

Next Steps –

Framework for place-based assistance packages evaluation: A discussion paper

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DRAFT

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Glossary:

Within this discussion paper, it is proposed that:

- **“Transition”** refers to a process of structural change or adjustment in a local or regional economy. This frequently involves a re-configuring of or alteration to the region’s/locality’s economic base.
- **“Adaptation”** is about an entity’s (e.g. people, community, region) ability to respond to internal and external changes.
- **“Package”** refers to support from government to help manage the transition, usually in the form of industry assistance, community capacity building, compensation, or attempts to diversify/reskill the labour market.
- **“Effective” means** to be successful in producing a desired or intended result

NB The development of a full glossary is part of the Universality of SA’s literature review project.

What makes an intervention place based?
The focus on, and involvement of the people and institutions
within a particular geographic area

Introduction

If the ultimate purpose of public policy is to improve people’s lives now and into the future, how does applying a place based approach achieve this?

Within regional Australia there is not a one size fits all solution for policy development. A major challenge for policy makers is balancing the degree of flexibility of policy instruments with the need for control and accountability of those instruments.

The decision to intervene and assist a community or region which is addressing an economic crisis or change is not one that should be taken lightly.

The success of an intervention is frequently related to the time spent asking the right questions of the right people up front, to understand both the situation and potential ripple effect of any intervention. The success of future interventions is also impacted by the application of lessons learned from other interventions. This highlights the importance of monitoring and evaluation of, and reporting on, both the intervention and its original purpose, and the impact and effectiveness of the assistance in terms of capacity to change, community/regional stability, and economic growth.

This discussion paper proposes a way to synthesize the understanding and investigatory process of place-based assistance packages and suggests factors which need to be investigated when considering the effectiveness or success of an intervention.

Overview - Pathways and Frameworks

There are many different triggers to an economic crisis for a community or region. These can include local or global market failures, industry closures, and environmental crises. A government’s response to assisting a vulnerable area to manage that crisis and gain stability and potential economic growth involves three main pathways, as represented in the figure below

This typology sets the three main government pathways (financial, grants and unique contracts) to regional assistance in the context of the varying degrees of potential collaborative input, and the level of local focus and involvement.

more	Collaboration	Financial - Long term planning	Contracts – unique; place based
less		Financial - immediate or quick response	Grants
		Place based approach	
		decreasing	increasing

Figure 1: Funding pathways typology

All three pathways to government assistance can be within a place-based approach, but experience suggests that as collaboration and lead time increases, unique contractual assistance has the greatest potential. Research has also shown that strategically integrating priorities into a local needs-based program has a greater chance of long-term success than ignoring or reducing community priorities.

The Effectiveness of Transition packages – Inquiry program

This inquiry program will gather information through the evaluation of place-based assistance packages via a strategic literature review, and the evaluation of current case studies. The literature review will collect and collate information on those economic transition packages identified in research. This information will populate a searchable database, and will form the basis of an RAI designed policy decision tree that will assist governments to identify the types of assistance packages that are most appropriate to different circumstances.

The case study review by SCU will investigate the effectiveness of transition packages in action. The RAI case studies will address the socioeconomic impact of the assistance, and will focus on the impact of transition packages as seen through the eyes of the community and families.

At least six case studies will be selected for investigation, and will represent a balance of diverse examples of a place based approach to economic transition. Representing a cross section of industries, transition histories, funders, size of communities and remoteness, will enable as much information as possible to be gathered to showcase the greatest options for selecting the best intervention or assistance approach to address a future circumstance.

The selection criteria for case studies are:

- Location variation - one from each state/territory
- Trigger for transition package
- Type of industry or environmental crisis
- Current – range of first transition to multiple historical transitions
- State and/or Commonwealth support
- Size of community
- RAI region
- Source of request for assistance
- Type of pathway: financial, grant, contract

The inquiry will unpack the project research questions (Appendix A) and consider economic transition package development in terms of the following framework:

1. Overarching investigation into the reason for the intervention or assistance and its outcome
2. Within the pathway typology, the impact of the type of assistance for different types of places and circumstances
3. The identified success and effectiveness indicators to develop appropriate policy tools

Transition package evaluation

Based upon an understanding that place based approaches by their very nature are fluid and need to be flexible, and at their centre involve the active involvement of people and institutions, to enable evaluations and comparative assessments of place-based transition packages, I propose three different ways of reviewing the information gathered.

