The Interactive Project Selection Procedure (IPSP) -
from arbitrariness via technocracy to process orientation

Thiemo W. Eser, Klaus Sauerborn, Martin Tischer

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1. Introduction

The “MEANS collection on evaluating socio-economic programmes” (European Commission 1999a-f) represents the first milestone of efforts made by the European Commission together with various researchers towards the improvement of evaluation methods. This paper takes stock of that project together with the paper of the European Commission on indicators for monitoring and evaluation (European Commission 1999g), the papers on the Demonstration Scheme “Promotion of sustainable Development under Structural Funds Programme” (cited below) and experience made by the TAURUS Institute in various projects by setting the focus on the relation between programmes of the Structural Funds (Operational Programmes and Single Programming Documents) on the one side and the selection of projects on the other side.

The focus is set on the selection procedures dealing with smaller projects supported under Objective 2 or Community Initiatives. It is clear that projects such as the construction of a motorway under Objective 1 of the Structural Funds require the use of other assessment methods like cost-benefit analysis or macro-economic modelling; bigger numbers of smaller projects proposals call for standardisation in project selection. In addition, more competitive procedures for the project selection within a programme are demanded in order to simulate the innovative capacities of applicants (European Commission 1999g, 20).

The methodology of the paper addresses the dilemmas and pitfalls of the project selection and the nowadays too close relation between setting up the programmes, selecting projects and the evaluation. Therefore, at first the frame for the project selection and evaluation for smaller projects is set by addressing the relations between the programming document and project selection, the external conditions for the selection and the parameters immanent to selection procedures. The revealed dilemmas show that some of the demands on selection procedures are contradictory and therefore need a clear decision on the priorities of the selection process. The outlined overview reveals that restrictions for an optimal selection procedure lead to a compromise in order to secure practicability and to give guidance to appointment of a specific procedure to a specific selection. On that background the Interactive Project Selection Procedure (IPSP) is introduced and discussed - a methodology, first developed in a project (Sauerborn/Tischer 1999) and applied in various contexts of the TAURUS-Institute, which provides a sound compromise towards many of the identified demands.
2. The framework for project selection and evaluation

The selection of projects depends on a range of factors, which need to be addressed. Most important is the quality of pre-settings given by the programming document but other parameters of the selection process and the assessment method cannot be neglected. The aim of that section is to sketch the interrelations between these factors and to highlight the consequences for the results of the selection procedure.

2.1. Programming document and project selection: relation and demands

The first point, which should be made, is the relation between programmes and projects on both the document and the evaluation level (see figure 1). Project and programme level mirror similar tasks. Programmes relate to the regional and local situation, adequate projects supposed to be selected, which efficiently contribute to fulfilling objectives and aims of the programme.

In principle the programme has to provide the reference for the assessment of projects for the selection. In fact, as figure 1 points out, assessment criteria for the project selection represent a kind of ex-ante evaluation of projects. The ex-ante evaluation dwells on the expected effects of the programmes and projects whereas the intermediate evaluation and even more the ex-post evaluation are supposed to measure results of the programmes and projects. In theory, the same criteria should be employed for both, Ex-ante and Ex-post but considering one difference – at first to use estimations and afterwards to use the results. In fact, it would be possible to estimate all parameters for the Ex-ante evaluation but costs are too high to apply those methods to all proposed projects and to all parameters.
The development of projects and programmes should incorporate the results of the evaluation in terms of an on-going circular process. Figure 2 shows that these processes do not go in parallel as the projects are generated from the programme. The term “vicious circle” (Bachtler/Taylor 1999, 32) in that context stresses the fact that the whole procedure from programmes to projects and back to programmes again in connection with the related evaluations makes up to an ongoing comprehensive programming and projecting circle, which are supposed to mutually benefit from each other. Thus, the appropriate links between both circles of the programmes and projects need to be implemented in order to best benefit from the evaluation process and to serve the demand for a “holistic strategic approach” (ibidem). These considerations should make clear that the requisites for the evaluation and selection of projects, in principle are more or less the same.

![Figure 2: The vicious circle of programme delivery and evaluation](image)

Source: Adapted from Bachtler/Taylor 1999, 32; 253 and extended.

In fact, concessions have to be made to costs and practicability, which leads to consequences for the selection of adequate projects selection methods – a point, which will be picked up at a later stage. The base of effective selection and monitoring of projects is laid down by the programming document in the ideal case:

- Existence of programme objectives preferably deduced from a vision (such as economic modernisation or sustainable development);
- Selection of measures and sub-measures as an operationalisation of the objectives and aims of a programme;
• Deduction of measure-specific aims and the support of those projects which guarantee the best contribution to the objectives of the programme;
• Use of instruments for the assessment and selection of projects that are best to represent the aims of the programme and measure.

