

NZAID Evaluation Policy Statement

July 2007

Contents

Introduction.....	1
Scope.....	1
Definition of evaluation.....	1
Purpose of evaluative activities in NZAID.....	1
NZAID's commitment to learning from evaluative activity.....	2
Location of responsibility for review and evaluation in NZAID.....	2
Evaluation in the activity cycle.....	2
Partnership and capacity building.....	3
Guiding principles, criteria and standards.....	3
Focus of evaluations.....	4
Evaluation approaches.....	4
Evaluation guidelines.....	5
Evaluation and knowledge management.....	5
Sharing knowledge internationally.....	5
Overview of evaluative activities at NZAID	7
Appendix I.....	8

Introduction

NZAID was established in July 2002 as a semi-autonomous agency within the Ministry of Foreign Affairs and Trade. Following a directive by Cabinet [CAB Min (01) 28/8] the Agency has improved its capacity to commission and undertake good quality evaluation and to contribute to international good practice in evaluation. The development and implementation of this policy is one aspect of NZAID's evaluation capability building. The policy establishes a broad framework for evaluation. A set of practice guidelines supports its implementation.

Scope

This policy statement outlines the:

- Roles and functions related to evaluation in NZAID
- Principles and criteria used for evaluation
- Systems for management and use of information generated from evaluative activities

Definition of evaluation

In developing this policy statement, NZAID has adopted the DAC definition of evaluation as:

An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention¹

In NZAID, the term "Evaluative Activity" is used to refer to a range of evaluation processes and includes analyses conducted for planning, monitoring, review and assessment of ongoing or completed development activities. Appendix 1 includes an overview of evaluative activities and a glossary of evaluation-related terms used in NZAID.

Purposes of evaluative activities in NZAID

Evaluative activities are carried out for accountability, learning, and improvement purposes. Evaluative information for **accountability** purposes is required to provide evidence of performance and outcomes, or the efficiency and effectiveness of NZAID's activities. Evaluative information that can be used for **learning** determines what has worked well, for whom and in which circumstances and also what activities have been less successful. The knowledge gained from evaluation carried out for accountability and learning purposes can be applied to the **improvement** of policies, strategies and activities to enhance programme performance and hence development impact. To this

¹ NZAID uses the term 'activity' to refer to any instrument for partner (donor and non-donor) support aimed to promote development.

end, evaluative activities are planned and undertaken in a way that makes best possible use of the information produced.

NZAID's commitment to learning from evaluative activity

Evaluative activities have an essential role to play in enhancing the effectiveness of NZAID programmes and are integrated, as appropriate, into policy and operations within the organisation. NZAID is committed to increasing and improving the focus and use of both external and internal evaluative activity. To give effect to this policy, NZAID will:

- Develop and maintain a set of evaluation practice guidelines and provide advice and support to staff in Wellington and at overseas posts
- Provide professional development opportunities in evaluation for NZAID staff and also for development partners where feasible and appropriate
- Develop systems to enhance the use of evaluation findings and the incremental cultivation of knowledge about the effectiveness of international development policies and activities
- Take a strategic approach to evaluation planning processes

Location of responsibility for review and evaluation in NZAID

Reviews and evaluations of programme activities are commissioned and managed in the programme areas. Advisors in the Strategy, Advisory and Evaluation Group provide support and advice, and in some cases, participate in evaluations. Cross-cutting, sectoral and/or thematic evaluations are commissioned and managed by the Strategy, Advisory and Evaluation Group.

NZAID has established an Evaluation and Research Committee to provide oversight of reviews and evaluations and to ensure close feedback links between evaluative activities and programme planning and development. Reviews and evaluations commissioned by NZAID are presented to the Committee for advice on any actions to be taken in response to recommendations and to consider any implications for forward planning. This is to ensure that a systematic approach to evaluation is instituted within the agency and that the lessons learned from all evaluations are promulgated throughout the organisation. An overview of evaluative activities in the agency is managed through an evaluation plan (and associated database) that comprises a rolling programme of reviews and evaluations including planned, current and completed work.

Evaluation in the activity cycle

An evaluative activity can occur at any stage in the life cycle of a development intervention and take a variety of forms. Evaluation can therefore include appraisal processes at the design stage through to impact evaluation of a fully implemented or completed programme or activity. The decisions on whether or not, and then how, to undertake a particular type of evaluative activity, will be driven mainly by the specific information needed and how and when the findings will be utilised. The interests of the

various stakeholders in the programme or activity will also influence the focus and scope of a review or evaluation.

