



IMPROVING THE EX-POST EVALUATION OF NGOS' PROJECTS BY INVOLVING THE INDIVIDUAL ASSESSMENT OF SOCIAL AND ECONOMIC EFFECTIVENESS

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Abstract

Due to the lack of private and public financial support, a major part of an average Lithuanian non-governmental organisation (NGO) annual budget is based on the financial resources from European Social Fund (ESF). NGOs are obliged to present evaluation reports in a 5-year period after the completion of a project funded by ESF.

Nevertheless, there are several issues regarding current evaluations. Firstly, the reports of ex-post evaluation do not include a sufficient number of perspectives and opinions of stakeholders. Secondly, NGOs work with vulnerable target groups; however, the social effectiveness of the project is not the main focus.

The article is based on the research carried out in the manuscript “Evaluation of Social and Economic Effectiveness of Projects, Executed by NGOs” by Keleckaite (2015). The scientific literature in this context was analysed and an alternative model was proposed. Its validity was checked by conducting a survey of project participants, followed by mathematical calculations and statistical analysis.

The application of the alternative model has been successful and the findings are relevant at several levels. To begin with, the participants have an opportunity for a self-assessment and deeper understanding of the real changes brought about by a particular project. In addition, the executing organization can use the gathered data and analysis for the formation of future social project portfolio. Finally, the local Government and ESFA can employ the findings in the process of designing a regional policy.

Key words *NGOs; project management; ex-post evaluation; social effectiveness; economic effectiveness*

JEL code: *L3*

Introduction

The European Commission encourages Member States to carry out their own ex post evaluations. For this reason, European Social Fund Agency (ESFA) obliges the executing NGOs to perform evaluation reports in a 5-year period after the completion of a project. Nevertheless, there are several issues, regarding current evaluations. To begin with, the reports of ex-post evaluation do not include a sufficient number of perspectives and opinions of stakeholders – the only internal evaluator is the project manager. Moreover, NGOs work with a sensitive target group, but the social effectiveness of the project is not in the main focus of reports.

This article seeks firstly to introduce the reader with the essential principles of project assessment, models and frameworks used for the evaluation of social and economic effects.

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Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

Secondly, to suggest an alternative model which includes the individual assessment of projects, executed by NGOs. Lastly, to present the main findings obtained with the mentioned model. In order to achieve research objectives, the author used analysis of scientific literature and legal documents (statistical data/other information sources), semi-structured interview, survey and statistical analysis of secondary data.

The problematics of social projects' evaluation

According to Keleckaite, Meiliene (2015), NGOs face a lot of challenges, such as an unstable financial situation, lack of competences and employees, high level of bureaucracy. Nevertheless, every day's confrontation with persons who belong to socially excluded groups still remains as one of the biggest challenge. Social exclusion is an issue that affects many strata of society; the poor, the disabled, the unemployed, black and ethnic minorities, the young and old, the educationally and culturally deprived, the disadvantaged in inner cities and rural areas (Hicken, 2004). It has been defined as an individual's inability to participate effectively in economic, social, political and cultural life, resulting in alienation and distance from the mainstream, or more simply, the loss of access to the most important life chances.

NGOs create social benefits for the society by implementing projects. Due to the lack of private and public financial support, around 50% of an average Lithuanian NGO annual budget is based on the financial resources from European Funds (Official statistics portal, 2015). In a period from 2007 to 2014, Lithuania's NGOs mostly used the aid of European Social Fund and European Economic Area (EEA) financial mechanism. The main goals raised by ESF were full employment, quality and productivity at work, social cohesion and inclusion whereas EEA grants promoted human and social development, justice, environmental protection and partnerships. The programmes were implemented through individual projects run by executing organizations (beneficiaries). Over the entire mentioned period of funding, approximately 170 million EUR were granted to the participating NGOs.

Each beneficiary is obliged to present evaluation report after the completion of a project (evaluation which focuses on the outcomes is called ex-post evaluation). According to EC (2015), it aims to account for the use of resources, the achievement of expected and unexpected effects and for the efficiency of interventions. Also, ex-post evaluation strives to understand the factors of success or failure, as well as the sustainability of impacts.

The analysis of ESFA and EEA grants report forms and evaluation criteria has revealed that ESF is more oriented to the assessment of the application of the project and its relevance to the common EU policy rather than ex-post evaluation of the project effectiveness. The most important part of the final report is a financial justification of costs and achieved project results. Differently, EEA financial mechanism requires a much deeper analysis of social aspects as it focuses on influencing factors, quality, effectiveness and the impact. Furthermore, project managers are asked to explain success and failure reasons, provide a situation analysis.

