies and practices that make up the current fossil-based energy system, and
- 3. The macro -level comprises high level mega-trends such as long-term changes in technology, in the social acceptability of technologies, and the political landscape that supports or opposes change.

Figure 2 illustrates that for new innovations to break through and replace an existing paradigm, multiple policies are needed to overcome current technological infrastructures and practices. This is the challenge that policy makers now face, implementing a mix of policies that enable innovations to break through and create new and more sustainable systems.



Figure 2: The multi-level perspective of system transition

International Learnings from Sweden

In the second policy seminar upon which this brief is based, policy insights from Sweden were presented and discussed. Drawing on evolving evaluation practices in Sweden, the following high-level themes were identified as emerging factors in the evaluation of large-scale system transitions there.

Clear evolution towards challenge-driven policy

Internationally, the evolution of policy towards system innovation has been happening gradually over the last decade or more. Sweden has been a first mover in shaping this evolution, not least through its lead role in the Lund Declaration, which was published during the Swedish EU presidency in 2009. The Declaration declared support for a 'grand challenge' approach to research and innovation and called on EU institutions to develop viable ways of implementing such an approach. The influence of the Lund Declaration can be seen in the fact that in the eighth EU Framework Programme for Research and Innovation, Horizon 2020 (2014-2020), 'Societal Challenges' was adopted as one of the three main pillars and accounted for almost €30 billion of the Framework's €77 billion budget.

• Experimentation, involving both technologies and policy, is essential for transition

The Swedish Government Agency for Innovation Systems, Vinnova, has been at the forefront of the development of policies and policy instruments designed to implement challenge-based approaches. As Figure 2 illustrates, system transitions are characterised by innovative experiments aimed at replacing existing unsustainable technologies and practices with more sustainable technologies and practices. Collaborative initiatives have emerged that design, implement, and monitor experiments in real-world settings, including, for example, technology test beds, collaborative consortia involving government, industry and citizens, mission driven projects, and community projects aimed at piloting more sustainable living [3]. Such technology-based experiments need to be accompanied by policy experiments that seek to find the mix of policy supports that enable new solutions to break through and scale to societal level. As system transformation is highly uncertain, evaluation needs to be deeply integrated into all stages of the policy cycle to generate continuous learning to guide progress and manage risk, rather than being limited to summative ex-post evaluations, which is the current dominant international practice.

• Co-creation is crucial in planning, learning and evaluation

The central role of highly collaborative initiatives in addressing the wicked problems of climate change and other grand challenges places new demands on evaluation. The centrality of co-creation, within a context of radical uncertainty, places evaluation in a central role in terms of enabling co-learning, co-planning and collaborative evaluation. The diverse actors within such collaborative initiatives— including firms, higher education institutions, government bodies, civil society organisations and citizen groups - bring with them a range of rationales for participating in the co-creation process. These rationales include economic objectives, knowledge creation, technology development, and various social objectives, including, reduced greenhouse gas emissions. In this context, evaluation needs to move from being a centralised external activity to become a core internalised collaborative activity aimed at charting direction, gauging progress and maximising spill-over processes in terms of shared learnings. Since such process can be highly contentious, consensus-building and facilitating resolution of differences become key roles for government.

Evidence for Policy – The Supply Side

Within the evolving policy landscape in Ireland, a wide range of government departments and agencies are now generating evidence to inform policy as an integral part of their roles. A notable development in recent years has been the increasing number of collaborations between government and higher education. A number of examples were discussed at the seminars, including the SFI MaREI Centre for Energy, Climate and Marine, the SFI BiOrbic Bioeconomy Research Centre, and Dublin City University School of Law and Government. Linkages between researchers and evaluators are also increasingly being put in place.

SFI MaREI Centre

The SFI MaREI Centre has established itself as a resource for policymakers in the area of the energy transition and climate action. For example, collaborative research [4] by MaREI, together with the International Renewable Energy Agency (IRENA) underpinned the European Council decision to increase the EU 2030 Renewable Energy target in 2018. Ireland's All of Government Climate Action Plan cites the key role MaREI plays in climate adaption policy, developing draft guidelines and providing training for local authorities on local climate adaptation planning. MaREI's guidelines have been adopted by DCCAE as the National Adaptation Guidelines.

SFI BiOrbic Bioeconomy Research Centre

The national bioeconomy implementation group are engaged on an ongoing basis with the SFI BiOrbic Bioeconomy Research Centre to integrate the outputs of the BiOrbic Knowledge Platform for a Sustainable Bioeconomy regarding: socio-economic analysis of bioeconomy; consumer and citizen understanding of the bioeconomy; life cycle thinking for bioeconomy; and development of bioeconomy networks, collaboration & industry engagement into the policy implementation activities.

DCU School of Law and Government

The School of Law and Government at DCU has undertaken an Irish Climate Policy Evaluation project, funded by the Irish Environmental Protection Agency, aimed at informing future climate change policies in Ireland via an ex-post analysis of climate policy. The project developed a robust evaluation framework, drawing on EU evaluation best practice, which was applied to Ireland's policy response to climate change between 1996 and 2018 across five sectors: electricity generation; built environment; transport; agriculture, forest and land use; and climate adaptation and resilience.

Linkages

To facilitate linkages between policy-demand and research-supply, a range of initiatives are emerging. These range from formal Government advisory groups such as the climate action modelling group (CAMG), secondments between Government Departments and Universities (such as that between MaREI and the Department of Business, Enterprise and Innovation); and contracts for research services, such as the absorptive capacity elements of MaREI's energy modelling services contract with DCCAE. IGEES' policy dialogue between government departments and academia is another example of linkages between research and evaluation. Within government Departments themselves, other initiatives, such as IGEES' Research Fund, aim to promote cross-Departmental cooperation on complex policy issues.

Conclusion

Evaluation practices and structures in Ireland will continue to evolve in the context of the climate transition. As noted above, the role of evaluation in system transitions differs in a number of respects from dominant existing evaluation paradigms. First, the imperative to maintain essential services during transitions means that ongoing evaluation during policy implementation becomes a critical risk management tool. Second, evaluation of system transitions involves a greater emphasis on experimentation, learning from experience, and an increased requirement for multidisciplinary inputs. This means that evaluation needs to be deeply embedded within the policy design and implementation process. Third, while evaluation against economic criteria, such as value for money, remains essential, a more diverse set of evaluation metrics typically need to be devised and monitored.

Evaluation practitioners in Ireland, as elsewhere, face the dual demand for evaluation of specific Government programmes and policies, as well as crafting evaluation as a tool for addressing societal transitions, including climate change. Ireland also faces pressing issues such as Brexit, changes in global taxation of multinationals, and challenges in housing and health, alongside the major challenge of recovering from the Covid-19 pandemic. All of these issues require joined up governance as they do not fit neatly within the remit of single government Departments. The institutional arrangements for dealing with these new realities are still evolving. Already, the demand for evidence and evaluation is growing, and the supply of evidence for policy is increasing. Novel linkages between supply and demand are also being put in place. In the coming years, it can be expected that these various strands of evaluation practice will begin to influence each other, as research findings, learning-by-doing, and evaluation as a tool for system transition, become ever more embedded in diverse areas of government policy making.

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