

Counterfactual Impact Evaluation in Action: Concept and challenges

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What is Counterfactual Impact Evaluation and why it matters?

- CIE helps answer the key question of **effectiveness**: Did the intervention make a difference?
 - Establish the extent to which an intervention —and that intervention alone—has induced a **change in an observable outcome > CAUSAL effect**
 - **Counterfactual**: what would have happened without the policy?
 - Causal effect is the difference between what you observe and what you would have observed without the policy
 - Several **methods** to find it: RCT, DiD, RDD, Matching
- It supports **evidence-based** policymaking for ESF+ and ERDF.
- Part of the European Commission's effort to strengthen **evaluation culture**, embedded in the policy cycle



Added value of CIE



CIE isolates the **causal impact of a programme** by comparing treated units and a counterfactual group.



Provides robust quantitative evidence on **what works and for whom**.



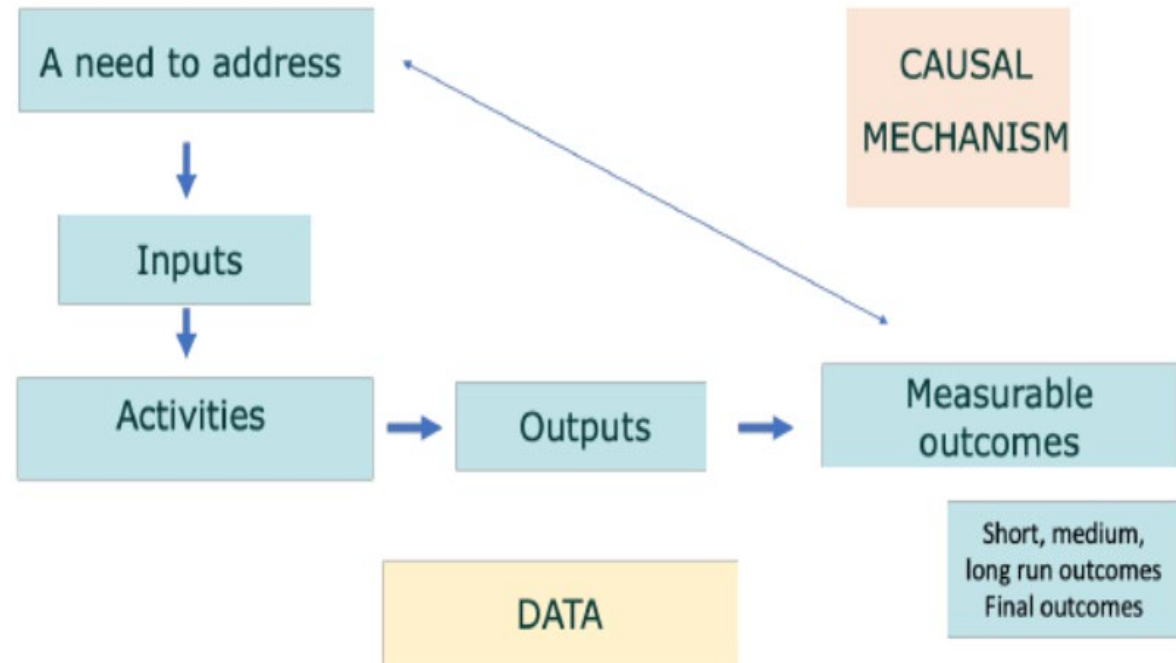
Supports scaling up or redesigning programmes.



Helps communicate impact to citizens and policymakers.

Let's Evaluate What Can Be Evaluated

- Focus on **specific interventions** – with a clear target group, selection criteria and expected **measurable outcomes** - not entire programmes.
 - Zoom in and better quantify the impact of specific lines of intervention
- Prioritise based on policy relevance, evaluability, and data availability: need to assess feasibility of CIE!
- Use **theory of change** to define outcomes and impacts.



Main ingredients needed for CIE

DESIGN

DATA

Good design + good data =
good evaluation

Main ingredients needed for CIE

DESIGN



Intervention purpose with clear outcome expectations: the **goal** of the intervention and the causal **mechanism** should be clear



- The treatment should be clearly distinguishable



- **Selection mechanism** (How are treated units selected and how can the control group be identified?)



- Which is the **right outcome**? Measurable at the right time for both treated and control units, operationally linked to the intended impact of the intervention through a causal chain

Main ingredients needed for CIE

DESIGN challenges & solutions

Challenges	Solutions
The evaluation units are often not involved in the design phase of interventions.	I) A dialogue between policy makers and evaluators in all the phases of the evaluation process. ii) Engaging stakeholders with internal capacity on evaluation: finding project organizations working on implementation with expertise in evaluation is important. iii) Make key stakeholders (e.g. the PES) a strategic partner of the evaluation.

Main ingredients needed for CIE

DATA



Data not only on the beneficiaries of the intervention, but also on a group of non-treated units, which should be used as **control**



Need to use **longitudinal data**, which allow to measure a baseline(before the intervention take place) and the proper outcome(sometime after the intervention has been completed).



Need of control variables



Administrative data combine with program data is the best option

Main ingredients needed for CIE

DATA challenges & solutions

Challenges	Solution
Exchange of data between different partners & GDPR (Data access, availability, linking of data, and GDPR represent the most common challenges. In addition, data on control group (non-beneficiaries) is not always available)	i. ad hoc memorandum of understanding ii. Involvement of national institutes iii. Investment in improving IT systems to facilitate data access and linkage. iv. Plan data needed in advance, check if registry data exist, plan data collection

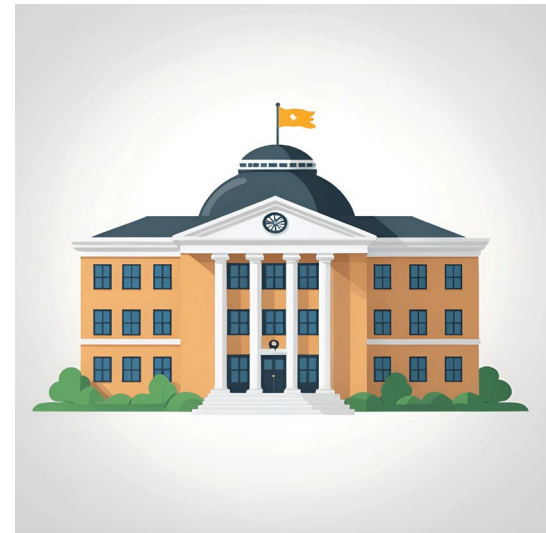
Getting Quality through Smart Contracting

- Specify CIE methods and quality criteria in ToR.
- Avoid overly broad contracts; use **clear deliverables**.
 - Purpose and aim, Evaluation questions
 - Evaluation design: Short description of methodology preferred for the evaluation
- Demand that the evaluation shall:
 - Be based on a clear analytical framework
 - Describe and explain results and effects based on the evaluation questions
 - Know which **data** will be used!
- Demand **competence** with the evaluation team on: Methodology (CIE), area of expertise (topic)
- Time tenders carefully to attract qualified evaluators.



Building Bridges with Researchers

- **Universities** rarely apply to tenders – engage them directly.
- Offer **data access** or **research opportunities** as incentives.
- Create PhD or postdoc positions linked to evaluations.
- Involve academics in steering groups and peer review.





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