1. An overall high level snapshot summary of each package – from cause to consequences– to compare different causes and responses of transition packages.
2. In a comparative table, Identification of the degree to which key elements of a place-based approach are evident in a particular transition package
3. Investigation into the socio economic factors impacting the resilience of a community/region and the success or otherwise of a transition package the

This will enable the following overarching policy questions to be answered:

- What is considered to be a place-based transition package?
 - What are their key elements (including necessary or sufficient conditions)?
 - What place-based packages are currently used by policy makers and under which conditions are these employed?
- What do we mean by the ‘effectiveness’ of place-based transition packages?
- What are the most effective place-based transition packages used by policy makers in different contexts?

1. A high level snapshot

The following six questions and their answers, will provide a summary overview for each completed transition package. (The Productivity Commission’s core principles for regional development are also included as a check against the package’s design and implementation)

Table 1: Overall snapshot of a complex program - questions and answers for an economic transition package

Question	Causal issues	Response	Regional assistance core principles - Productivity Commission
Why?	Why is intervention required? Who identified it?	What difference will an intervention make? – (to the place? Region? people? government? Politics? Etc.)	
What?	What has happened that requires intervention? (trigger? E.g. regulatory change, global or local market failure, industry closure, environmental crisis etc.)	What type of intervention is needed? (e.g. financial? grant? contract?)	Possible regulatory impediments – identified?
When?	When is this crisis going to happen? Or did happen?	When is the intervention to happen?	Are existing programs enabling programs?
How?	What caused this crisis? How did it happen? (E.g. environment? Legislation? Market forces? Etc.)	How do we best intervene/assist? (E.g. type of assistance, design, timelines, use of resources, expectations, risk management, etc.)	How can the Regions comparative advantages be used?
Who?	Who has been impacted/ will be impacted? (e.g. community? Regions? Government? Industry? Politicians?)	Who is involved <ul style="list-style-type: none"> • in the intervention and assistance? • in the design and implementation? • In M&E 	Local views and knowledge
How well?	Was/Is the intervention the best/right one?	Monitoring and evaluating progress of the determined intervention or assistance – and feed back into lessons learned and future interventions	Robust and transparent processes for program life

Below are the more detailed evaluation questions that can be asked to populate the high level summary.

These are not just Yes/No questions – but provide an opportunity to elaborate on the how, what, why and who:

Table 2: Evaluation criteria of a specific existing place-based assistance package:

- Were the objectives of the package met?
 - Did the assistance package fit within the long-term regional vision?
- Were local views and knowledge incorporated into the design of the assistance package?
 - Was the package appropriate to the identified priority needs and resources of the community and region?
 - Was there leadership and stakeholder collaboration at all levels?
 - Was there collaborative strategic planning?
 - Did this result in innovative, integrated and effective strategies and joint learning?
- Were the region’s comparative advantages considered in the design of the package?
 - Was the package guided by local opportunities?
 - Were local capabilities, resources and constraints considered in the design of the package?
 - Was there a commitment in the package design to:
 - authentic economic diversification,
 - real partnerships, and
 - valuing of place
- Were possible regulatory impediments addressed?
- Were the impacts and objectives of previously existing enabling programs considered and utilised as appropriate?
 - Were unexpected impacts of this assistance package identified and managed?
- Were there robust and transparent processes established and in place for the life of the program?
 - Was the targeted group the one for whom adjustment pressures were the greatest?
 - Were risks identified and managed?
 - Were there good governance procedures?
 - Were there locally managed funds?
 - Were multi-level governance mechanisms used to align objectives & implementation?
 - Were monitoring, evaluation and accountability plans and reporting times identified and applied?

2. Is it a place-based approach? – Core Elements

Place-based decision making has the potential to enable communities to identify and develop solutions to their own challenges and to undertake meaningful engagement both internally and in coordination with government policy makers and practitioners.

