The Secretariat has studied evaluation and its use in Member countries. The project has focused on how evaluation can be used effectively as a decision-making tool, rather than on methodological issues. On the basis of a background report (Promoting the Use of Programme Evaluation PUMA/ PAC(97)3) a set of best practice guidelines for evaluations has been developed. The Secretariat was assisted by a Reference Group of senior officials and experts from Australia, Canada, Sweden, the United States and the European Commission. An expert group meeting was held in April 1997. In addition, preliminary guidelines were discussed at the Senior Budget Officials Meeting in June 1997.

Delegates at the 1997 Activity Meeting on Performance Management are invited to review the Guidelines and suggest improvements they may consider necessary. Written comments may also be sent after the meeting. The Guidelines will be submitted to the next meeting of the Public Management Committee with the aim of getting its endorsement for general distribution.

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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 performance of public policies. Previous reports by the OECD’s Public Management Committee have emphasised that a well-performing public sector should continuously evaluate policy effectiveness (Governance in Transition, 1995). Moreover, evaluation can be seen to complement other performance management approaches such as ongoing performance measurement and reporting, service quality initiatives and performance contracts.

Because evaluation is about knowledge for action, it is an important resource for decision-makers. Yet its use has often proved to be problematic. For evaluation to have an impact on decision-making there must be a functioning “evaluation market”, that is, there must be both a good-quality supply of evaluation studies and genuine demand for the results. These best practice guidelines seek to enhance the use of evaluation. Therefore, the main focus is not on methodological questions but rather on issues that governments and evaluators need to consider when organising public sector evaluation activities.

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OECD Public Management Service

1997
Generate Effective Demand

- **Support** from the top must be ensured: it is vital that public sector managers and politicians understand the value of evaluation and are committed to enhancing its use. The role of the Ministry of Finance and other central management agencies is often essential in gaining support and credibility for evaluation activities. Managers should be involved in the evaluation process, especially if the aim is to improve the implementation of a policy.

- **Demand** for evaluation needs to be generated, specified and articulated by the users. The ultimate goal is to make both internal and external evaluations a normal and valued activity in the administration.

- The users need to be aware of the likely **limitations** of evaluation and expectations should be realistic. Unrealistic objectives are typical with respect to the timing and scope of findings of evaluations. It should be pointed out that while evaluation will be able to provide important information and reduce uncertainty of issues it studies, it cannot give “right” answers or replace judgement in decision-making.

  Demand for evaluation can be fostered by, e.g., promulgating a government evaluation strategy, making evaluations mandatory, stressing the need for results information in allocating resources, providing incentives by reducing input and process controls, giving an external stakeholder the right to ask evaluation questions, earmarking funds for evaluation purposes, giving recognition to evaluation efforts (publicity, prizes, promotions), and demonstrating that evaluations really matter by acting on results.

Systematise Evaluation Activities

- A degree of **institutionalisation** contributes to evaluations playing a genuine role in public management. A systematic, high-quality supply of evaluations, utilisation of evaluation findings, efficient implementation and organisational learning requires a framework to support it. However, the institutionalisation should not lead to evaluation becoming a bureaucratic paperwork exercise. It is also essential that evaluation is strategically integrated into the overall performance management framework.

- For evaluation to be effective it must be an integral part of policy design and implementation. **Linkages to the budget process** are especially important. However, the use of evaluation to support budget proposals or decisions requires quality control. Fears of control- and savings-driven evaluations have to be dealt with, for example by involving those evaluated in the process. It also has to be borne in mind that evaluation information is only one factor to be considered in the budget process.

- **Funding** is a vital issue in institutionalising evaluation. Money can be earmarked, special funds created and external sources sought for financing evaluation projects. However, the costs and benefits of systematic evaluations should be compared with other approaches, for example, ad hoc evaluations or ongoing performance measurement.

  Evaluation can be organised in various ways depending on its objectives. Evaluation can be regular and formal or more flexible and informal; centralised or decentralised; internal or external; reported to the executive or to the legislative branch of government; controlled or independent in initiating and carrying out evaluations; open or restricted in terms of who participates in the evaluation process and has access to results; and more or less integrated with the policy-making process.
Use a Different Evaluators to Fulfil Different Objectives

- The **location** of evaluators influences the objectives, focus, utilisation and the overall status of evaluation. There are several options for placing the evaluation function: it can be conducted internally in the administration, externally by independent organisations or, as often is the case, by a mixture of different actors.