In particular *ex-ante evaluations* of programmes are mostly relevant for the achievement of the fine-tuning of programmes in terms of their directions and orientations in particular by checking the (European Commission 1999h):
• Linkage and consistency between global objectives, specific objectives, and measures to be contained in the programme complement;
• Existence and relevance of the output, result, and impact indicators for each level of assistance;
• Reliability of the level of quantification of the objective.

As an intermediate result it can be concluded that the linkage required between the different levels of action from the programme to the selection of projects is secured by the deduction of the selection criteria from the programme objectives. Putting all considerations together the following *demands* are apparent *for the selection procedure* for projects which allows a quality and efficiency related assessment of projects (Sauerborn/Tischer 1999):
• Clear instructions on the functions and responsibilities of the assessment;
• Transparent procedure with openly accessible assessment criteria, definitions of benchmarks and scoring and weighting systems, and documentation;
• Revelation of the contribution of projects to the achievement of objectives of the programme;
• Application all kinds of projects should be possible;
• Clear rules for achieving priorities and the selection of projects;
• Delivery of results, which can be audited;
• Making use of information and communication technologies preferably on-line solutions;
• Easy understandable and applicable with tolerable costs for and by the relevant actors.

An evaluation of Objective-2 Structural Funding (Bachtler/Taylor 1999) found out that progress was made in that respect but there are considerable differences across countries and regions. In general the standard at least allows providing a selection procedure with
criteria, which allow somehow the comparability of projects. These points act as a reference for the instalment of any procedure for the selection of projects. But it must be noted that various circumstances stand against an appropriate response to these demands.

2.2. Undisputed basic elements of selection procedures

The literature on evaluation, in particular the MEANS project allows defining constitutive elements for selection procedures of smaller projects provided a Single or Operational Programme Document is validated. Two kinds of elements should be distinguished the external elements provided to the applicants for the programme and the internal elements for the selection in itself.

Referring to the external elements provided to the applicants the following issues are emerging:

- **Open call for proposals**, published in relevant journals;
- Specification the objectives of the programme,
- Revealing the eligibility criteria as minimum requirements for the participation in a programme;¹
- Setting a dead line for application;
- One or more dates for the selection of projects referring to the programming period;
- In addition, the provision of a structure for project proposals to the applicants for the preparation of the proposals is helpful for both, the applicants and the assessing/selecting body. That structure should ask for technical details concerning the applicant and its partners, the reasoning for the proposal and embedding into an environment, the approach chosen, the effects expected, financial details and the management structure.

Details about the selection procedure are normally not found as in many cases the selection procedure is not finally decided when the open call is published. The programming document must provide criteria for the eligibility, which should be extended by selection criteria as a standard requirement. That leads to the internal elements of the selection where more options are available.

¹ In many cases these criteria derive from the legal requirements see for example the criteria established in the Community Communication on Interreg II-C 96/C200/17 of 10.7.1996.
2.3. Pitfalls and dilemmas of a selection procedure

Further elements of the selection procedure are not fixed and have to be further elaborated. That concerns the question of the (see figure 3):

**Figure 3: Schematic steps of the selection procedure**

<table>
<thead>
<tr>
<th>a) Scoring table</th>
<th>Project 1</th>
<th>Project 2</th>
<th>Project ##</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1</td>
<td>score 1</td>
<td>score 4</td>
<td>score 1</td>
</tr>
<tr>
<td>Indicator 2</td>
<td>score 6</td>
<td>score 2</td>
<td>score 3</td>
</tr>
<tr>
<td>Indicator 3</td>
<td>score 1</td>
<td>score 3</td>
<td>score 5</td>
</tr>
<tr>
<td>Indicator 4</td>
<td>score 3</td>
<td>score 4</td>
<td>score 2</td>
</tr>
<tr>
<td>Indicator 5</td>
<td>score 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator XX</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Total</td>
<td>Compilation ZY</td>
<td>Compilation XY</td>
<td>Compilation X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b) Result table</th>
<th>Rank</th>
<th>Projects</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Project 2</td>
<td>accepted</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Project 1</td>
<td>accepted</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Project X</td>
<td>accepted with conditions</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Project 2</td>
<td>accepted with conditions</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Project Y</td>
<td>hand in later again</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Project Z</td>
<td>not accepted</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Project P</td>
<td>not accepted</td>
</tr>
<tr>
<td>X</td>
<td>8</td>
<td>Project XX</td>
<td>not accepted</td>
</tr>
</tbody>
</table>

1. Selection of indicators for assessment;
2. Scoring systems for indicators;
3. Compilation of indicators towards an index;
4. Ranking of proposals;
5. Benchmarking;
6. Final selection and external consistency.

