

5. *Toward robust policy evaluation systems*²¹

Evaluating performance and results helps to understand better why some policies work and others do not. By producing and promoting evidence, policy evaluation supports the quality of decision-making (see chapter 2), providing tailored advice to improve policy formulation (chapter 3) and implementation (chapter 4). Robust policy evaluation and its strategic use throughout the policy cycle can foster a range of governance objectives such as policies' value for money, and accountability and overall transparency of the policy-making process (chapter 1). More generally, it can minimise the risk of policy failure (Howlett, 2009). According to preliminary data from the OECD 2018 Survey on Policy Evaluation, policy evaluations are primarily carried out to measure government's results and the performance of the resources required to achieve them, to promote evidence-informed policy-making and to support budgetary governance.

Policy evaluation is the structured and objective assessment of a future, ongoing or completed policy or reform initiative. The aim is to determine, inter alia, the relevance and fulfilment of objectives along with the initiative's efficiency, effectiveness, impact and sustainability. Contrary to policy monitoring – which as explained in chapter 4 is essentially a descriptive exercise – policy evaluation seeks to analyse linkages between policy interventions and effects. It strives to create deeper understanding of observed policy success or failure. **This not only supports better decision-making; it specifically promotes:**

- **Learning**, as it helps to understand why and how a policy was or has the potential to be successful or not. Policy evaluation requires deep exploration and explanation, in order to identify - and provide responses to - challenges and barriers affecting sound public governance and policy-making. It is of particular interest to public officials willing to produce and use evidence to enhance decision-making.
- **Accountability**, as it provides citizens and other stakeholders with information whether the efforts carried out by the government, including allocated financial resources, are producing the expected results (OECD, 2017).

Robust policy-evaluation systems imply that evaluations are part and parcel of the policy cycle; that evaluations are carried out rigorously and systematically; that the results are used by decisions-makers; and that information is readily available to the public (Lazaro, 2015). Moreover, it is important that mechanisms for policy evaluation are considered during the policy-formulation and design phase and integrated into the overall approach, and that the agreed approach includes mechanisms to ensure that all relevant information and data needed for effective policy evaluation can be collected during the implementation phase.

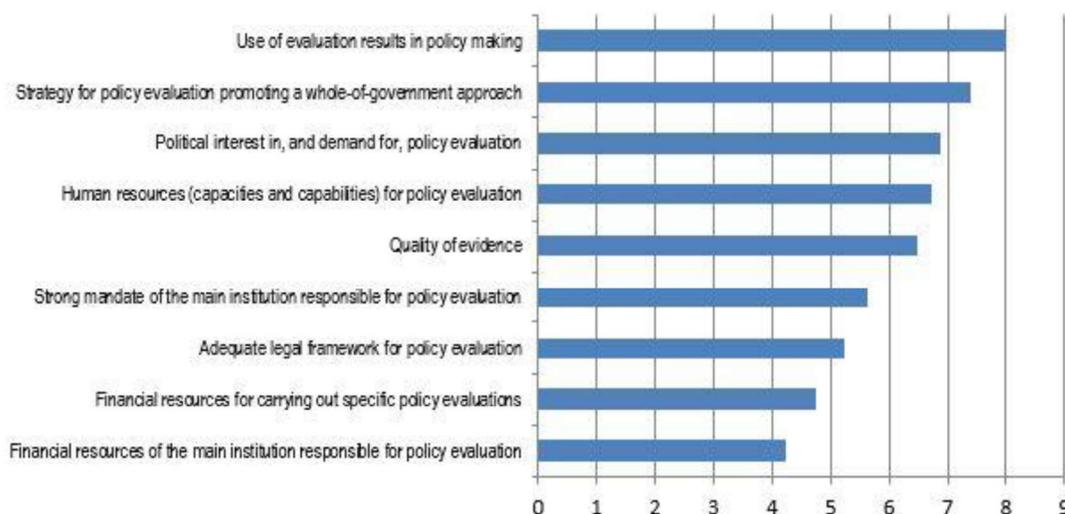
Given the overall importance and benefit of policy evaluation, several OECD Recommendations - such as the ones on Open Government and Public Integrity - underline the importance of undertaking policy evaluations. More specifically,

²¹ This chapter will be completed with evidence of practice gathered through the 2018 OECD Survey on Policy Evaluation in time for the consideration of the next version of the draft by the PGC and the RPC in 2019.

- The Recommendation on Regulatory Policy and Governance (2012) recommends that Adherents “[c]onduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.”
- The Recommendation on Budgetary Governance (2014) recommends governments to ensure that “performance, evaluation & value for money are integral to the budget process”. To this end, the Recommendation suggests countries evaluate and review “expenditure programmes (including associated staffing resources as well as tax expenditures) in a manner that is objective, routine and regular, to inform resource allocation and re-prioritisation both within line ministries and across government as a whole”.