Nevertheless, in both of funds' ex-post evaluation forms, a project manager is the only responsible person who evaluates the project internally. Therefore, it can be stated that if main stakeholders of the project (the target group) do not perform self-evaluation and general evaluation of the project in the end of the period, neither the effectiveness nor the impact can be assessed properly.

To sum up, the results show that in comparison with EEA grants, European Social Fund has a greater focus on the pay off the investments, even though NGOs mostly work with



vulnerable target groups and social effects should matter the most. Moreover, as it was mentioned before, the ex-post evaluation does not include a sufficient number of perspectives and opinions of stakeholders.

Hence, there is a demand on a specific evaluation model for socio-economic effectiveness of NGOs projects.

Research methodology for ex-post evaluation of project social and economic effectiveness

The use of evaluation results is at the core of evaluation theory and practice. Major debates in the field have emphasized the importance of both the evaluator's role and the evaluation process itself (Contandriopoulos, Brousselle, 2012). Over the years, authors (Trochim, 2006, Ramirez, Broadhead, 2013) offered various definitions of evaluation which can eventually be determined as a systematic process of data collection for a judgment about merit, worth or value. Keleckaite (2015) introduced a specific model for ex – post evaluation of social and economic effectiveness of projects executed by NGOs. The background and the logic of the model are explained later in the text.

To begin with the visual explanation, bigger rectangles depict spheres an evaluator shall analyse. Circles mean additional influencing factors/levels an evaluator should pay attention to. Smaller rectangles illustrate the suggested tool of research: PD – analysis of Project Documents; SD – analysis of Statistical Data; SDA – Analysis of Secondary Data; IN – Interview and SU – Survey.

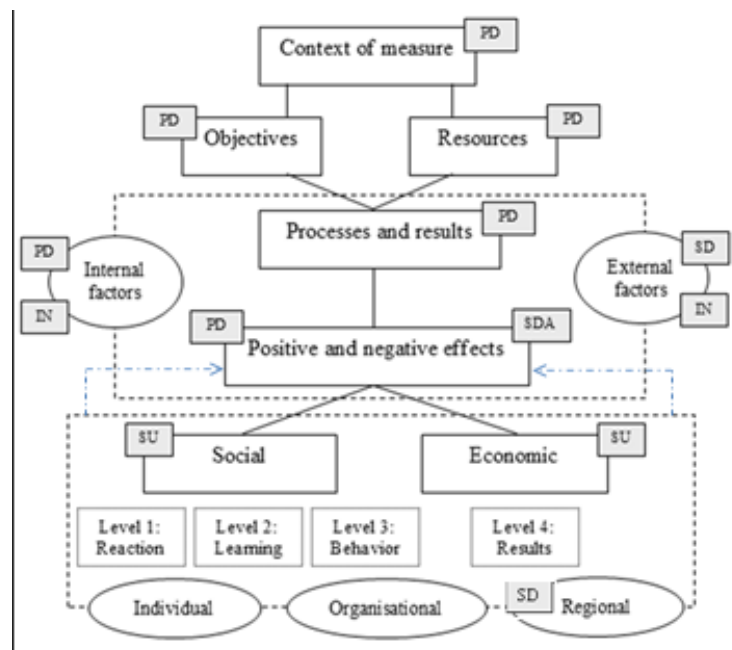


Figure 1: Model for ex – post evaluation of social and economic effectiveness of projects executed by NGOs

Source: Keleckaite (2015)

As it can be seen in Figure 1, firstly, the characteristics of the project are represented (the context, objectives, resources and achieved results). According to Katsikaris, Parcharidis (2010), every evaluator has to involve a sufficient number of stakeholders' perspectives.



Therefore, Piwowar-Sulej (2011) proposes that a model for evaluation shall contain regional, organisational and individual levels. Hence, considering the scientific input of the mentioned authors as well as research performed by Russ-Eft and Preskill (2005) and Christie, Alkin (2008), a method, illustrated in Figure 2, was used as a baseline.

