

## BRIEFING

### Provincial Growth Fund evaluation: impact of COVID-19

|                                 |               |                         |            |
|---------------------------------|---------------|-------------------------|------------|
| <b>Date:</b>                    | 22 April 2020 | <b>Priority:</b>        | Low        |
| <b>Security classification:</b> | In Confidence | <b>Tracking number:</b> | 2945 19-20 |

| Action sought   |   |               |
|---|---|---------------|
|   | Action sought   | Deadline      |
| Hon Grant Robertson<br><b>Minister of Finance</b>   | <b>Note</b> that the Provincial Development Unit will be required to reschedule the delivery of the final evaluation report to June 2021 at the earliest. This is a result of the impact of COVID-19 on undertaking fieldwork, not wanting to place additional burden on recipients at this time, and requiring more time to understand how COVID-19 has impacted on the outputs and early outcomes of Provincial Growth Fund investment. | 29 April 2020 |
| Hon Phil Twyford<br><b>Minister of Transport<br/>Minister of Economic<br/>Development</b>                           |   | 29 April 2020 |
| Hon David Parker<br><b>Minister for Trade and Export<br/>Growth</b>   |   | 29 April 2020 |
| Hon Shane Jones<br><b>Minister for Regional Economic<br/>Development</b>  |   | 29 April 2020 |
| Fletcher Tabuteau<br><b>Parliamentary Under-Secretary<br/>to the Minister for Regional<br/>Economic Development</b> | <b>Note</b> the contents of this briefing.  | 29 April 2020 |

| Contact for telephone discussion (if required) |   |                            |             |
|--|---|----------------------------|-------------|
| Name   | Position  | Telephone                  | 1st contact |
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### Purpose

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This briefing notifies Regional Economic Development Ministers that the delivery of an evaluation of the Provincial Growth Fund will need to be rescheduled for June 2021 at the earliest, due to challenges with:

- The impact of COVID-19 on undertaking fieldwork;
- Reducing the burden on recipients as they respond to the impacts of COVID-19 on their business and projects and move into recovery;
- Understanding how COVID-19 has impacted on the outputs and early outcomes of the Provincial Growth Fund investment.

## Recommended Action

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The Provincial Development Unit recommends that you:

- a **Note** that in February 2018, Cabinet directed the Provincial Development Unit to develop a plan for evaluating the operation and effectiveness of the Provincial Growth Fund, with a substantive evaluation of the PGF to be completed by the end of 2020 [CAB-18-MIN-0045 refers].
- b **Note** that the evaluation plan, produced by Commercial Information [redacted] and Commercial Information [redacted] will be signed off in the coming weeks.
- c **Note** that the Provincial Development Unit will be required to reschedule the delivery of the final evaluation report to June 2021 at the earliest, due to challenges with:
- i. The impact of COVID-19 on undertaking fieldwork;
  - ii. Reducing the burden on recipients as they respond to the impacts of COVID-19 on their business and projects and move into recovery;
  - iii. Understanding how COVID-19 has impacted on the outputs and early outcomes of Provincial Growth Fund investment.
- d **Note** that the Provincial Development Unit will report back to Regional Economic Development Ministers with recommended next steps for the evaluation once there is sufficient stability in the COVID-19 response and recovery to allow for the necessary planning to take place.

*Noted*

*Noted*

*Noted*

*Noted*

Karen Walfisch  
General Manager, Strategy, Planning and Performance  
**Provincial Development Unit**  
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Hon Grant Robertson  
**Minister of Finance**

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Hon Phil Twyford  
**Minister of Transport**  
**Minister of Economic Development**

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Hon David Parker  
**Minister for Trade and  
Export Growth**

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Hon Shane Jones  
**Minister for Regional Economic Development**

## Background

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1. In February 2018, Cabinet directed the Provincial Development Unit (PDU) to develop a plan for evaluating the operation and effectiveness of the Provincial Growth Fund (PGF), with the evaluation of the PGF to be completed by the end of 2020 [CAB-18-MIN-0045 refers].
2. The evaluation, scheduled for completion in 2020 (the evaluation), will look at a range of indicators for determining how the PGF has done, covering its outputs, and early outcomes, with the broad objective of:
  - understanding how the PGF operates and contributes to regional outcomes
  - identifying early signs of success
  - identifying opportunities for the PGF to better achieve its outcomes [CAB-18-MIN-0347].
3. Evaluation of medium to longer term outcomes of the PGF is planned to be undertaken at a later date. This type of evaluation is usually done two to three years after investments are made to allow sufficient time for their impact to play out. However, longer term, it will be difficult to decouple the impacts of PGF investment from additional investment to mitigate the impacts of COVID-19. The implications for a longer term evaluation will be examined as part of a wider work programme to assess the COVID-19 response.