- When evaluation is carried out by the **organisations evaluated**, collecting data may be relatively easy and inexpensive. Self-assessment enhances learning from experience and facilitates putting results to use. Problems concern the time and skills of the staff, the rather limited range of issues and the credibility of findings.

- Evaluation anchored in **central agencies** is able to address government-wide issues and credibly study impact and relevance. The authority and control tools of an evaluator from the centre may also enhance the use of evaluation. Problems may arise in data gathering, which can be time-consuming and non-comprehensive. The roles of the evaluator (management consultant, evaluator, controller and resource allocator) should be clarified, since unclear or conflicting roles reduce the credibility of findings.

- When evaluation is carried out by **external evaluators** (e.g. audit offices, research bodies, management consultants), their autonomy and evaluation skills often improve the reliability and extent of evaluation. However, external evaluators may have limited understanding of the substance and the culture of the evaluated organisation. They may offer standard or unduly theoretical evaluations. Evaluated organisations or the administration in general may be less eager to accept findings and implement possible recommendations.

It is useful to anchor evaluation in several places that can serve various evaluation objectives and provide information for a multiplicity of markets. Also, since organisations are often more receptive to information produced internally, there may be advantages in promoting internal evaluation but with external bodies or groups overseeing quality. In general, the location should reflect the role and objectives the government wants evaluation to have.

Influence Attitudes and Build Capacities

- For evaluation to succeed, a **culture** that values its conduct and utilisation has to be created. It is necessary to have trained evaluators, well-informed commissioners and enlightened and enthusiastic users. Methodological, political, managerial and communication skills are needed. Training is important, especially in the early phases of systematising evaluation activities.

Training and support can be organised by creating networks; publishing handbooks, success stories, newsletters and journals; organising seminars, workshops, training courses and visits; setting up demonstration projects and setting up a help desk in the administration.
Plan Evaluations to Ensure Linkages with Decision-making

- Careful planning makes managing evaluation easier, contributes to the quality of evaluation and strengthens the commitment to act upon its findings. The commissioner in consultation with the users of evaluation should take final responsibility for the choices made in planning evaluations. In addition to individual evaluation plans, it may be useful to compile and publish departmental or government-wide evaluation plans.
- The single most important issue in planning evaluations is defining the objectives. The objectives influence the location, methodology and utilisation of evaluation.
- To be of use, evaluation must fit into the policy and decision-making cycles. Timing is difficult as the policy- and decision-making cycle is often unpredictable, different users may have separate timetables, it may not be possible to wait for the outcome of a policy to become clear and evaluation itself may involve surprises. However, it is important to ensure that the findings of evaluations -- even preliminary ones -- are available when decisions are being made.

While planning evaluations, attention must be paid to defining objectives, issues, criteria, available information, data collection and methods of analysis. The timetable, budget, evaluators and the overall organisation of the evaluation must also be decided. The way in which the results are presented, used, implemented and monitored must also be considered.

Focus on Significant Issues and Involve Stakeholders

- To receive the attention of its intended users, the evaluation must meet their information needs. A dialogue can contribute to understanding these needs and becoming familiar with the users’ way of thinking and acting.
- To be relevant, evaluations should address issues that are significant for political, budgetary, management, accountability or other strategic reasons. For evaluation to be worthwhile, there should be a sincere intention to use the findings. In addition, the evaluation process should be flexible enough to adjust to changes in the priorities of issues being evaluated.
- A strategy is needed to manage the stakeholders of evaluation. Defining stakeholders and involving them in the evaluation (e.g., creating steering groups or advisory committees) can enrich the process and increase the use the results. However, the interaction process must be managed so that it is not too costly and time-consuming and does not decrease the credibility of evaluation. Partnership with stakeholders in defining the terms of reference is often considered the most beneficial way to maximise the use of evaluation.