Finally there remains the question who actually conducts the assessment of indicators (scoring) of the project proposals and who takes the final the decision on projects.
2.3.1. Selection of indicators

The selection of indicators starts with the eligibility criteria as minimum standard. Furthermore, the question arises about additional indicators. How much additional information is necessary to assess an indicator? Following the discussion on the Ex-ante evaluation of projects indicators on the base of the following issues are apparent (see European Commission 1999g):

a) Relevance and justification towards the programme priorities

The relevance and justification of the project proposals for the programme priorities inhere two dimensions:

- Concerning the global objectives and priorities of the particular programme;
- Response to the evolving needs in the programme area.

Actually, these questions should have been already addressed under the eligibility criteria. However, there exists the possibility to look out for higher standards or to set further priorities by the selecting committee (further on that subject, see section 2.3.5.). It is true that apart from the standards required and set by the Commission and in the programming document there should be the opportunity to (micro-) adjust the selection due to further political considerations in the programme/project area. The assessment could be supported by the provision of studies, which prove the need for a particular project.

The MEANS project spells out to make programmes and measure more rational, to adjust programmes to the needs in an area or field of action and to raise transparency in the programming process. This effort can only be underlined but the question is whether there is only one best or appropriate solution to address a specific problem? The definition of further indicators may give the project selection a turn, which indicates a deviating cultural or political approach. Steering the selection of project in a certain direction through indicators increases the transparency of the whole methodology. If common demands for the consideration of regional and local political priorities exist it would be possible to consider these by the inclusion of representatives in the selection process on assessment indicators for projects.

b) Internal consistency of projects

Internal consistency of a project proposal is a matter out of question. That should include the question of possible conflicts within the project. It is not easy to compare
projects in terms of their internal consistency. This is in particular true if assessor(s) do not dispose of the overview over all projects at the same time. Those kinds of assessments are obviously a source of inconsistent appraisal.

c) **External consistency to the environment**
External consistency refers to the way in which a project fits in its specific environment. The project applicant explains his view but that view just provides one side. The consistency with other projects needs also to be evaluated by external experts or the administrators in the particular field of activities. Apart from that inconsistencies may occur between independently offered projects where applicants are not able to know about the others' activities.

The question of external consistency can be extended by the question of synergies between the selected projects within the whole programme. The main problem remains that at the moment, when the assessment of a particular project is carried out, not any knowledge about other projects is available. Therefore that question needs to be re-examined picked up in section 2.3.5. under the heading of selection committee.

d) **Quantification of expected results**
Quantification of expected results is per se a wishful instrument although only limited standards for estimation techniques can be expected for the assessment on the project level. Not every case allows the estimation in the same quality for the same indicators. The approach of “input (resource) - output - result – impact” taken forward in the MEANS documents (European Commission 1999 a-f) should provide a reference in all cases.

e) **Past experience and management capacities**
The assessment should also use indicators for the appraisal of the available experience of the involved persons and institutions. Indicators should also address the management capabilities, and the requirements for technical and financial monitoring.

**2.3.2. Scoring systems**
Some kind of scoring belongs to the minimum requirements for the project selection. The simple yes/no result of the appraisal of an indicator usually does not produce enough information on the evaluated project proposal. Cardinal measures are not always available so ordinal scales such as classifications from 1 to 5 are employed. Minimum
requirement for the project selection would be the attainment of a minimum score on that scale. Scoring is easy to achieve if quantitative measure are available. The scoring of intangibles is a more difficult task, if clear indications are not available. In addition, calculations with ordinal scale data are not admissible from the scientific view. In total, the scoring may be strongly connected with the perception of the assessor of the impacts of a project on an (assumed) environment. Thus, the perception and assessment of the assessor play a major role for the results of the selection process.

2.3.3. Weighting and compilation of indicators

The weighting of the importance of each criterion is a crucial point for the assessment of projects. The indicators represent different dimensions. The weight expresses the relative importance of every indicator.

The allocation of a weight is not the only decision to take. The second closely related question is about the rule of combining the indicators. Figure 4 gives an idea about the effects of different methods for the rule of combination of two indicators. The first rule (a) excludes all projects, which do not independently score a minimum of each indicator 1 or 2. So projects 2 and 4 would be excluded. The second rule (b) requires adding both indicators without a minimum for each indicator, which means that full substitution of both indicators is possible. Following that rule projects 1 and 2 would be excluded. Rule (c) allows the limited substitution of indicators by multiplying their values. Following that rule only project 4 would be excluded. The given example demonstrates the surprising effects of different rules for compilation without any weighting (Eser 1989).