Nevertheless, policy evaluation very often constitutes the weakest link in the policy cycle and countries are still facing substantial challenges to promote policy evaluation (see Figure 5.1)

Figure 11. Government’s current challenges for promoting policy evaluations



Source: OECD Survey on Policy Evaluation (forthcoming)

Note: Preliminary results.

As Figure 5.1 shows, developing and/or implementing a strategy for promoting a whole-of-government approach on policy evaluation is a key challenge for many countries. Such a strategy would ideally address three main issues, i.e. providing guidance on how to:

- **Build an institutional framework for policy evaluation**, which provides amongst others (a) the legal basis to undertake policy evaluations; (b) macro-level guidance on when and how to carry out evaluations; and (c) the identification of mandated institutional actors with allocated resources to oversee or carry out evaluations.
- **Foster a policy evaluation culture**, including for instance direct and indirect measures to promote the quality and use of policy evaluations across government,

including efforts related to building human resources capacity, ensuring appropriate stakeholder engagement, etc.

- **Deliver government-wide and sector policy evaluations**, ensuring the link with, for instance, economic, social and/or environmental priorities.

5.1. Building an institutional framework for policy evaluation

As for any area of public governance, an adequate institutional framework constitutes a solid basis to embed the practice of evaluations across government in a systematic and systemic way. However, there is no one-size-fits-all approach for this.

The legal and policy anchoring of evaluation can vary substantially across countries. Some countries have specific stipulations in their constitutions; others focus on primary or secondary law to anchor policy evaluation; while still others opt for flexible arrangements linked for instance to specific public-sector reform strategies.

Furthermore, robust policy evaluation systems can benefit from clearly designated institutional actors with a well-defined mandate and specific resources to oversee and/or carry out policy evaluation. Here, the landscape is also quite diverse. While in some countries there is one, or a small number of organisation(s) promoting and/or coordinating policy evaluation across government, such a centralised element can also be absent, without necessarily jeopardising the overall importance given to policy evaluation. This is specifically the case in more decentralised countries

Even if a clear central coordinating entity exists, these can be of very different nature. Some countries created departments or offices located within the Presidency, the Cabinet Office or the Prime Minister Office. Other countries have established independent agencies that set and coordinate evaluations across government. Moreover, certain line ministries can also play a central role in promoting and/or co-ordinating policy evaluation across government. What is evaluated might also affect the institutional set-up that is required. For instance, while independent bodies might be the best option for conducting or overseeing ex post evaluation of sensitive regulations with significant impact, line ministries and agencies in charge of the implementation of the evaluated policy might be adequate to conduct less sensitive evaluations (OECD, forthcoming)²².

Box 12. Canada's Policy on Results

The Government of Canada launched a new Policy on Results in July 2016. The policy seeks to improve the achievement of results across government; and to enhance the understanding of the results government seeks to achieve, does achieve, and the resources used to achieve them.

Responsibilities on policy evaluation are shared between the Privy Council Office, as body responsible for promoting the use of evaluation findings into policymaking, and the Treasury Board, which defines and updates the evaluation policy.

The Policy establishes that all government departments should have an evaluation unit. Line Ministries are responsible for establishing a Departmental Results Framework. For the implementation of the policy, the Treasury Board of Canada can require departments

²² Regulatory Outlook 2018

to undertake specific evaluations and participate in centrally-led evaluations; can initiate or undertake Resource Alignment Reviews; approves line ministries Departmental Results Frameworks and changes to their organizations core responsibilities.

Source: <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=31300>.

5.2. Fostering a policy evaluation culture

Promoting policy evaluation across the policy cycle requires more than ticking the box that evaluations are produced. Ensuring the systematic production of policy evaluations is a necessary but not sufficient condition to enhance the quality of public governance and service delivery. Poor quality evaluations will hardly contribute to better learning, higher accountability, or better decision-making and policy design. Likewise, high-quality evaluations may be completely ignored for actual policy decisions, due to a lack of incentives.

While the idea of fostering an evaluation culture can sound somewhat ephemeral, concrete actions can be taken to promote the relevance and uptake of policy evaluations. These can for instance include the promotion of political commitment and stakeholder engagement (see chapter 1 and 2), or the support for skills development in the area of policy evaluation, which can all evaluations' their quality and use in policymaking.

The **quality of policy evaluations** is an essential factor to guarantee the robustness and validity of any policy evaluation effort. Both quality control (deliverable oriented) and quality assurance (process oriented, i.e. doing the right things in the right way) are essential in this respect. For this reason, the Recommendation on Budgetary Governance recommends for instance that Adherents “ensure the availability of high-quality (i.e. relevant, consistent, comprehensive and comparable) performance and evaluation information to facilitate an evidence-based review”.