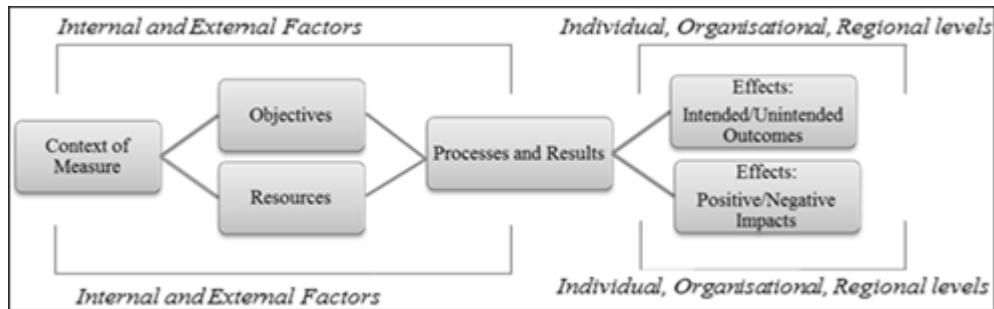


Figure 2: **Method for evaluation of project socio-economic effectiveness**

Source: Russ-Eft and Preskill (2005), Christie, Alkin (2008), adapted by author

In order to accurately evaluate the internal and external factors which might influence the effectiveness of a project, analysis of project documents and statistical data is proposed. Also, an interview with a project manager and a representative from an administering institution is suggested.

Finally, positive/negative social and economic effects can be evaluated by employing a survey method, followed by secondary data analysis and interpretation of internal and external factors. Survey method is chosen because it covers a lot of information in a simpler format and allows anonymity, which is especially important aspect while communicating with a sensitive target group. Finally, by employing primary and secondary data, effects are distributed to individuals (project participants), organizations (project executors) and regions (either country or local Government).

Ex-post evaluation of social effectiveness

Due to the specifics of social projects, researched by Kylindri, Blanas, Henriksen, Stoyan (2012), Moghadam, Dinpanah, Zand (2013), Szot-Garbys (2013), Kruger, Alvarez, Czismadia, Duch, Garcia, Hamburg, (2014) a specific concentration on indicators, related to human dimensions, such as creativity, satisfaction, social connectivity, knowledge, competences and skills should be held. Keleckaite (2015), therefore, analysed limitations of different methods which are widely applied for the evaluation of social effects (see Table 1).



Table 1

Limitations of methods used for evaluation of project’s social effects

Method	Limitations
Social impact assessment	<ul style="list-style-type: none"> Does not include the perspective of an individual and organization, therefore, identification of channels and groups affected can be complicated.
Balanced Scorecard	<ul style="list-style-type: none"> Has a disadvantage for non-quantifiable data; Is not able to measure the actual value changes in the results delivered if required data for the current period is insufficiently available; Does not include the perspective of an individual.
Social Return on Investment	<ul style="list-style-type: none"> There can be a tendency to misunderstand the numbers, specifically the SROI ratio, which is value, not money; Little evidence of application in an NGO sector; Very complex analysis (with a need to assess social benefits in monetary units, which is not always possible).
Atkisson Compass	<ul style="list-style-type: none"> Is used to screen potential investments and to assess their ongoing progress towards sustainability, but rarely used for ex post evaluation.
Poverty Social Impact Assessment	<ul style="list-style-type: none"> Findings rarely identify specific effects on different groups of people; It is not a tool for impact assessment of itself, but rather a process for developing a systematic impact assessment for a given project.
Case Study Evaluations	<ul style="list-style-type: none"> Case study evaluator may not collect sufficient judgmental information to permit a broad-based assessment of a program’s merit and worth.
Counterfactual analysis	<ul style="list-style-type: none"> Comparison of participants and non-participants provides useful additional information on likely impacts but in a form difficult to quantify; In many cases monitoring and data are excessive which limits the use of advanced statistical/econometric techniques; If there is no primary data about project participants, it is impossible to perform.
Kirkpatrick’s model for evaluation	<ul style="list-style-type: none"> Conceptual linkages between levels of a model are weak; It does not involve the regional perception.

Source: Clark et al. (2004), Maas, Liket (2011), adapted by author

It can be noticed that most of the frameworks tend to be input, rather than output, oriented. Also, the majority of them are designed to include only short-term social effects and moreover, the quantification of these effects is problematic. Furthermore, almost every method has a clear orientation towards evaluation of the profit of (social) enterprises. In addition to this, it is relevant to remember that the effectiveness on the level of the individual can be not the same as effectiveness at organization or regional level, so a method should contain evaluation forms for all levels.

Due to these reasons, Keleckaite (2015) suggests adapting Kirkpatrick’s model for the assessment of social effects of projects, executed by NGOs. Donald L. Kirkpatrick first published his ideas in 1959, in a series of articles in the Journal of American Society of Training Directors. According to Frye, Hemmer (2012), Kirkpatrick’s four-level approach (Reaction, Learning, Behavior and Results) has enjoyed wide-spread popularity as a model for evaluating learner outcomes in training programs.