Which ways guide out of those dilemmas? At first it must be noted that the selection of weights and of compilation rules inheres always a subjective selection criterion of those individuals, which select those rules and weights (Tischer/Sauerborn 1999). There is, of course, in some cases research available, which provides the scientific ground for the selection of those procedures but in many cases of the selection of very specific projects that kind of support is not available. The use of rules and weights should be avoided in those cases where the scientific proves are not granted. Problems, in particular, are arising when the compilation of indicators pretends a precision, which, in fact, is not given.
If the weighting and rule setting is a matter of subjectivity the best solution is to also treat it as a matter of subjectivity. That gives way to several solutions:

- To allow every assessing individual involved in the project selection the selection of weights and compilation rules;
- To find a common agreement by the assessors;
- To delegate that task to experts.

Firstly, central to all those solutions is the transparency in order to avoid the arbitrariness of the selection. Secondly, the first solution seems to be the most appropriate when the assessors are those individuals who deal with the projects in the wake of the implementation of policies. Those are the responsible administrators in the ministries who are most thematically involved in the subject. The whole task could also be commissioned to experts like mentioned in the last bullet but a lack of transparency for the decision takers is foreseeable. The second solution incorporates the danger of pretending an only way possible and not to allow any political weighting for those cases where research does not support the one and only solution. (see also in detail below section 2.3.5. selection committee).
2.3.4. Ranking of proposals, benchmarking and final selection

Ranking of proposals usually derives from building an index. Proposals are put into an order according to the summary scoring of the assessment. The easiest way for final selection would be to support as many projects as the budget allows starting from the first project that reached the highest score downwards to the last which can be covered by the fund. But that methodology inheres some shortcomings, which have to be addressed.

a) The quality of proposals in absolute terms

High scoring does not necessarily mean that the quality of the proposal is also high in absolute terms. Apart from the eligibility criteria benchmark for the other assessment criteria has to be employed as minimum standard in order to secure quality.

b) The composition of the final score or summary index

If the assessment is independently done by several assessors and the resulting index is derived by the combination of individual results, or if the resulting index derives from the combination of scoring on a range of indicators the same summary index could stem from very deviating profiles (see figure 5). Is it accepted that deviating profiles are leading to the same results? It seems to be necessary to at least take account of the profiles as those profiles provide much information on the quality of proposals.

Figure 5: Project profiles for the visualisation ranking of appraisal
c) Incoming proposals in a larger time period
The programming period of many programmes lasts for some years. Then, there must be the opportunity to hand in proposals at different stages. Consequently, the granting decisions must be taken more frequent on a shorter time horizon. Usually there are more proposals in the beginning of a programming period decreasing midterm and increasing again at the end. There are other programmes, which have to cope with steadily increasing numbers of applications starting from a very low level. So benchmarking helps to keep standards in the project selection but it is difficult to foresee in advance the standard of proposals over the whole programming period.

d) Classification of proposals
A further problem, which goes with unevenly incoming proposals, lies in the way to deal with approval for funding. Is there a benchmark for all projects, those projects which do not meet that benchmark are refused immediately, or are the better ones put on a waiting list in case the budget is not completely explored by projects which meet the standard in the first round. That approach inheres the danger that projects might not be ready to start at the later stage because consortia for proposals split up in the time being and offers are not valid anymore.

e) Internal coherence of the selected projects and synergies between projects of a programme
The difficulties to evaluate these effects were already addressed by the MEANS project under the heading of cross impact (European Commission 1999d, 71). It should be assumed that for smaller programmes not as many resources are available to prepare demanding Ex-ante evaluation systems in order to identify the synergies on the level of project selection. So the evaluation must take advantage of the experience of the involved assessor(s). Another approach would be to appraise groups of projects by sub-groups of partners (Bachtler/Taylor 1999, 235), which indeed generates some particular problems of cross-evaluation.

The internal coherence² of the selected projects within the programme needs to be secured starting with the selection of several projects within a programme. The ideal case for the project selection would be to dispose of all project proposals at the same time for a whole programming period in order to be able to achieve the best possible

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² See for the programme level, European Commission 1999d, 76.
selection. It also would be ideal if every project would stand on its own i.e. cross fertilisation between projects would not appear. To sum up there are interrelations between projects to consider which do not allow assessing a project independently on its own. The question of complementarity and co-ordination of projects in emerging in terms of:

- **Sequencing**: Some projects, although not being too innovative, may act as best practice examples, and thus, may offer broader effects (demonstration and impulsion or domino effect) than other;
- **Scale**: some projects may dispose of a size, which considerably affects other projects in terms of the availability of resources or the remaining range of action;
- **Scope**: Some projects are functionally interrelated and can become a source of synergies e.g. between different sectors.