If it is people and institution centric, then an evaluation of the inclusion, and application of the following elements will reveal the level to which its’ processes and program contain a place based approach:

Table 3: Place based approach program and process evaluation criteria

Criteria	Yes	No	Not clear
Clear regional vision, strategy and governance			
It has a long-term regional vision			
It attempts to achieve synergies by integrating across silos, jurisdictions, and dimensions of sustainability			
There are clear collaborative objectives and strategic plans (with identified risks)			
It has monitoring, evaluation and accountability			
There are good governance procedures and locally managed funds			
There is a commitment to authentic economic diversification, deep partnerships, and valuing of place			
There is supportive legislation/regulatory framework			
It evolved from adaptive learning and stakeholder interests			
Local collaborative approach and adaptive capacity			
It is designed (or adapted) locally to meet unique conditions i.e. a package that is appropriate to identified priority needs of the community/region			
Engages participants from a diverse range of sectors and jurisdictions in collaborative decision-making (leadership and stakeholder collaboration at all levels)			
Is driven by local opportunities as shaped by capabilities, resources and constraints			
Leverages assets and knowledge through shared ownership of the initiative			
Is innovative and may attempt to achieve behavioral change			

A place based process needs to take adequate time and be owned by the community for its potential success. This includes having local governance structures that have the authority and responsibility to manage and report on any receipt of funds and their expenditure.

The levels of confidence and ownership of ideas, together with trust and respect, are important criteria in the success and sustainability of any transitioning region or town. They are also essential in assisting the resilience of the community.

As can be seen, this paper suggests a variety of questions to both unpack the complexity of the transition package and the impact its components, and the degree to which it can be deemed to be a place-based approach. The questions will be refined and agreed in discussion with the project teams of the systematic reviews and current case studies.

3. Socioeconomic factors - financial sustainability and resilience:

Investigating socio economic factors can highlight the importance of community overall wellbeing as a product of an intervention, and the balance of the tradeoffs to be considered when providing a particular economic intervention to a particular vulnerable place.

The seven capitals model depicted below is an economic concept that identifies interrelated elements of sustainable wealth creation or “capital”. This model highlights the importance of understanding financial sustainability and economic development in wider terms - considering not just the financial assets but the other issues such as social, cultural and environmental, that affect long term economic growth and business profitability.



Figure 2: A depiction of the seven capitals model

This model acknowledges that a sustainable community/region is not a static one, but one that maintains and improves its’ development of each of these capital assets.

These capitals are significant also to a community's ability to adapt to change; and therefore to its resilience. Understanding how these have influenced a community or region's adaptive capacity is key to also understanding the impact an effectiveness of a place based approach, and to the development of appropriate policy.

Examples of the actual components of the seven interrelated capitals identified above are:

- **Human capital** - People's skills, abilities, leadership, knowledge, experiences, competencies, creativity, collective wisdom – of economic value to employer and entire economy.
- **Social Capital** - Groups, networks, organisations, personal bonds, sense of belonging – enabling society to function effectively
- **Political Capital** - Connections to people in power, influence to achieve goals, access to resources, leverage, trust, goodwill
- **Financial Capital** - Money, assets, grants, access to funding, wealth, credit, debt
- **Built Capital** - Buildings and infrastructure, including roads, bridges, a community's main streets; manufacturing
- **Natural Capital** - The environment, local landscape, wildlife, natural beauty, natural resources
- **Cultural Capital** - Generations, ethnicity, stories, traditions, habits, spirituality, heritage

The ways these elements are managed, are part of, or impacted by, an assistance package, will influence the effectiveness of that assistance and the potential long term effects. Investigating the level of consideration of these, particularly in places where there have been successive transition packages, will provide insight into the different components and impacts under different circumstances.

People are central to a place based approach, and the World Economic Forum's Human Capital Report (2013) identified four pillars on which human capital is based: - education, health and wellness, workforce and employment, and enabling environment (p.4). There is agreement that these are all impacted when there is a significant change in a community or region. Also, communities like organisations, rely on wider social and political structures for stability. When these change or are threatened, then the ripple effect on not just the community can be significant, and needs to be addressed to manage the impacts.

How resilient people and services are, or how able to adapt to change however, however, can depend on many factors that are often overlooked when assessing the success of economic assistance. For example the impact on the families of those who may lose their positions when an industry closes, or when there is a major environmental crisis, can vary from other members of the family having to find jobs, people moving away from an area, increased domestic violence and mental health issues.. –

Therefore to gain insight into these impacts, the impact on families will be investigated by the RAI through a joint National Rural Women's' Coalition webinar and survey, and face to face workshops with members of communities where place based economic assistance has occurred.