Projects executed by NGOs usually contain a variety of trainings or seminars; therefore, Kirkpatrick’s model with educational background fits well. Moreover, this model is not directly



oriented to the profit of (social) enterprises and it has a focus on individual. Thirdly, with a little adaptation, it can be applied to all three levels: individual, organizational and regional and ensure that there is a sufficient number of perspectives and opinions to take into consideration (Table 2).

Table 2

Questions for the evaluation of social effects in different levels

Level	Indicators and possible questions
1st level (Reaction) Individual	<p><i>Level of satisfaction and valuation of particular project activities</i></p> <ul style="list-style-type: none"> • Had the project fulfilled the expectations? • What real difference has the activities made? How people have been affected? • In what ways and to what degrees do various stakeholders value the project?
2nd level (Learning) Individual, Organisational	<p><i>Level of increase of knowledge or skills</i></p> <ul style="list-style-type: none"> • Did the participants experience any changes in their skills, knowledge, attitudes? • Could more effects be obtained by using different instruments? • What were the most important reasons for the project's successes and failures? • To what extent did the program effectively meet beneficiaries' needs? • What are the positive and negative side effects? • What are the effects of the project to organization?
3rd level (Behavior) Individual, Organisational	<p><i>Level of motivation; Changes in behavior</i></p> <ul style="list-style-type: none"> • Did the project have effects on quality of life or reduction of social risks? • Did the project contribute to common strategy? • Was the project effective in terms of expected impact? • What are the program's most important unresolved issues?
4th level (Results) Individual, Organisational, Regional	<p><i>Costs and benefits; the influence of external and internal factors</i></p> <ul style="list-style-type: none"> • What were the costs and benefits of the project (not only in monetary terms)? • What internal and external factors could possibly make influence on the effectiveness of a project?

Source: *Stuffelbaum (2001), EC (2015), McQuaid, Lindsay (2005), Neverauskiene, Slekiene (2008), Kirkpatrick (2013), adapted by author*

On individual level, it is important to find out whether the expectations were fulfilled, what was the real change. On organizational level, it is relevant to remark the importance of internal factors. Lastly, answers to the questions related with a regional level contribute to the formation of common strategy.

There is evidence in various scientific studies that the magnitude of project effects can be influenced by or depend on the socio-demographic background of a project participant. Moghadam, Dinpanah, Zand (2013) stress the variables of social participation (e.g. membership of union), social status, modernity level, attitude towards the participation. Szot-Garbys (2013) notes that even child care and family stress can influence the extent of final social effect of the project. Lastly, McQuaid et al. (2005), Kruger, Alvarez, Czismadia, Duch, Garcia, Hamburg (2014) summarize the variables, which can be related with a participant's profile, including gender, age, health, ethnicity, income, personal competencies, professional qualifications and marital status (see Table 3).

Table 3



Socio-demographic profile of a project participant

Purpose	Indicators
To form a socio-demographic profile of project participant	Gender, Age, Marital status, Education, Work experience and Professional Qualifications, Social exclusion group, Health, Number of under-age children, Ethnicity, Income, Addictions

Source: Keleckaite (2015)

To sum up, during all stages of the evaluation process of social projects, it is very important not to get stuck in a simple accumulation of output indicators (e.g. projects organized, training courses provided). Due to diverse needs, values and vulnerabilities of a sensitive target group, the effectiveness of the activities carried out should be measured in the light of the objectives and their relevance to the individual, organizational and regional problems.

Ex-post evaluation of economic effectiveness

It is important to note that even social projects which produce "soft" outcomes can develop economic changes. As Torche (2003), EC (2015) considers the range of limitations (see Table 4) of different methods, multi-criteria analysis has to be performed while evaluating.

Table 4

Limitations of methods used for evaluation of project’s economic effects

Method	Limitations
Cost – benefit analysis (CBA)	<ul style="list-style-type: none"> • Costs and benefits are not always tangible or can be expressed in monetary terms; • CBA measures costs and benefits on the subjective basis; also it has insensitivity to the distribution of cost and benefits over different individuals.
Cost – effectiveness (CEA)	<ul style="list-style-type: none"> • Cost-effectiveness analysis focuses on the main direct outcome of the intervention. The data collection for the unexpected costs and impacts is difficult.
Return on investment (ROI)	<ul style="list-style-type: none"> • ROI fail to describe the intangible aspects; • This method does not tell anything about program’s or project’s effectiveness.
With or without project situation analysis (WWP)	<ul style="list-style-type: none"> • There are potential pitfalls with survey techniques. First, those who choose to respond may be those who feel most strongly about it. Secondly, responses may not be truthful; • It is not possible to determine participants behavior in the “without project situation”, after they received the effects of the project. This is called the missing data problem; • People who have not received the benefits of the project are not necessarily identical to the ones that participated in it; • It is difficult to decide, whether the project is actually responsible for the changes observed in the beneficiaries.