Consistency may also be important in terms and geographical distribution. Usually the selection should also consider some regional balance in the distribution of projects. In some case the funding is restricted to selected areas, in some case the funded ratio varies from area to area. These most important effects occur in addition to the enabling effects of projects themselves - enabling effects in terms of the removal of bottlenecks, the development of capacities and skills and raising the productivity of projects.

**f) External coherence with other programmes**

Apart from the internal also the external coherence is relevant when other actors or funding programmes are available in the same field. That is, in particular, true for the Structural Funds because as a rule co-financing is required and co-financing programmes are not necessarily built on the same objectives and aims. External coherence may not be important as long as there is no danger of mutual neutralisation of projects and impacts caused by projects.

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3 That kind of issues are addressed in different context for instance such as the dynamic effects of programming compiled in a Cambridge Policy Consultant Study cited in European Commission 1999d, 75.
2.3.5. Selection committee

The outstanding position of the selection procedure and the selection committee is apparent bearing in mind the considerations above. The situation becomes equivocal taking into account a range of possibilities for the composition of selection committees:

- Most commonly the selection is done by representatives of the administration responsible for the programme, which builds on the assumption that the selection committee dispose of skills and overview for the evaluation of projects;
- Another solution is to commission the task to external experts who execute the selection;
- The whole programme is delegated to an external institution that also does the selection of projects.

Sub-solutions to the first option are the involvement and consultation of experts on the whole procedure. This might also be suitable in those cases where different ministerial departments and sector policies supposed to be involved in order to achieve an overall coordination. As farer the selection takes place from the real expertise in the field of the programme, as less satisfying the selection will be. That means the assessment of the expertise of the selection committee is a crucial point for the success of the programme implementation.

2.3.6. Links between project appraisal and programme evaluation

The project appraisal should also provide evidence for the Ex-post evaluation of projects and the evaluation of programmes, in particular intermediate and Ex-post evaluation. A well-structured selection procedure must offer transparency towards those demands. In that respect repercussions of lacking consistency of selected projects can occur at the programme level if the logic of the final project selection is not comprehensible. Therefore mechanic selection procedures that act more or less like a black box to the assessors, may select projects, which correspond with the chosen procedure but conflict with the underlying philosophy of the programme. So in fact the link to the programme evaluation should already be made at stage of the project assessment in order to provide the bridgehead to the next steps of the programme and evaluation cycle.
2.4. Approaching the dilemmas via the philosophy of appraisals

The previous section revealed many steps of the selection processes where it is necessary to take decisions, which have to be based on subjective decision-making. In summary, a range of reasons needs to be mentioned of which most prominent are:

- Intangibility or effects;
- Lack of quantitative data;
- Consistency between selected projects;
- Lack of knowledge about the relation between projects and possible impacts;
- To ignore that selection also inheres a political element,
- Too high cost to solve the above mentioned shortcomings.

Before answering the question on how this problems could be solved one should go a step back in order to understand the philosophy where research and demands on evaluation and appraisals derive from and where we are heading for. Starting point of this discussion has been a situation in which there were no clear rules on the selection procedures (see figure 6).

Figure 6: Philosophy of the appraisal and project selection procedures

<table>
<thead>
<tr>
<th>Power and administration politics</th>
<th>Technocratic and mechanical methodology</th>
<th>Moderation and multi – methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad hoc approach</td>
<td>Transparency</td>
<td>Transparency</td>
</tr>
<tr>
<td>Lacking transparency</td>
<td>Formalisation</td>
<td>Participation</td>
</tr>
<tr>
<td>Instability of criteria</td>
<td>Comprehensive approach</td>
<td>Holistic approach</td>
</tr>
<tr>
<td>Dependency on the power in administration</td>
<td>Fragmentation</td>
<td>Consensus</td>
</tr>
<tr>
<td>Islandisation of decisions</td>
<td>Externalisation of decisions to procedure</td>
<td>Interaction</td>
</tr>
<tr>
<td>Acceptance low</td>
<td>Rationalisation</td>
<td>Internalisation of decision to decision-makers</td>
</tr>
<tr>
<td></td>
<td>Static</td>
<td>Reactive</td>
</tr>
<tr>
<td></td>
<td>Acceptance may differ</td>
<td>High acceptance</td>
</tr>
</tbody>
</table>

Where we came from. Where we are. Where will we go?

Selection processes and criteria were vague and lacking transparency. The suspicion of arbitrariness was wide spread and ad hoc political decisions had a strong impact on the allocation of funding in many cases. There was a strong demand for the creation of transparency, formalisation and rationalisation of the evaluation and appraisal of
projects in order to overcome these deficiencies and there is no doubt about the positive
effects resulting from that kind of more technocratic orientated approach which help to
reduce the kind of situation related to power politics.