## The plan for evaluating the PGF is close to being finalised

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4. There are two stages to the evaluation [briefing 3911 18-19 refers]:
  - **Stage One:** Scoping the evaluation and delivering an evaluation plan
  - **Stage Two:** Carrying out the evaluation of the PGF.
5. The PDU engaged Commercial Information and Commercial Information Commercial Information (the evaluation consultants) to scope the evaluation, and to develop an evaluation plan.
6. The scoping process included workshops and meetings with the evaluation consultants and PDU officials, as well as the Ministry of Business, Innovation and Employment's Evidence and Insights Branch.
7. Feedback was sought throughout the process from members of the cross-agency Evaluation Advisory Group on the draft evaluation approach and key evaluation questions.
8. The evaluation plan sets out the purpose of the evaluation, key evaluation questions to be asked, and how the evaluation will be undertaken. It contains four sections:
  - i. Information about the PGF.
  - ii. The evaluation brief as referenced from the February and July 2018 Cabinet papers.
  - iii. The recommended evaluation approach including the scope and intended users for the evaluation, key evaluation questions, evaluation criteria and reasoning used to make evaluative judgements, data sources, and ensuring the approach is suitable for Māori participants.
  - iv. The delivery of the evaluation including timeline, resourcing and budget.
9. The plan is close to being finalised. Final feedback on the plan is currently being sought from members of the cross agency Evaluation Advisory Group and the cross agency Evaluation Governance Group.

10. Following sign-off of the plan, further work on undertaking the evaluation itself will be paused due to the practical and logistical constraints associated with COVID-19. The PDU will report back to Regional Economic Development Ministers with recommended next steps for the evaluation once there is sufficient stability in the COVID-19 response and recovery to allow for the necessary planning to take place.

## **Stage Two of the evaluation will be delayed**

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11. The timing of any evaluation is important, with appropriate timing improving the prospects of producing meaningful results.
12. COVID-19 poses a number of challenges for proceeding with the PGF evaluation over the coming months, outlined below.

### *Fieldwork logistics*

13. Along with administrative data and surveys, the evaluation plan relies substantially on case studies, including interviews with funded recipients and other community stakeholders.
14. Current and potential longer term travel restrictions, along with peoples' potential comfort levels with meeting, will limit the amount of face to face interviews the evaluators are able to do. The impact of COVID-19 is also likely to impact negatively on survey response rates.
15. While evaluators may be able to connect with stakeholders in other ways, excluding case studies would limit the evidence and insights, and resulting conclusions, able to be drawn from the evaluation.
16. On 20 March, the Ministry of Health (MoH) reached a position statement that, in their clinical opinion, all face to face survey interviewing of the public stop due to the risk of transmission. MoH will monitor the situation and advise agencies on when it is safe to resume face to face survey interviewing. We will continue to review MoH advice to agencies, as it will indicate when fieldwork can begin.
17. In addition, recipients are also responding to the impacts of COVID-19 and developing their recovery plans. Availability for taking part in interviews and surveys would place an additional burden on recipients at this time of uncertainty.

### *Decoupling the impacts of PGF investment from the impacts of COVID-19*

18. COVID-19 will have global, national, and regional effects, particularly on growth. As a result, it will likely be difficult for the evaluators to determine how PGF investments have contributed to regional outcomes when coupled with the impact that COVID-19 has had on the success of these investments.
19. Delaying the final evaluation report will allow time to better understand how COVID-19 has impacted our regions and projects, and to design questions that will help to understand the impacts on the outputs and early outcomes of PGF investment. It will also allow evaluators to understand any positive effect the PGF response measures are able to have in mitigating the impacts of COVID-19 and building longer term resilience to economic impacts such as this.

## **Next steps**

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20. The PDU will report back to Regional Economic Development Ministers with recommended next steps for the PGF evaluation for the evaluation once there is sufficient stability in the COVID-19 response and recovery to allow for the necessary planning to take place.