Source: Torche (2003), EC (2015), adapted by author

An author of this paper puts attention to the main focus of each analysis: for CBA it is profit, for CEA and WWP – effectiveness and for ROI – investment return. From the viewpoint of NGOs, which are non-profit organisations seeking for the benefits to society; the most suitable methods to evaluate economic effects are analysis of cost effectiveness and method



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

“with or without project situation”. Furthermore, an author notes that it is possible to avoid the mentioned limitations by applying a few approaches already used in other studies.

Firstly, to overcome the difficulties of data collection for the unexpected costs and impacts in CEA, it is necessary to include assessment characteristics from various viewpoints as it was done in the “Economic and social assessment of community irrigation projects” by Ford and Butcher in 2002. These authors have identified four important viewpoints and assessment parameters (Ford, Butcher, 2002):

- Farmer viewpoint (interested in project’s commercial viability);
- Promoter viewpoint (interested in project’s commercial viability);
- Central and local government viewpoint (interested in project’s economic and social impacts).
- Community/stakeholder viewpoint (interested in project’s economic and social impacts).

The indicators for commercial viability included profitability, return on capital and asset value, while for the analysis of economic contribution authors determined output, employment, value added, and location of impacts and distribution of income. Income distribution as an indicator for evaluation of project’s economic effectiveness is also mentioned in the study of European Commission. It is stated that regardless of the financing method, even projects with non-tangible products create jobs and distribute income:

- Directly, by means of jobs created within the entities managing the project, which can be an important project objective;
- Indirectly, by means of the intermediate goods and services they use (EC, 2015).

Costs and benefits to other sectors, social groups, participants and employees of organisation are controversial and the evaluation can become problematic. For this reason, Table 5 illustrates separated indicators of project economic effectiveness which were mentioned in the studies of Ford, Butcher (2002) and Foster (2010) and could be used for evaluation of projects, executed by NGOs.

Table 5

Indicators for the evaluation of economic effects in different levels

Level	Indicators (Benefits and Costs)
Individual	<ul style="list-style-type: none"> • Income distribution; • Social benefits.
Organizational	<ul style="list-style-type: none"> • Assets value; • Costs for employees’ qualification development.
Region	<ul style="list-style-type: none"> • Government tax revenues; • Units/Costs for services (hospitals, police, social services); • Avoided costs for social benefits; • Subsidies.

Source: Ford, Butcher (2002), Foster (2010), adapted by author

As it can be seen from the Table 5, each of the level is equally important. For example, if the project creates skills that lead to higher earnings, then even the additional earnings of those benefiting under the project can be used as an estimate of project returns/benefits. Also, if the project results in significant internal efficiency gains then the cost savings may be a good measure of project benefits.



Generally, it can be stated that social projects can also modify the economic situation of an individual, executing organisation and surrounding society/state. For the further analysis, it is relevant to note that the degree of effects might depend not only on individual factors (as mentioned in Table 3) but also a variety of external factors. Passani, Monacciani, Van Der Graaf, et. Al. (2014), mention the importance of socioeconomic trends as age structure of society or the dynamics in household structure, also, employment tendencies and changes in government policy (e.g. laws, public services, system of social benefits, institutional support). Due to the mentioned determinants, target groups of even similar-type projects can be affected differently.

Research findings: ex-post evaluation of social and economic effectiveness of the project “Social inclusion”

The reader has been already introduced with an alternative model for ex – post evaluation of social and economic effectiveness of projects executed by NGOs (Figure 1). Research methodology was applied for a specific case analysis (the further names and titles are changed due to the confidentiality).

First of all, the context of measure, objectives, resources and results of the project are introduced.

Title of the project: Social Inclusion (abbreviation - PSI).

Period of time: February, 2012 – May, 2014.

Funding: ~400.000 Euros.

Aim: To include socially excluded groups into society by employing them or motivating to study.

Target groups (in total – 170, see Figure 3). The majority (84) of Project participants belongs to families at social risk, 34 are former orphans, 27 are long-term unemployed persons, 18 persons have disabilities and 7 are single parents.