*Technocratic and mechanical methodology* means in that respect to formalise, quantify,
calculate and make as much as possible computable in order to serve a rational decision.
The technocratic approach forgets or denies that any selection inheres a political
component. The limits of that approach are reached at that point where quantification
and computation systems pretend a level of precision which does not comply with
scientific findings and/or are sophisticated that the results are no more comprehensible
by the involved decision makers and project leaders. Of course, if the representative of a
programme wishes to give the difficult decision on projects away to a technocratic
procedure of a kind of black box it may create lacking acceptance on all sides, selection
committee, execution by programme managers and the administrating authority and also
the project applicants.

The way out of that dilemma leads to another direction by introducing intentionally
subjective decisions where the limits of the technocratic approach are obvious, but – and
these represent the crucial points of that approach - making decisions visible,
transparent and a matter of discussion in order to achieve consensus. The latter
participative element of this *moderated multi-methodological approach* only works and
produces deviating results from the power politics approach if independent
moderation/facilitation is available in order to facilitate and, if necessary, to mediate a
discussion or exchange process between the assessors. The approach takes advantage of
the technocratic tools on the one hand and gives back the lead to the original decision-
makers in those cases in which the technocratic approach clearly reached the limits. The
philosophy of this approach becomes more apparent in the following methodology
derived on that background.

3. Interactive project selection procedure (IPSP)

The basic elements of the IPSP were developed in an evaluation study on the
sustainability of Objective 2 funding of North Rhine-Westphalia (Sauerborn/Tischer
1999). The methodology was proposed, adapted and applied to different contexts such
as the Leader and Interreg Community Initiative in Rhineland-Palatine and Luxembourg.⁴

3.1. Principles

The Interactive project selection procedure IPSP picks up the disputed points raised above in the philosophy of the moderated approach (figure 6). The selection procedure concentrates on the features of transparency, participation, openness and acceptance by the group members. A key element represents the role of a skilled and experienced team of moderators and facilitators in order to conduct the involved group process. Otherwise there remains an inherent danger of the domination of process by some actors, which may distort the acceptance of the selection and create other influences in the aftermath. The expert supported group process aims at comprehensible common decisions, which are also visibly and practical at the same time. In addition the process allows providing a feedback to programme applicants on how to improve their proposals and provides the possibility to better cluster projects.

This type of assisted, decision-making copes with subjectivity in a deliberated manner with regard to the aggregation and discussion of individual appraisals. Decisions gain of credibility and transparency if a clear decision process backs the selection committee. Rankings on the base of an agreed set of criteria provide a differentiated and transparent picture of the subject to be appraised. Therefore a more adequate base for decision-making is set up.

IPSP represents a tool for decision-making in an assisted process in a group but also by the way communication through an intermediate consultancy on the base of commonly agreed criteria. Objectives of a funding programme are usually defined and can be extended by the assessors on a consensus base. The procedure allows assessing and ranking of projects by a joint decision due to their contribution to the programme objectives. Each member of the group uses that set of selection criteria to capture and to individually appraise only the eligible projects. There is scope of discretion (subjectivity) allowed in those cases where any scientifically back information is not available. That usually applies to the scoring and weighting of indicators.

The procedure proposes that the moderator reports all individual appraisals back to the group in a well-structured and visualised way. Thus, differences in the assessment due

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⁴ The application and refinement of the methodology to various contexts was also achieved at the TAURUS Institute by Joachim Albrech-Struckmeyer, Katja Königstein, Harald Spehl and Thiemo W. Eser.
to the scope for discretion, deviating assessments and differing compression of indicators by the group members become visible and can be tabled for discussion of the final appraisal. Finally the assessor’s group builds a ranking of eligible projects, which allows selecting projects for funding.

3.2. Tool and process

The tool of the IPSP represents a basic structure, which needs to be adapted to the specific situation of the appraisal and selection process. In general 8 steps can be distinguished (see figure 7).

1. Step: Definition of the selection committee

The first decision, which needs to be taken, is on the question on who is acting as an assessor. Most commonly the assessors should be the same persons who also deal with the matter from the implementation and administrative side. The knowledge about the thematic orientations is a prerequisite. If the lack of knowledge is apparent before starting the appraisal process three alternatives are emerging:

- To commission the appraisal to an expert group which could follow the same line below;
- To extend the assessor’s group by experts, the assessment could reveal differences between the assessment of these groups and use this as a base for discussion;
- To provide the relevant information to the assessors.

It may also happen that other representatives (from e.g. different Ministries as co-funding authorities) join the assessment process.