A preliminary analysis of the data collected through the OECD Survey on Policy Evaluation (SPE) shows that governments are focusing in the following areas to foster the quality of their policy evaluations:

- The skills and capacities within the public service to conduct or commission policy evaluations.
- The role of stakeholders, to ensure that evaluations are targeted properly and that recommendations for improvement are practical and user-centred (OECD, forthcoming, regulatory outlook)²³.
- The realisation of meta-evaluations and the role of Supreme Audit Institutions to audit the policy evaluation system.
 - Supreme Audit Institutions can play a critical role in the evaluation process through their audits, evaluations and advice, thus holding the government to account for the use of public resources. In addition to evaluating policies and programmes on a performance or value-for-money basis, they can act as “evaluators of evaluators” in government by auditing the effectiveness of a

²³ The importance of stakeholder engagement for the quality of policymaking is addressed in chapter 1

monitoring and evaluation (M&E) system and those responsible for it. They produce evidence to inform what works and what does not work, provide insight into potential duplications and fragmentations across government, and can expose where a policy does not serve the public interest or clearly advantages a narrow interest group. In addition, they are active in assessing the functions required for the formulation, implementation and evaluation of public policies and programmes (OECD, 2016).

As shown in Figure 5.1, the **use of policy evaluation results in policy-making** represents an important challenge for governments in the area of policy evaluation²⁴. Factors such as overall quality, timing of evaluations and political commitment to the evaluation process can increase the use (and therefore impact) of policy evaluation recommendations (OECD, [GOV/RPC\(2018\)5](#)). To this end, countries have developed specific initiatives to promote the strategic use of policy evaluation results. According to the preliminary results of the SPE, almost half of the surveyed countries for instance promote the use of policy evaluation through the incorporation of their findings in budgeting. This is in line with the OECD Recommendation on Budgetary Governance, which suggests that governments should take into account the results of evaluations to reassess the alignment of overall expenditure (including tax expenditure) with fiscal objectives and national priorities (OECD, 2015). More than one third of surveyed countries also foster the use of evaluations by discussing their results at the highest political level (Council of Ministries or equivalent). A similar number of countries has established co-ordination platforms to promote the use of evidence produced by policy evaluations.

Box 13. OECD Best Practice Principles for Ex Post Regulatory Reviews

The OECD Regulatory Policy Committee is discussing the development of Best Practice Principles for Ex Post Regulatory Reviews; based in the fact that it remains the less developed area of regulatory policy despite that their importance to improve the current regulation stocks but also to improve the design and administration of new regulations.

The document will intend to provide general guidance in system governance, under the following overarching principles:

- Regulatory policy frameworks should explicitly and permanently incorporate ex post reviews as an integral part of the regulatory cycle.
- A sound system for the ex post review of regulation would ensure comprehensive coverage of the regulatory stock over time, while ‘quality controlling’ key reviews and monitoring the operations of the system as a whole.
- Reviews should include an assessment of the actual outcomes from regulations against their rationales and objectives, and make recommendations to address any deficiencies.

The Principles will address several governance dimensions, such as methodologies, public consultation and sequencing, capacity building and committed leadership for evaluations.

²⁴ Chapter 2 of this Framework addresses the broader issues related to evidence-informed policy-making.

Source: OECD Best Practice Principles for Regulatory Policy: Reviewing the Stock of Regulation, GOV/RPC(2018)5.

5.3. Delivering government-wide and sector-specific policy evaluations

Policy evaluation, along with other practices such as user and staff feedback built into the policy implementation processes, enables the strategic use of **feedback loops in the policymaking process**, as it connects policies outcomes, impacts, and policymakers' decisions (learning dimension), as well as government and beneficiaries (stronger focus on the accountability dimension). Considering the importance of conducting policy evaluations to measure government's results and the resources required to achieve these, countries have a strategic interest in developing an approach enabling the practical organisation and actual delivery of their policy evaluations. This enables the use of evaluation results to assess the quality and impact of policies and services so that the government can improve upon policy and service design and delivery.

In this regard, a first cluster of the OECD Survey on Policy Evaluation regards the **evaluation of government-wide policy priorities**²⁵. As mentioned earlier, public sector capacity to manage complex policy initiatives has become a priority for many governments. However, the crosscutting and multidimensional nature of most of these policies constitutes an extra challenge.

Understanding what works, what does not, and what can be improved in the implementation of government-wide policy priorities seems to be relevant for OECD countries. According to the preliminary results of the OECD Survey on Policy Evaluation, the majority of the surveyed countries evaluate their government-wide policy priorities. Moreover, almost half of these have a specific process in place to evaluate this type of policies.