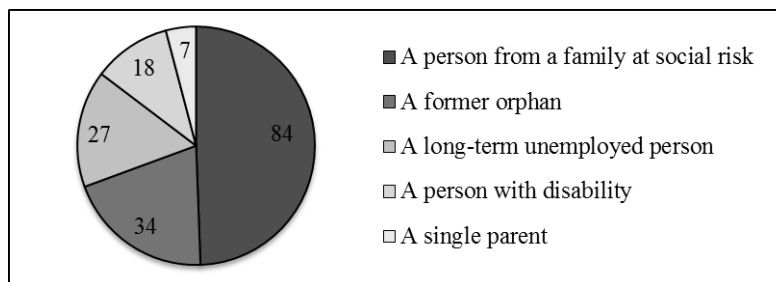


Figure 3. Project's Target groups

Source: Keleckaite (2015)

Project activities: individual psychological consultations, self-help groups, professional trainings at educational institutions and partner companies (e.g. accountant, vendor, nurse, cook), development of skills for successful job search, trainings for computer literacy skills, trainings for foreign language knowledge, trainings for economic independence and individual support for the project participants during recruitment process and first months of employment.

Results: As the results of project activities, 25% of disabled participants and 30% of all socially excluded participants had to be employed or led to study. The project managed to achieve only the first indicator.



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

In order to get more information about internal and external factors, an interview with a project manager and a representative from ESFA has been held. The interviewees were asked about the terms of social and economic effectiveness of a project, the importance of individual ex-post evaluation and the outcomes of a particular project PSI.

It can be remarked that the perception about the social and economic effectiveness of a project is similar. The only difference is that the PSI manager is more oriented into micro-level effects (e.g. concrete benefits for a target group) while the representative from ESFA perceive it rather in a macro-level (e.g. contribution to country's development). While answering to the second question, both of the interviewees agreed that individual ex-post evaluation would be useful for the designing process of future interventions. Nevertheless, there were no requirements for project participants to perform such an assessment. Finally, PSI manager and a representative from ESFA were asked to describe project's social and economic effects on organizational and regional level. The manager mentioned opportunities for staff development, also a fact that computer class was updated and general office was reconstructed. The representative gave a general overview that the project was effective in a matter of influential reduction of social exclusion.

Yet, for a deeper analysis of social, economic effects and internal influencing factors, survey of project participants was held. The socio-demographic profile is presented in Table 6.

Table 6

Socio-demographic profile of PSI participants

Indicator	Results
Age	6% of the participants are less than 25 years old, 31% are within the age group of 26-35, 33% within 36-45, 27% within 46-55 and 4% are more than 55 years old.
Education	The majority of survey participants have secondary or vocational education - accordingly 37% and 33%. One fifth (23%) of them acquired higher education and 8% have primary education level.
Social exclusion group	The biggest share of respondents (58%) belong to families at social risk (families with multiple and complex problems such as joblessness, poor mental health or addictions). 17% of survey participants are single parents, 13% of them are long-term unemployed persons, 8% have a disability and 4% are former orphans.
Number of under-age children	17% of respondents do not have children under the age of 18, half of them (52%) have 1 child, 13% have 2, 6% have 3, 10% are still raising 4 under-age children and 2% have 5 kids.
Work experience	62% have zero or up to 5 years of work experience. 29% of survey participants have 6-10 years of experience and 33% have been working for longer than 10 years.
Economic activity	8% of them are now studying, 46 % have a legal job, almost one third – 29% work illegally and 17% neither study nor work (although a presumption can be made that a part of them is also working illegally).
Addiction	35% of respondents have an addiction, 27% of them admitted to no longer having an addiction and 38% claimed that they do not have any addiction at all.

Source: Keleckaite (2015)

To sum up a general profile, the majority of respondents belong to the age group of 26-55, have vocational or secondary education, live in the families at social risk, have at least one under-age child, have job experience from 0 to 10 years and one third of them admit having an addiction.



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

The participants were also asked in how many other projects they participated during the same period of time. For 67% of respondents PSI was the only project, 27% participated in several projects at the same time and 6% of participants managed to be involved in total of 3 projects.