2. Step: Assessment of eligibility

The commonly agreed secretariat to the selection procedure should be commissioned to check the eligibility of the handed in project proposals after the preceding tendering process providing the relevant information (listed in section 2.2.) together with indication on the assessment criteria to the project applicants. The proposals at the fringe of the eligibility usually need to be discussed in the common forum of the selection committee.
3. **Step: Common final decision on criteria**

The selection committee confirms the indicators for the project appraisal. The criteria provided by the funding programme, which is intended to grant the project proposals, usually represent the starting point. These criteria are extended by horizontal objectives in many cases such as environmental sustainability or gender aspects. There might be the wish by some assessors to further refine and amend the list of eligibility indicators.
In any case it is important to find an agreement on the indicators of the assessment. The moderator/facilitator is able to provide the know-how to achieve that kind of agreement. The selection of criteria offers also the possibility to insert a political element.

4. Step: The project appraisal by each member of the selection committee
The members of the selection committee assess the proposals individually using the selection criteria including own weighting of indicators and methodology for the compilation of summary indices (for an example of an assessment sheet see annex, sheet 1). The members of the selection committee can carry out this assessment in a decentralised way. The approach also allows involving other expertise in those cases where an assessor represents a part of an authority, which wishes an assessment to be backed by the whole authority. The assessors report their results to the moderator/facilitator.
This step is very crucial in the respect that, here, the assessors score and weight according to their expertise. This possibility belongs to the constitutive elements of the whole IPSP procedure. Instead of seemingly scientific compilation and scoring systems the subjectivity of the assessment is desired.

5. Step: Preparation of overview on the result of the individual assessments in transparent form
The moderator prepares a summarising overview over the assessments made by all members of the selection committee. The task comprises the visualisation of results in a way that the selection committee can understand why which proposal score better in total than others. One way of presentation was already shown in figure 5, which provides a kind of profile for each project. This task also comprises to show clusters of projects that help to reveal the consistency of projects in relation to each other.

6. Step: Presentation of the results to the committee, revelation of agreements and inconsistencies
The moderator/facilitator presents the results to the selection committee also including a proposal for ranking. The presentation reveals which indicators scored rather consensual and which were assessed rather deviating. Thus, it becomes visible for the committee members whether the assessments of projects are coherent or divergent. Also strong and weak aspects of the project proposal can be discussed. The selection committee has to
decide whether the assessment needs an in-depth discussion in the case of obviously deviating assessments. Only a broadly accepted assessment will build on full support in the wake of implementation. The moderation process includes the application of a range of moderation tools. The result of this step is a group assessment of project proposals.

7. Step: Benchmarking and final selection

The final selection has to take place as a final step of the core selection process. Consistent ranking is, of course, a prerequisite for the final selection. However, the selection has to consider that even the relatively best proposals might miss the overall expectations of the programme which points of the question of benchmarking for the selection. Does the standard require adjustment? Does the adjustment take effect on the final selection of proposals resulting only from the ranking on the base of the previous assessment? Does the benchmark shed a different light on the criteria and indicators in terms of the expectations raised in the programme? Do the selected projects cluster in a consistent way or would fit a lower ranking project better in a cluster? Here the underlying political dimension can also play a role that should be openly discussed. This final step should be thoroughly taken because it sets the link to the evaluation of the programme and the projects. Moderation is necessary in order to guide the discussion towards results and not to entirely lose the results of the previous formal assessment out of sight.

8. Step: Documentation of results for the later project and programme evaluation and publication to the project applicants

The results achieved in the previous step have to be digested in two ways, firstly to inform and give feedback to the project applicants but also to report and provide a feedback to the actors on the programme level. That feedback should include information about the acceptance and the limits of the programme by both, the project applicants and the selection committee. The feedback is also valuable for the programme evaluation at a later stage and may help to understand for which reasons the objectives of the programme were not achieved or were not accepted by project applicants.

3.3. Limits and responses

The advantages of the outlined procedure lie in the revelation of subjectivity in those cases where scientific backing is not possible or too costly. Instead the IPSP creates
transparency and offers to deal with subjective assessments in a conscious way. Of course there are limits of the procedure that have to be mentioned.

• The **demands to the assessors** i.e. the members of the selection committee in terms of **time and capacities** are higher than in the case of the delegation of the assessment process to a single authority or expert. These demands increase considerable when a great number of proposals need to be assessed. Therefore it is necessary to assess the capacities of the involved individuals before starting the process.

• The **information flow** is not easy to achieve when the representatives in the selection committee themselves also have to involve their institution or authority, but of course that problem also occurs in other procedures where many parties have to be given the opportunity to comment. Of course, it is possible that one individual representative discusses and fills in the assessment in coordination with other departments and authorities. That type of delegation is also necessary in other processes.

