



BEST PRACTICE GUIDELINES FOR EVALUATION

A focus on results is a central element in recent public sector reforms in OECD countries. Evaluation is important in a results-oriented environment because it provides feedback on the efficiency, effectiveness and performance of public policies and can be critical to policy improvement and innovation. In essence, it contributes to accountable governance.

The objective of evaluation is to improve decision-making at all levels. Yet its actual use has often proved to be limited, especially in relation to key policy decisions and budget reallocations.

These guidelines identify key issues and practices that OECD Member countries should consider when seeking to improve the use of evaluations. They focus on management of evaluation activities in government and management of individual evaluations rather than on methodological questions. It is not their role to determine when evaluation is the most appropriate input to the policy making and performance management process. That decision will best be taken by the Member countries themselves.

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THE GUIDELINES

The Best Practice Guidelines for Evaluation are presented in three sections:

GETTING THE MOST FROM EVALUATIONS

This section defines evaluations, their objectives, main actors, and benefits and costs.

1. Definition and Objectives
2. Identify Main Participants
3. Assess Benefits and Costs

ORGANISING THE EVALUATION FRAMEWORK

This section discusses practices in relation to improving organisation and use of evaluations across the public sector.

4. Foster Evaluation Culture
5. Manage Evaluation Activities Strategically
6. Enhance Credibility

BUILDING EFFECTIVE EVALUATIONS

This section discusses practices and priorities for managing individual evaluations.

7. Ensure Links with Decision-Making Processes
8. Choose the Right Evaluator
9. Involve Stakeholders and Communicate Findings Openly

Getting the most from evaluations

Definition and objectives

- **Evaluations** are analytical assessments addressing results of public policies, organisations or programmes, that emphasise reliability and usefulness of findings. Their role is to improve information and reduce uncertainty; however, even evaluations based on rigorous methods rely significantly on judgement. A distinction can be made between ex-ante evaluations (or policy reviews) and ex-post evaluations. Many practices discussed in these Guidelines apply equally to both, even if their objectives are different.
- The main **objectives** of evaluations are to improve decision-making, resource allocation and accountability. This can be achieved through informing the public, informing key decision-making processes and encouraging ongoing organisational learning.
- Evaluations must be **part of a wider performance management** framework. They can supplement and improve it, but not replace it.

Identify main participants

- Successful evaluations are based on **collaboration between key participants** (evaluators, users and stakeholders), under the leadership of a “commissioner”.
- **Commissioners** are organisations that commission evaluations. The commissioner plans the evaluation, monitors its progress, receives the evaluation report, and makes decisions about further action. Commissioners may be ministries or central government agencies (e.g., the Ministry of Finance or independent evaluation and audit organisations). In some cases the commissioner may also be the evaluator.
- **Evaluators** are those organisations or individuals collecting and analysing data and judging the value of the evaluated subject.
- **Users** of evaluation may be policy-makers, the budget office, auditors, policy or programme managers and staff, users of services, etc.
- **Stakeholders** are those individuals or organisations that have an interest in the policy or programme being evaluated and the findings of the evaluation. Stakeholders and users are often the same actors.

Assess benefits and costs

- **Benefits of evaluations should outweigh their costs** and limitations. Both costs and benefits can be affected by careful management of evaluations and by choosing the appropriate evaluators and evaluation methods.
- The key value of evaluations is that they allow for **in-depth study of performance** and independent assessment of effectiveness of other performance management instruments. Potential benefits are the greatest for large policies or programmes.
- On the other hand, experience shows that evaluations have often been too **costly and time-consuming** compared to their real use and effect. There is also a risk of evaluations being used to slow the process of decision-making and justify inaction.

Organising the evaluation framework

Foster evaluation culture

- **Support** for evaluations is demonstrated through willingness of politicians, policy managers and central management agencies (e.g., Ministry of Finance), to make effective use of policy advice generated in evaluations.
- **Demand** for evaluation needs to be generated, specified and articulated by internal and external stakeholders. Evaluations without “ownership” by stakeholders are unlikely to have an effect. Institutional barriers to evaluation such as internal resistance can be reduced through consultation, aiming at creating mutual trust.
- The government can support an **evaluation culture** that encourages innovation and adaptation to a changing environment. The basic message should be that to stay relevant, organisations need to continue learning from feedback about results.
- **Training and professional dialogue**, competent evaluators, well-informed commissioners and enlightened and enthusiastic users all contribute to an evaluation culture.