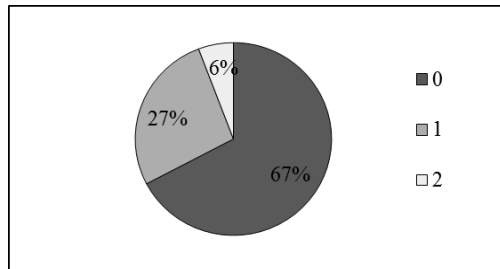


Figure 4. Number of additional projects a participant participated in the period of 2012-2014

Source: Keleckaite (2015)

The evaluation of social effects proved that the majority (67%) of the participants who were involved in project activities were happy about the fulfillment of their expectations. A correlation analysis revealed that it depends on the level of education and work experience. According to the respondents, project activities such as individual psychological consultations and trainings for successful job search were the most effective ones. The participants also mentioned that they got a strong knowledge about self-representation to employer, career planning, professional and computer literacy skills. It is important to remark that time planning skills which were not expected to appear while executing the project activities, were acquired in a higher level than the foreign language or entrepreneurship skills which were the direct part of project. An analysis has also shown that there is a negative relationship between participant's education and the level of gained skills and knowledge. Lastly, the respondents admitted that after the project completion, they feel more self-confident, motivated to work or learn and socially active. It was found out that the participants can experience social change differently depending on the circumstances and factors – the biggest changes in behavior were felt by the participants with disabilities and single parents.

The evaluation of economic effects provided a worthwhile data in terms of economic benefits and costs for the participant and the Government. The survey showed that 46% of respondents have a legal job – and this is a good indicator for a project result. Nevertheless, almost one third (29%) of project participants work illegally and hide taxes. An author of this paper assumes that this situation is led mostly by the mentality of people and the extent of shadow economy which formed 25% of Gross Domestic Product in 2014. Furthermore, for the participants with low level of education and work experience, it is more convenient to use the social benefits and additionally get wage “in envelope”. An analysis has shown that total sums of 3.300 euros (illegally) and 12.600 euros (legally) are gained by respondents monthly. After the implementation of project activities, number of those receiving social benefits reduced from 36 to 28, amount of unemployment benefits were diminished from 28 to 7 and there are 9 people out of 15 left who still get compensations.

Respondents were analysed according to their current economic activity – students, legal workers, illegal workers, inactive citizens. There were periods “before the project” and “after



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

the project” compared and the information about financial inflows of respondents provided. (Figure 5).

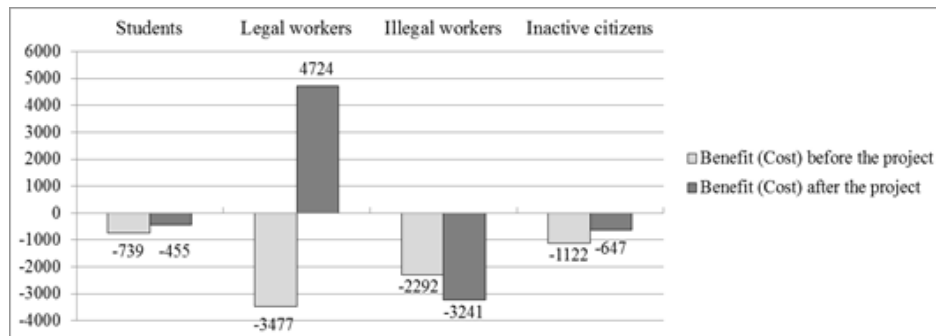


Figure 5. *Monthly benefits and costs for the Government before and after the project, Eur*
Source: Keleckaite (2015)

For students and inactive respondents the sum of financial benefits decreased while for the legal workers income increased almost threefold. The monthly inflow of illegal workers also became bigger because differently from the legal ones, they do not pay taxes and the majority continues getting unemployment benefits, social benefits and compensations. This position leads to the situation when the Government of a region is not able to collect taxes and need to waste money on social benefits for people who do not need them anymore. It can be stated that project participants, who have a legal job, are the only ones bringing economic benefit for the society.

To sum up, it can be claimed that an individual ex-post assessment provides a lot of valuable information which can be used both in organizational or regional evaluations and the design process of future interventions.

Research limitations

Firstly, as it was already mentioned before, people who belong to a sensitive target group tend to be dishonest even in anonymous surveys. The majority may trust the survey compiler but the presumption must be made. Secondly, the side effects, especially related with the changes in participant's behavior should be evaluated by a participant himself/herself before, during and after the implementation of project activities. The same evaluation can be made by the psychologist (if a psychologist works in an NGO). Unfortunately, there was a lack of such data. Lastly, 33% of respondents were involved in the activities of more than 1 project at the same time, so the analysis of short-term effects can only partially distinguish the real effectiveness of a particular project.