A number of countries have used commissions to involve stakeholders in evaluations. Commissions often include representatives from political parties, academic world, trade unions and employers’ associations, consumer organisations, environmental interest groups, etc. Their role is to study and assess specific issues and prepare decisions. Commission reports are often sent to large number of interested parties - both public and private - for consideration and review.
It is important to enhance the **credibility of evaluations**, as lack of credibility may undermine their use. Factors influencing credibility include competence and role of the evaluator, consultations and involvement of stakeholders and communication of findings. Professional and ethical standards of evaluation are also important to enhance credibility.

**Methodological quality** of evaluation encompasses issues such as relevant criteria, adequate evidence and reliable and clear findings. These issues have a major effect on the credibility and use of evaluation. However, to some extent there may be a trade off between methodological rigour and the utility of evaluation.

Credibility may be enhanced by, for example, creating steering groups, making use of independent external bodies (e.g. audit offices) to review evaluations, drafting checklists setting quality standards for evaluations, conducting the evaluation process in a transparent way and communicating effectively the results and their limitations.

Evaluation findings should be **presented in an effective and timely fashion**. Openness and publicity often increase the credibility and use of evaluation and create pressure to act upon findings.

In reporting findings, it is useful to make **judgements and recommendations** (and even present alternatives). These often attract attention, provoke and outline discussion and promote subsequent action. Criteria used in making judgements and recommendations should be as clear as possible. Blame should be avoided: evaluation should be used to find ways to overcome problems rather than as a vehicle to list shortcomings. The links between recommendations, policy modifications and their implementation need to be considered. It may be worthwhile to present a specific implementation plan based on the recommendations of the evaluation. Implementation often requires support and consulting services, which can be facilitated by financial or technical aid.

**Monitoring** the impact of evaluation promotes its use, guides the implementation process, identifies additional evaluation needs and may be used as a learning tool to improve evaluation practices.

The evaluation report should be clear, comprehensive and include an executive summary. The report needs to be effectively distributed and should generally be made publicly available. Seminars, workshops and discussion groups are useful in disseminating, marketing and also interpreting the results. Key decision-makers need special attention. Follow-up of the use of evaluations can be organised by reviewing all conducted evaluations, or by making a follow up procedure a part of the design of evaluations.
About this Policy Brief

This policy brief is the product of a project on Evaluation carried out by the OECD Public Management Service (PUMA). A complementary background report “Promoting the Use of Programme Evaluation” is available as a PUMA general distribution document (free of charge). The report presents a more detailed discussion on evaluation, its role in public management and ways of enhancing its use, and explores the evaluation practices in selected OECD countries. In preparing the report the Secretariat was assisted by a Reference Group composed of senior officials and experts from Australia, Canada, Sweden, the United States and the European Commission. Examples are mainly drawn from these countries, the EC and Finland, France and the Netherlands.

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.

These best practice guidelines, along with other information about PUMA’s work on performance management and evaluation, are available on the PUMA Internet site of the World Wide Web at http://www.oecd.org/puma/.

Some definitions

**Evaluations** are systematic, analytical assessments addressing the value and other important aspects of a policy, organisation or a programme, with emphasis on reliability and usability of findings. The main objective of evaluations is to improve decision-making, resource allocation and accountability.

**Commissioners** are organisations that commission evaluations. The role of the commissioner is to plan the evaluation, monitor its progress, receive the final evaluation report, and in many cases decide how it will be used. The commissioner may also play other important roles such as to arrange consultations and build consensus. Organisations that have the role of commissioner include organisations responsible for an activity, parent Ministry, central government agencies including the Ministry of Finance, and independent evaluation and audit organisations. In some cases the commissioner is also the evaluator.

**Evaluators** are those organisations or individuals collecting and analysing the data and judging the value of the evaluated subject. Evaluators may be the civil servants managing or implementing the policy, government evaluation units, budget departments or other central management agencies, expert panels or commissions, state audit offices, academic research institutions, management consultants, consumer and community groups, etc.

**Users** of evaluation may be policy-makers (parliamentarians, ministers, other decision-makers), responsible ministries, the budget department, auditors, those managing and implementing the evaluated policy or programme, the target group, other initiators or sponsors of the evaluation or other groups interested in or affected by the evaluation results. **Stakeholders** of evaluation are those who have an interest in the evaluated policy or programme because the process or findings may be relevant to their role or action. Often the stakeholders and the users are the same actors.