

National Electricity Consumers Advocacy Panel

Process for evaluating the effectiveness of projects funded by the Panel

In June 2007, the Panel commissioned consultants ACIL Tasman to develop a framework for the evaluation of the effectiveness projects funded by the Panel. ACIL Tasman's report was received in September 2007 and issued to stakeholders for comment in October 2007.

This report sets out the evaluation framework adopted by the Panel after taking account of comments by respondents to the consultation and the experience gained from a trial evaluation of two projects.

1. Funded projects and programs

The Panel funds two types of activity:

- discrete advocacy projects; and
- advocacy/capacity building programs.

A **discrete advocacy project** generally arises as a response by an applicant to a request for submissions in relation to a policy, rule or regulatory review. In some cases, the applicant will initiate a project whose objective is for a specific issue to be put on the advocacy agenda. The applicant seeks funding for the specific project.

An **advocacy/capacity building program** has two elements:

- discrete advocacy projects; and
- ongoing development of the applicant's capacity to advocate effectively.

Funding for advocacy/capacity building programs is generally directed to paying the salary, or part salary, of a person engaged by the funded applicant to undertake advocacy in specific policy, rule and regulatory reviews that are relevant to its end-user constituency.

Funding is provided for a defined period of time, normally twelve months. Within the funding period, the applicant will enhance and expand its capacity to advocate through the development of expertise and experience, and the sharing of knowledge both within its organisation and with other advocacy organisations.

2. Evaluation of the effectiveness of funded projects and programs

The Panel conducts ex post evaluations of a selection of projects and programs to:

- improve the effectiveness and efficiency of advocacy by providing specific feedback and guidance to applicants whose work is evaluated and by providing a general 'lessons learnt' available to all applicants;
- provide information on the effectiveness and efficiency of the Panel's program.

Evaluations are carried out against the outputs and outcomes specified by applicants in their 'Application for Funds'. Well documented outputs and outcomes not only provide the foundation for evaluation, they are, even more importantly, the cornerstone of effective projects and programs because they give direction to effort - it is well understood that projects with no clear direction are unlikely to succeed.

2.1 Outputs and Outcomes

Outputs are goods, services or programs that are delivered to external bodies. They are the engine room of performance and the quality, timing and cost effectiveness of their delivery are critical factors in evaluating effectiveness and efficiency.

Outcomes are the results the applicant is seeking to achieve through its outputs. They are the basis on which the test of effectiveness is measured.

2.1.1 Advocacy Projects

Examples of the form that effective outputs and outcomes might take are listed below:

Outputs	Outcomes Sought
<ul style="list-style-type: none"> - an identified report, analysis or process that is provided to an external body or supports advocacy to review bodies; - research which includes an explanation¹ of how it: <ul style="list-style-type: none"> - will contribute to the objectives in 1.2 of Panel document entitled "Funding Criteria and Funding Application Guidelines"; - will promote the interests of stakeholders; - will contribute to desired outcomes. 	<ul style="list-style-type: none"> - an existing or proposed policy, rule or regulatory outcome is to survive a review process; - an existing or proposed policy, rule or regulatory outcome is to change as a result of a review process; - an existing or proposed policy, rule or regulatory outcome is made the subject of a review; - policy and regulatory decisions give full consideration to stakeholder concerns.

Advocacy opportunities arise from time to time throughout the year, often many months after recipients of advocacy/capacity building program funding complete the "Application for Funds" forms. In this light it is unrealistic to expect these recipients to provide well defined outputs and outcomes for such projects at the time they complete their forms. These recipients are required to establish more specific outputs and outcomes at the time they embark on a specific advocacy project in order to focus the advocacy effort and provide the basis for project evaluation. While not a condition of funding, the Panel would be pleased to receive copies of updated outputs and outcomes at the time they are prepared.

2.1.2 Advocacy/Capacity Building Programs

In addition to the outputs and outcomes listed above, advocacy/capacity building programs will have outputs and outcomes that relate to the capacity building component of their activity. Examples of the form that effective outputs and outcomes might take for this activity are listed below:

Outputs	Outcomes Sought
<ul style="list-style-type: none"> - effective work plan for capacity building; - systems which sustain the organisation's ability to advocate in the future e.g. <ul style="list-style-type: none"> - record keeping; - priority setting; - network building; - staff retention - staff training; - staff handover procedures etc 	<ul style="list-style-type: none"> - increasing information available to stakeholders on the operation of the market; - greater understanding of consultation processes and timing; - better targeted advocacy;

It is expected that these outputs and outcomes will be well defined by applicants in their Application for Funds.

2.2 Evaluation of outputs and outcomes

The assessment criteria for outputs and outcomes for the advocacy element of projects and for the capacity building element of advocacy/capacity building programs are set down in the

¹ Defining an output as simply undertaking research is not helpful. It is more constructive to define the output as research whose results are to be provided to stakeholders or review bodies to better inform and support end-user advocacy.

following tables. These criteria are presented alongside the relevant outputs and outcomes from the previous section.