Conclusions

1. Due to the lack of support from the Government, Lithuania's NGOs tend to be project – driven organizations. The major sources of funding are EEA financial mechanism and European Social Fund. A comparative analysis of the current methods of evaluation of social projects has shown that ESF, differently from EEA financial mechanism, is more oriented to the ex-ante assessment of the project and its macro-level relevance to the common union policy rather than the real ex-post effectiveness. Furthermore, the ESF forms



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

- of the required final reports focuses on a financial justification of costs and achieved expected project results and only a little attention is paid to influencing factors, quality and effects.
2. Evaluation of social effects is necessary to assure high quality and satisfaction of key stakeholders. The assessment process might be complex because social effects cover a large range of features which can be influenced by a participant's socio-demographic profile, including gender, age, health, marital, social and economic status, personal competencies, and professional qualifications. Analysis has shown that there are no generally adopted methods for evaluation of the social effectiveness of projects, which have proved its reliability in practice and which have been approved by the majority of researchers. Therefore, after the investigation of a number of methods and their limitations, a supplemented Kirkpatrick's model for evaluation is proposed.
 3. For donors and beneficiaries even "soft" projects must be effective in terms of the financial perspective; otherwise, the investment does not pay off. Usually, project participants also expect that a project will bring miscellaneous benefits in individual level. The degree of effects might depend on various factors as government policy – laws, public services, system of social benefits, institutional support, and socioeconomic aspects as age or employment. It is important to note that the procedures proposed for evaluation of economic effectiveness of projects with non-tangible products is not so complete and advanced as for the ones with tangible products. Thus, after the analysis of the limitations, it is proposed that the most suitable method to evaluate economic effects of projects, executed by non-profit organizations is an applied cost-effectiveness analysis and "with or without project situation" approach. Indicators used should contain income, social benefits, assets value or tax revenues.
 4. Insights gathered from the theoretical solutions were applied in constructing an alternative model for the evaluation of social and economic effectiveness of projects, executed by NGOs. In the beginning, the context, objectives and resources of a specific measure (project) are presented. Later on, processes and achieved results have to be analyzed. The third part of this model involves determination of economic and social effects which might be both positive and negative. Social and economic effects are analyzed in three levels: reaction, learning, behavior and results. There shall also determining internal and external factors be emphasized. Finally, by employing primary and secondary data, effects are distributed to individuals (project participants), organizations (project executors) and regions (either country or local Government).
 5. An application of an alternative model was successful and the findings are relevant in several levels. Participants had an opportunity for a self-assessment and deeper understanding of the real changes influenced by a particular project. The results of survey show that the majority of the respondents are happy about the fulfillment of their expectations and a correlation analysis revealed that it depends on the level of education and work experience. According to the respondents, the most effective activities were psychological and individual consultation as well as training for the successful job search. It was found out that the biggest changes in behavior were felt by the participants with disabilities and the participants who are single parents. From the economic point of view, a survey revealed relevant data that one third of participants have an illegal job. It was assumed that this situation was led mostly by the extent of shadow economy. Furthermore,



Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

for the participants with low level of education and work experience, it is more convenient to use the social benefits and additionally get wage “in envelope”. Yet, after the implementation of project activities, number of those receiving social benefits reduced from 36 to 28, amount of unemployment benefits were diminished from 28 to 7 and there are 9 people out of 15 left who still get compensations. Therefore, the local Government and ESFA can employ the findings about intended/unintended outcomes and real effects in the designing process of regional policy while an executing organization can use the gathered data and analysis for the formation of future social projects portfolio which could bring the maximum benefit for the society.

Recommendations

1. For the NGO E-Center. If the final evaluation does not contain the part of an individual assessment of social and economic effects, the provided reports are not accurate. Therefore, it is proposed to use ex-ante, mid-term and ex-post evaluation based on the insights of a participant of the project.
2. For the European Social Fund Agency. Firstly, due to the fact that micro level individual evaluation can reveal more details of the real project effects, it is offered to make a requirement for executing organisations to perform surveys of project participants. Secondly, research findings provide the information that one third of respondents were involved in the activities of more than 1 project at the same time. Therefore, distinguishing the effectiveness of a particular intervention is complicated. It is proposed to cooperate with other Funds to ensure even higher control of participation in several projects with similar outcomes.
3. For the Local Government. An analysis has shown that 29% of respondents work illegally. It is suggested to cooperate with executing organisations in order to tackle the problem of shadow economy by investigating particular cases.

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Project Management Development – Practice and Perspectives

Fifth International Scientific Conference on Project Management in the Baltic Countries

April 14-15, 2016, Riga, University of Latvia

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