The complexity of a community's capacity to adapt to change can be seen in Figure xx below. It is not a leadership role alone that determines the resilience of a community or region, but rather the interrelationship of visions, strategies, knowledge management, leadership, and program governance

within a wider collaborative framework and environment. The impact of these relationships and networks is discussed further under success factors later in this document.

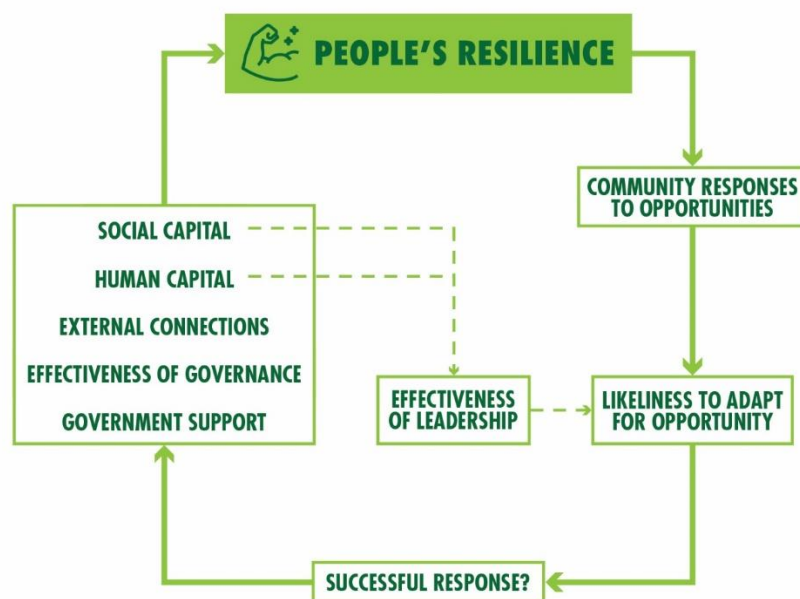


Figure 3: factors influencing a community's resilience¹

This resilience diagram identifies the relationships between and amongst basic community development components in a place based approach. Their interconnectedness means that a lack of attention to one can influence the balance and strength of a community or region and its ability to adapt to change.

Inherent within the success of adaptation is the collaborative and knowledge management nature of the interactions, and the responsiveness of the entities and their innovation and decision making abilities. A region or community's adaptive capacity and the related transition program also involve the identification and management of players' expectations and other risks.

Social capital is any value added to the activities and economic outputs of an organisation by human relationships, partnerships and co-operation. For example networks, communication channels, families, communities, businesses, trade unions, schools and voluntary organisations as well as social norms, values and trust.

Also important for the ongoing capacity development and any sustainable economic development is appropriate and integrated intervention program monitoring and evaluation, and reporting.

Monitoring and evaluation of the assistance package and impacts

Just as what informs the design of the assistance package is crucial to its effectiveness, regular monitoring and evaluation of the implementation of the assistance package against its original purpose and a changing environment, will keep the assistance relevant and appropriate.

The assessment of any monitoring and evaluation that has been undertaken during the implementation of an intervention, and the impact of that monitoring on the effectiveness of the program, is an integral part of this investigation.

Implementation flexibility - particularly in relation to changes that required a level of flexibility for successful intervention; governance procedures (including financial expenditure and accountability) and the impact of change on the adaptive capacity of the community/region are all particular areas that would benefit from regular monitoring and evaluation.

The adaptive capacity and resilience of a community or region are integral to ensuring the success of a transition package. Understanding the regional strategies of Commonwealth and state governments, and local communities, will also help to improve the likely outcomes of transition assistance packages.

Therefore this inquiry program is considering not just the monetary inputs of a transition packages but the relationship of other socioeconomic factors that impact its effectiveness.

Whilst it is acknowledged that the measurement of the impact of these can be difficult, the importance of their role and impact in the effectiveness of a place based transition program requires assessment of their input and impact. The ratios used to measure and analyse the investment performance of physical assets have also been used to measure and analyse the impact of investments in human capitalⁱⁱ. For example, research has shown that investments in physical and human capital have been credited with leading fundamental improvements in business models and better overall decision-making.