Manage evaluation activities strategically

- **Organisation of evaluation should correspond to needs and priorities** in different policy areas. It may be appropriate to systematise and institutionalise evaluations in key policy areas where the costs of collecting data is high and information limited. However, a more flexible approach will often produce better results and prevent evaluations from becoming paperwork exercises. Special attention should be given to evaluation of activities that cut across many organisations.
- Central government agencies play an important role in managing the evaluation process; however, the **actual evaluations can be decentralised** to different actors at all levels of government.
- Development of evaluation skills in different organisations ensures the necessary **range of evaluation methods and perspectives** (e.g., drawing from both internal and external evaluators), and that each evaluation is designed in accordance with its unique set of issues related to objectives, focus, credibility and intended use.
- **Special funds** for financing evaluations can serve as an important incentive for evaluating public policies; however, they may also serve to encourage use of evaluation when other performance management approaches may be more appropriate.

Enhance credibility

- Lack of credibility undermines the use of evaluation findings. **Factors influencing credibility** include the competence and credibility of the evaluator, mutual trust between the evaluator and those evaluated, consultation and involvement of stakeholders and processes for communicating findings.
- Professional and ethical standards, and **methodological quality** of evaluation (encompassing issues such as relevant criteria, adequate data and evidence and reliable and clear findings) also have an effect on the credibility of evaluation. Quality assurance and open and frank dialogue can improve credibility by exposing and rectifying potential weaknesses in evaluations.

Building effective evaluations

Ensure links with decision-making processes

- Evaluation information can be an important factor in **policy formulation** to improve the quality of policy intervention and in the budget process to support priorities and savings. Relevant evaluations address issues that are significant for political, budgetary, management and other strategic reasons.
- **Objectives** of evaluation determine location, methodology and use of evaluation. The proposed use of evaluation should be clearly defined. Evaluations should be tailored to the characteristics of a policy intervention and evaluation methods should match the objectives of the evaluation, taking constraints such as costs and time into account. Building requirements for evaluations into policies from the start, and defining their objectives clearly, will improve the usefulness of evaluation and facilitate planning.
- **Planning** improves the management and quality of evaluation. The commissioner is responsible for planning evaluations, including defining objectives, criteria, data collection and methods. Timing is important, but the decision-making cycle is often unpredictable and decisions are often taken before evaluations have been finalised.

Choose the right evaluator

- **Self evaluation** by an organisation is appropriate when the main objectives are organisational learning and improved implementation. However, the time and skills of staff may be insufficient, the range of issues covered may be limited and the credibility of findings may also be questioned.
- Evaluation by **central management agencies** is appropriate when the objective is improving budget priorities and when it is important that the evaluator has close links with decision-making processes.
- Evaluation by **external evaluators** (e.g., research bodies and management consultants) is appropriate when the objective is to provide new perspectives on public policies or when there is a need for specialised evaluation skills. However, these evaluators may have limited understanding of the substance and the culture of the evaluated policy or organisation and offer theoretical evaluations.
- **Independent evaluation** is appropriate when the objectives are to improve accountability and transparency. However, policy managers, or the administration in general, may be reluctant to accept the findings and recommendations. Performance audits are often similar to evaluations. Their key features include independence of the auditor and a focus on accountability rather than improvement.

Involve stakeholders and communicate findings openly

- **Stakeholders**, including staff, can be appointed to evaluation commissions or involved through steering or advisory groups. Participatory evaluation methods can be used to create consensus and ownership for a change process. Dialogue with users and staff improves understanding and responsiveness to their needs and priorities. Participation must be managed due to the costs, time constraints and the risk of capture from such processes.
- **Presenting evaluation findings** openly increases credibility and creates pressure to act upon findings. Public availability of reports and meetings are useful to present and stimulate dialogue on findings. Judgements and recommendations based on clear criteria attract attention and promote subsequent action. Judgements should focus on overcoming problems rather than on assigning blame.

About this Policy Brief ...

As a part of its work on Performance Management, the PUMA Secretariat has studied evaluation in Member countries in order to identify key issues and practices to improve the use of evaluations. These Guidelines draw on experiences from Member countries. They address issues relevant for central agencies responsible for evaluation strategies of government and for those managing individual evaluations.

The Guidelines were reviewed and endorsed by both PUMA's Performance Management Network and the Public Management Committee.

It must be emphasised that there is no single right way to organise and conduct evaluations. The choice of methods will depend on several factors, including the objectives of evaluations, the role of evaluations in a wider performance management framework, and institutional and political considerations.

A background report **Improving Evaluation Practices** will be available in September 1998. In preparing the report the Secretariat was assisted by a Reference Group of senior officials and experts from Australia, Canada, Sweden, the United States and the European Commission.

These Guidelines and the background report, along with other information about PUMA's work in the area of public sector performance management and evaluation, may be found on PUMA's Internet site at:

<http://www.oecd.org/puma/mgmtres/pac/index.htm>

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