How countries define and evaluate their policies priorities varies substantively, however. While some countries define their priorities within the framework of a national development plan or strategy, in several European countries the EU's Structural Reform Support Programme has played an important role in the definition and methodology for the evaluation of these policies. The data collected in the SPE points to specific evidence of practice concerning what countries evaluate (input, output, process, outcome and impact); which methodologies do they use; to which extent do they involve stakeholders in the evaluation process; and how they report and use evidence on policy evaluation.

²⁵ Policy priorities are understood as a limited number of long-term or medium-term (and usually cross-sector) policy goals that are acknowledged across government as being of greatest importance/highest priority.

Box 14. Country practices in fostering the use of evaluation results in policymaking

According to the responses provided by countries to the OECD Survey on Policy Evaluation, countries are adopting different practices to fostering the use of evaluation results in policymaking:

- Norway has launched a web service (<https://evalueringsportalen.no/>), which gathers the findings of the evaluations carried out by the central government in one platform. By increasing accessibility to evaluation results, the Government aims to increase the use and reuse of knowledge and results from evaluations in all state policy areas, in future evaluations, and in society as a whole. It is moreover important for legitimacy and transparency in relation to government activities.
- The United States of America has created an Interagency Council on Evaluation Policy, co-chaired by the Office on Management and Budget (OMB) and the Department of Labor, composed of about ten high-capacity evaluation officers from government agencies, who meet on a monthly basis, to discuss evaluation results.

Moreover, in several countries evaluations results are discussed at the parliamentary level:

- In Germany, the Bundestag (first chamber of Parliament) requires annually approximately 80 reports from the Federal Government regarding the evaluation of single policies or specific regulations and measures of administrative action of the government. Over the past five years, the country has issued the following evaluation reports: Scientific Advisory Council of the Federal Government on Global Change (Wissenschaftlicher Beirat der Bundesregierung Globale Veränderungen); Main Report Monopolies Commission 2016 (Hauptgutachten Monopolkommission 2016); Evaluation of the Age Allowance Act (Evaluation des Altersgeldgesetzes).
- In Japan, the government submits a report each year to the Japan's bicameral legislature Diet on the status of Policy Evaluation and on how the results of such evaluation have been reflected in policy planning and development (see http://www.soumu.go.jp/menu_news/s-news/104284_00003.html).

Source: OECD Report on Policy Evaluation (forthcoming).

Next to the evaluation of government-wide policies, policy evaluation is also organised for specific sector or thematic areas. As policy evaluation has progressed at different speeds from one country to another, different evaluation practices (and cultures) have developed within the same country. Countries can have a strong policy evaluation tradition within line ministers and departments, without the existence of a centralised overseeing or coordination bodies (Jacob et al, 2015; Olejniczak et al., 2012).

Historically, its development has been striking in areas such as education and health care, but less so in other areas. The SPE also highlights OECD evidence of practice in the delivery and use of evaluations at the sector/thematic level. Moreover, ex post evaluation of governance reform initiatives is also a relevant area of work of OECD countries. For example, the OECD developed the Framework for Regulatory Policy Evaluation (2014),

which assists countries in systematically evaluating the design and implementation of regulatory policy, against the achievement of strategic regulatory objectives.

Over time, evaluating multidimensional and single-sector policy performance will also take on added importance in OECD Member and non-Member countries as government work toward assessing progress in pursuing the SDGs and reporting on this progress to their citizens.

Core questions for consideration by governments

- Does your country's current legal and policy framework foster systematic policy evaluation across government? Are the necessary mechanisms in place to ensure ex-post evaluations of regulations?
- How does your government ensure the quality of evaluations across government? Are there specific mechanisms in place?
- To what extent does your government engage with stakeholders during the policy evaluation process?
- How does your government promote the use of the findings of policy evaluations? Does your government consider evaluation results for budgetary discussions? How does your government institutionalise feedback loops to optimise the impact of the evaluation of policy performance and sustain its influence on policy-making?
- In the context of pursuing the Agenda 2030 SDGs, is policy evaluation and its feedback loops taking on added importance? How is your government preparing for assessing its progress in pursuing this Agenda and in reporting to citizens on this progress?

Additional resources

OECD legal instruments:

- [Recommendation of the Council on Regulatory Policy and Governance \(2012\)](#)
- [Recommendation of the Council on Budgetary Governance \(2015\)](#)

Other relevant OECD tools:

- OECD Report on Policy Evaluation (forthcoming)
- OECD Best Practice Principles for Regulatory Policy: Reviewing the Stock of Regulation, [GOV/RPC\(2018\)5](#)
- Regulatory Policy Outlook 2018
- 2016 OECD Performance Budgeting Survey
- OECD Supreme Audit Institutions and Good Governance (2016)
- OECD Framework for Regulatory Policy Evaluation (2014)

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