Regular monitoring and evaluation should highlight any imbalances and potential challenges or opportunities (including technical advances and accessibility, local governance structures, resource availability etc.), and so provide a chance to address these in a timely manner. Evaluating the impact of socio-economic factors can also provide answers to policy questions such as:

- when is one approach more appropriate than another?
- what are the factors that enable certain packages to work well in some circumstances and not others?
- how much has the place-based approach helped manufacturers or regions more broadly to be effective innovators, or to diversify and transition to new markets?
- what type of assistance should be provided?
- who takes responsibility for the identification of the needs and management of funds? and
- what planning is undertaken by whom and when?

What does success look like?

Depending on the priorities of the person and their closeness to the purpose of an action, success can be seen as many different things to many different people. Success in the case of a place based transition package can be of two main interrelated types:

1. its fulfillment of being a place based approach
2. the effectiveness of the actual package in achieving its goals

For the first, in its simplest form, the approach is considered place based if:

1. It has focused on a geographic place with people and institutions at the centre of the assistance approach,

2. The local leadership has been actively involved in the design and implementation of the package, and
3. The package design and implementation values people, respects diversity, is inclusive and encourages innovation.

The second type of success has many different layers also and is relevant to the agreed purpose of the intervention or assistance.

For both the providers and the recipients of an economic transition package, success can sometimes be considered to be as simple as stating the money was spent. Success may also relate to the timeliness of that expenditure, or to a desired political outcome from the action, depending on the priorities and purpose of the funding. To others it may be the lasting impact; or the intervention's ability to mobilize a community or region and be the catalyst or driver for increased prosperity or improved economic development and wellbeing.

The World Bank recognizes that considering only the direct effects with a cost benefit analysis could miss the impact of market failures, and has identified the expectation that place-based policies are expected to deliver two types of benefits:

- The direct effect –
 - e.g. improved transport saves time and vehicle operating costs. –
 - assessed by tools such as cost benefit analysis
- The indirect effect –
 - that the transport improvement may induce private sector investment, job creation and higher productivity
 - But indirect effects depend on responses of the private sector, often including major location decisions that incur sunk costs and are long-lasting. Such decisions and their economic impacts are hard to predict.

So there may be clear direct outcomes that are considered a success and there may be various other unintended outcomes that may also add to the actual long term success (or lack of success – not necessarily failure depending on context.) of an intervention.

There may also be success in different parts of the intervention. It is the overall success of the intervention given the specific crisis, assistance design, process, implementation and outcomes that will be collected for this inquiry. These will include the dimensions of process, program and political success.ⁱⁱⁱ. Such an approach may consider success against the following actions:

- The funds provided were expended for the identified purpose
- The funds were expended within the identified time frame (and reported upon?)
- The package program was the catalyst for economic stability and growth following the identified and addressed economic shock
- The design and implementation of the assistance package was appropriate and involved a collaborative approach by government, and local players
- Local leadership played a significant role in the resilience of the community to manage the change.
- The assistance package did not cause detrimental effects to the community or region (design and implementation risks were identified and managed)

Within this the importance of the capitals model when considering success should not be overlooked. Human and social capital are significant components of all RAIs investigations and as already discussed, integral to a place-based approach

Policy tools development

Understanding the successful components and challenges of designing and implementing a place based transition package, and the factors that make it effective, will enable the development of the most useful tools for policy makers.

This will enable the uniqueness of each community to be considered, rather than applying a blanket response, which can have varying degrees of success. The contents of the tool box will be informed by the inquiry review, identifying, what approaches are best, and in what circumstance. Basic tools to be developed in consultation with the RRC, the Commonwealth, states and territories, could include:

- Rapid assessments check lists to be used for industry and natural disasters (include links to relevant legislation)
- Basic questions for communication starters with communities and regional leaders
- List for key contacts and networks, and relevant resources available at short notice
- Assessment of financial and program management capacity of assistance recipients, and any training required (and timely availability of relevant trainers)
- Live list of industry and region specific (4 pillars) previous transition packages
- Design considerations for an assistance package
- Case studies of effective assistance in different circumstances
- Typology of assistance approaches – and requirements for each
- and other tools as identified by policymakers

Appendix A: Unpacking Project Research Questions – different foci

The inquiry will unpack the project research questions and consider economic transition package development in terms of:

1. When is one approach more appropriate than another?

- What types of shocks have been received
- Who has been involved in the design of a financial response?
- Have lessons learnt from similar shocks been applied to the design?
- Has the local culture and existing resources of the place been considered?
- Was there flexible delivery?
- Was there local autonomy or was the design of the package government directed?
- How much lead time was available for package development?
- Was a quick fix needed or was the assistance approach for long-term development?
- Is capacity development of the people and/or local institutions required?