2.2.1 Outputs for Advocacy Projects

Outputs	Assessment criteria
<ul style="list-style-type: none"> - an identified report, analysis or process that is provided to an external body or supports advocacy to review bodies; - research which includes an explanation of how it: <ul style="list-style-type: none"> - will contribute to the objectives in 1.2 of Panel document entitled “Funding Criteria and Funding Application Guidelines”; - will promote the interests of stakeholders; - will contribute to desired outcomes. 	<p><i>Where action initiated by applicant:</i></p> <ul style="list-style-type: none"> - relevance to policy and purpose; - relevance to policy formulation and regulation <p><i>Where action is initiated by applicant or where there is an invitation to submit:</i></p> <ul style="list-style-type: none"> - whether outputs conformed to planned outputs; - quality of report/advocacy (criteria for quality are set out in 2.2.5); <p>Efficiency and cost of report;</p> <p>Research achieves appropriate standards;</p> <p>Output was well targeted in terms of timing and process;</p>

2.2.2 Outcomes for Advocacy Projects

Outcomes Sought	Assessment criteria
<ul style="list-style-type: none"> - an existing or proposed policy, rule or regulatory outcome is to survive a review process; - an existing or proposed policy, rule or regulatory outcome is to change as a result of a review process; - an existing or proposed policy, rule or regulatory outcome is made the subject of a review; - policy and regulatory decisions give full consideration to stakeholder concerns. 	<ul style="list-style-type: none"> - target outcome is achieved; - evidence of influence on decision-makers; - output was considered seriously in the decision making process; - the process increased understanding and knowledge among stakeholders of issues and processes necessary for well targeted advocacy; - the process created greater capacity among stakeholders to support well targeted advocacy in future.

2.2.3 Outputs for the Capacity Building Element

Outputs	Assessment criteria
<ul style="list-style-type: none"> - effective work plan for capacity building; - systems which sustain the organisation’s ability to advocate in the future e.g.: <ul style="list-style-type: none"> - record keeping; - priority setting; - network building; - staff retention - staff training; - staff handover procedures etc 	<ul style="list-style-type: none"> - existence of quality output elements; - evidence that advocacy is more cohesive and targeted to processes; - evidence that applicants have improved the timing, targeting and relevance of advocacy; - evidence that more effective communication networks have been established to enable consultation and information sharing between peer organisations.

2.2.4 Outcomes for the Capacity Building Element

Outcomes Sought	Assessment criteria
<ul style="list-style-type: none"> - increasing information available to stakeholders on the operation of the market; - greater understanding of consultation processes and timing; - better targeted advocacy; 	<ul style="list-style-type: none"> - influence on decision-makers over time; - evidence that applicant has greater understanding and knowledge of issues; - extent of long-term net increase in capacity to advocate effectively;

2.2.5 Criteria for assessing the quality of advocacy outputs

The following criteria will be employed to assess the quality of advocacy outputs:

- Purpose – the extent to which the issue addressed was appropriate to the situation;
- Logic – the assumptions on which advocacy was based were stated clearly, supported by evidence and were persuasive;
- Accuracy – the evidence used was accurate and reliable and all material facts were included;
- Options – the appropriate option was advocated;
- Responsiveness – the advocacy was aware of relevant issues raised by policy makers and in discussion papers, and anticipated developments;
- Consultation – evidence of appropriate consultation with other agencies and experts;
- Presentation – reports, submissions or advocacy met acceptable presentation standards, for example,
 - the format of the output was appropriate (e.g. document, table of issues, CD-rom, internet resource, face-to-face meeting, etc);
 - that any written work was of a high editorial standard;
 - that the format chosen made the impact of the output as effective as possible; and
 - were clear and coherent;
- Practicality and relevance – whether the advocacy was relevant to the issues under consideration and delivered to the correct forum and whether it took account of anticipated problems of implementation, feasibility, timing and whole-of-government policy consistency;
- Timeliness – whether the advocacy was delivered at the right time in the process and complied with required response deadlines.

The above criteria will be applied flexibly as it will depend on the facts of the project as to whether all of the criteria apply.

2.3 Evaluation procedure

During the course of a year the Panel will conduct evaluations of a sample of the projects and programs it has funded. Generally, the sample will be randomly selected based on the quantum of the project budget although the Panel may also select particular projects for evaluation where it sees a need to do so.

In order to ensure that the sample is not dominated by small projects and that the materiality of large projects is considered, the sample will consist of a mix of the projects that fall in each

of the following categories based on their cost budgets:

- Projects equal to or less than \$20,000;
- Projects of greater than \$20,000 and equal to or less than \$50,000;
- Projects of greater than \$50,000.

In addition, the sample of projects in each of the top two cost categories will include at least one advocacy/capacity building program. This will ensure that the special characteristics of advocacy/capacity building programs are assessed annually.

The evaluations will be conducted by a suitable experienced external resource. The evaluator will consult with the stakeholders involved in the project in order to evaluate its effectiveness. The stakeholders will include the funded applicant, bodies such as the AEMC, AER, MCE and SCO, and other organisations to which the advocacy was directed.

Evaluations will begin with a review of the project completion reports provided by applicants. The outputs and outcomes reported by the applicants will be compared against those outlined in the applications for funding in order to arrive at a preliminary evaluation of the effectiveness of the projects.

The evaluations will then focus on three areas - the efficiency, outputs and outcomes of the projects.

The efficiency or 'value for money' of the project will be assessed by considering its costs, and the quality of the outputs and the outcomes achieved. The Panel is not seeking a detailed assessment of efficiency but rather a general assessment as to whether the cost of the project was justified in terms of its outputs and the outcomes achieved.

2.4 Communication of the results of evaluations

The evaluator's report on a project or program will be provided to the assessed applicant for comment.

The Panel will usually publish on its website the evaluator's report and any response from the applicant, and will comment on the evaluations generally as part of its annual reporting obligation.

The Panel sees the evaluation process as an important learning experience for the applicants that it funds, the Panel itself, and other stakeholders. The Panel will therefore, in conjunction with the evaluation process, develop a database of lessons learnt from the process that can be developed into a best-practice approach to energy advocacy on behalf of end-users.