• The **selection processes may take longer** than in a more formalised approach without the involvement of all member of the selection committee but with a well planned and sound concept and timetable provided and enforced by the facilitator a better than the usual observance is achievable.

• A **high number of assessors** in the selection committee can make the discussion process difficult but with a skilled moderation it is possible to deal with committees of the size of 15-20 persons.

• There might be the danger of **strategic behaviour by single assessors** regarding the appraisal and weighting of indicators. In general, strategic behaviour is possible with any procedure, which allows some latitude. The advantage of the IPSP is that the presentation techniques allow identifying extremely deviating evaluations and discussing these evaluations in the benchmarking and final selection. Thus, there exists a built in mechanism to table extremely deviating individual results.

• Finally, it has happened that members of the selection committee felt being **exposed to excessive demands in terms of their knowledge about the subject**, but this problem could be overcome by the involvement of expertise in the whole process as already mentioned above.

So in fact the IPSP has approved as an interesting alternative for selection processes with not too big numbers of proposals (up to 50) and there, the acceptance and
transparency could be raised for both the selection committee and the project applicants. In addition the circle towards the programme evaluation can be closed.

4. Conclusion

With regards to the methodological demands and standards in the social sciences many scoring/weighting/ranking systems suggested for the selection of projects represent not the appropriate tool. In most cases scores are allocated on a wide range of indicators and further computed. An index results, which is supposed to represent all information reduced to a single number. This method pretends a precision and transparency, which does not exist in reality. Most of the distortion derives from the transformation of ordinal scale measures to cardinal scale for both the scoring and the weighting of indicators. Apart from the outlined technical consideration the process of scoring and weighting inheres intangible components for the assessment in terms of the perception of scoring on indicators in particular on those criteria, which are not possible to be measured in numbers. Consequently, although the index indicates a clear result, it is often not easy to reconsider the decisive factor or indicator for the rejection or acceptance of a certain project. Finally the consistency between selected projects comes into question if mechanical selection grids are applied. The review of evaluation studies also reveals that considerable problems exist in ex post evaluating objectives of the programmes and project selection.

Another approach, a so-called Interactive Project Selection Procedure (IPSP), has been and currently is in parts applied in different contexts. The IPSP builds on the assertion that any project selection inheres an unavoidable probably political element, which cannot be prevented. The argument is even turned around: one has to better consider the needs of the actors, if most appropriate projects should be selected, but that aspect must be made transparent. Consequently, in order to cover the different views, members of the steering committees actively participate in the selection of projects. This includes the decision on indicators, accounts, scale, aggregation and weighting. The interactive component derives from the involved group process moderated by a facilitator who supports the process by the provision of adequate material and the moderation of the discussions. The approach concentrates on the transparency of individual assessment and selection criteria of group members to all participants of the selection process and shows their deviating perception. As the participants may follow inconsistent selection strategies the end product of selection may not be consistent on the one hand but reflects
by that way the common position by taking into account different views on the selection. Consequently it is ex-post much easier to evaluate the selected projects in comparison to the programme's objectives, and to help to explain the missing links between the objectives and needs stated in the programme, the translation of these objective in selection criteria and finally in the consistency of resulting project selection.

The comparison of the outlined approaches reveals that there is no perfect approach but there is an adequate approach. One emphasis scientific clarity, which in many cases is not given, the other stresses the individual assessment element in company with the group process towards a joint process selection where clearness is demanded. An analysis of the involved interests uncovers that scientific scoring systems mostly support the view of those administrational units conducting the index-building process. The question arises which method to pick if it is impossible to achieve all goals by one single method? Most emerging are criteria such as transparency and flexibility towards the needs on the spot. The worse selection is the one that primarily selects projects on the base of administrative needs in the narrow sense. Therefore the Interactive Project Selection Procedure is preferred under some conditions specified above. Finally, the objection might remain that the selection is more politically orientated than desired but that takes place in an open and transparent mode. The latter observation just points out: a normative decision is taken in any case, by the selection of the method and/or the selection/evaluation itself. In the end, that method ought to be employed which best contributes to the quality management of policy-making.
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### Annex

**Sheet 1: Project appraisal**

<table>
<thead>
<tr>
<th>Categories and indicators</th>
<th>Assessment of indicators</th>
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<td>Delineation</td>
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<td>Coherence</td>
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<td>Critical mass</td>
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<td>Composition of partners</td>
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<td>Number</td>
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<td>Share of women</td>
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<td>Broad consideration of interest groups</td>
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<td>Organisational structure</td>
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<td>Support for „Bottom up“-approach</td>
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<td>Clear organisations-, participation- and decision structures</td>
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<td>Adequate administrative und financial capacities</td>
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