2. How much has the place-based approach helped manufacturers or regions more broadly to be effective innovators, or to diversify and transition to new markets?

- What evidence is there of new businesses
- With industry closure, what new training and job assistance for new employees has been implemented.
- Who has designed the training?
- Who identifies new markets? What help has been provided to struggling industry?

3. What type of assistance should be provided?

- Does this require a short sharp injection of funds? A rescue package?
- Does it require funding to address industry withdrawal or long-term environmental impacts and allow for long term planning

4. Who takes responsibility for the identification of the needs and management of funds?

- is a local needs assessment undertaken?
- who is responsible for the management of the funding, M&E and reporting?

5. What planning is undertaken by whom and when?

- Role of regional or council strategic plan?
- Influence of govt. planning and needs
- Level of collaborative planning
- Level of partnership

Research Questions about Effectiveness and Success:

The following major research questions are designed to unpack the issue of the effectiveness of place-based transition assistance packages. These questions will be addressed by both the RAI and the Regional Research Connections who are partners in this program. We ask:

The underpinning research questions of the literature review are:

1. What is considered to be a place-based transition package?

- What are their key elements (including necessary or sufficient conditions)?
 - What place-based packages are currently used by policy makers and under which conditions are these employed?
2. What do we mean by the 'effectiveness' of place-based transition packages?
 3. What are the most effective place-based transition packages used by policy makers in different contexts?
 4. How have the recent place based economic transition packages (case studies) been designed to respond to different local contexts within Australia?
 5. What does success look like for these case studies?
 - a. Success will be considered in light of the expectation of funding agents (esp. states and universities) in relation to grant spending; Specifically investigating
 - If success is related to just the money spent? (What is considered to be value for money?)
 - Are the criteria for selecting the region/community to be assisted, related to sustainability of the assistance (funded activity), or the amount of money spent?
 - If there is an expectation in relation to ongoing M&E and follow-up, are these part of the assistance contract? (Is there a contract?)
 - What risks are commonly identified and managed in a place-based approach?
 - When have evaluations been undertaken to assess placed-based programs' components of design, delivery, implementation and evaluation? And how has that information been used by governments and the affected communities/regions?
 - What are the different inter-relationships and partnership expectations?
 - How holistic was the place-based approach?
 - b. Success will also be considered in terms of the package's impact and "successful economic transition".
 - Do place-based approaches offer a greater possibility of harnessing untapped potential in all regions in a co-ordinated and systematic way?^{iv}
 - What impacts do place based packages have on the adjustment and long-term development of a community/region?
 - Is it just the single vision of success – an ability to report to stakeholders, the spending of money within the timeframe determined by the provider of those funds? Or is it measured against priority and impact and positive ripple etc.?
 6. Interventions will be considered in terms of:
 - What are the policy approaches that have been used?
 - What are the intervention points?
 - What are the scope of interventions?
 - What are the recurring components of place-based interventions?
 - The why? - What have been the underlying assumptions – to be reviewed later?
 - Do government interventions aim to mitigate or manage the impacts of change? Or do they do so consultatively or in response to identified needs of

region or community? What has higher priority - a quick fix to retain the status quo, or investigation into drivers' options? Do both happen and if so when?

- What is the aim of a place-based transition assistance package?
- What are the recurring components of these packages? Do governments establish the baseline of the expectations for transition assistance packages based upon their own priorities and understanding?
- Or do they reflect regions concerns and policies?
- How much influence do the impacted communities and regions have on the implementation of the package, and the success of it?
- What is the focus of the assistance? Is it more than bailing out an industry or providing options for impacted communities or regions? Who identifies the innovative options? Is it only about economic stability?

ⁱ Adapted from adaptive capacity diagram of Mark Vicol, (2008) *Adapting to Resource Change: A Qualitative Investigation of Adaptive Capacity in a Rural Community*, BSc Forestry Hons thesis ANU 2008

ⁱⁱ New Zealand Government

ⁱⁱⁱ David Marsh & Allan McConnell, 2009, *Towards a framework for establishing policy success*, doi: 10.1111/j.1467-9299.2009.01803.x

^{iv} OECD (2011) *Why and When Development Policy Should Be Place-Based* by Philip McCann and Andrés Rodríguez-Pose