Partnership and capacity building

Reviews and evaluations can be undertaken jointly and/or collaboratively with our partners and key stakeholders using processes that are sufficiently robust to manage any potential bias or conflict of interest. Inclusive evaluation approaches including the use of participatory methods is one approach to facilitating shared use of evaluative information and knowledge by NZAID, other donors, and our in-country development partners. These approaches are encouraged, supported and used whenever feasible and appropriate. A key aim is to have a positive impact in the development of our partners' capacity for carrying out evaluative activities. This is particularly important when working within the context of multi-donor programme activities using partner countries systems and plans.

Guiding principles, criteria and standards

Principles and standards are needed to guide the various processes involved in reviews and evaluations: planning; commissioning; determining purpose and scope; design; data collection; analysis; reporting; budgeting; contracting; and managing evaluation. The DAC principles for the evaluation of development assistance have been adopted as the foundation for developing the new NZAID evaluation policy and guidelines.

Principles

NZAID evaluative activities will be guided by the following principles:

Partnership - evaluations are undertaken through working with our development partners and other stakeholders to design and implement the evaluation
Independence - evaluations must be carried out in a way that avoids any adverse effects of political or organisational influence on the findings
Participation - stakeholders are involved at all stages of the evaluation
Transparency - evaluation processes are open and understood by all parties
Capacity building - organisational capacity to undertake evaluation is enhanced through stakeholder involvement in the evaluation process

Criteria

Evaluative activities aim to form judgements about particular development interventions. Criteria are needed that underpin and focus these assessments. The OECD/DAC recommends a set of five criteria for evaluations. These general criteria and their relative emphasis will be specified for each review or evaluation undertaken. Additional criteria may be specified for particular evaluations.

Effectiveness: whether and to what extent the programme and/or activity has achieved the desired outcomes
Relevance: whether and to what extent the activity has addressed the needs and priorities of the target groups and is aligned with the partner's policies and priorities
Impact: the positive and negative, intended and unintended effects of the activity or programme
Sustainability: whether and to what extent the benefits can be sustained after the end of the development assistance
Efficiency: the extent to which the programme could have been implemented at less cost without reducing the quality and quantity of the activities.

Standards

There are several sets of standards used in the development evaluation field that are relevant to NZAID evaluation work. For example, the Programme Evaluation Standards² have been adapted for use in some developing countries. The guidelines accompanying this policy statement include the DAC Quality Standards for Evaluations. These were drafted in March 2006 and a three year trial of them by DAC member countries is underway.

Focus of evaluations

NZAID evaluative activities focus on the following:

- Programme and activity reviews and evaluations
- Sectoral evaluations (e.g. education, health)
- Thematic and cross-cutting evaluations (e.g. sustainable livelihoods, human rights)
- Institutional evaluations of multilateral, regional and domestic organisations (e.g. UN organisations, NZ and international NGOs)

The NZAID Five Year Strategy provides a description of the outcome domains and a basis for the development of outcome indicators for reviews and evaluations of NZAID programmes.

Evaluation approaches

NZAID acknowledges that different types of evaluative activities are required to meet different information needs, including our needs and those of our partners. An important consideration in choosing an evaluation approach is obtaining a good fit between the purpose of undertaking the evaluation, the evaluative criteria, and the context within which it is being undertaken. Consequently, there is no one right way of doing evaluation but rather a range of possible approaches from which the most feasible and appropriate can be selected.

NZAID will engage at the government, community and agency levels in reviews and evaluations as appropriate. The engagement of stakeholders in an evaluation enhances the use of the findings and increases the effectiveness of the evaluation. The current trend towards participatory and more inclusive evaluation approaches³ has increased their complexity and consequently increased the resources required. This is an important consideration in the commissioning and planning stage of an evaluation as to do it well requires adequate funding and other resources. The same criteria used to assess programme activities also need to apply to evaluations.

It is acknowledged that a single evaluation study is not usually sufficient to generate a knowledge base or provide comprehensive input into the policy and programme

² Developed in the USA (for education evaluations) and are now in widespread use internationally. The Joint Committee Programme Evaluation Standards (PES) are organised around four domains: Utility, Feasibility, Propriety and Accuracy.

³ See NZAID Guideline on Participatory Evaluation for more details

development process. Information from other sources will also contribute to decisions. An aim is to systematically build cumulative knowledge about the effectiveness of development activities over time.

Evaluation guidelines

The NZAID evaluation practice guidelines cover the following:

- Evaluation and the Activity Cycle
- Developing Terms of Reference (ToR) for Reviews and Evaluations
- Participatory Evaluation
- The Structure of Review and Evaluation Reports
- Dissemination and Use of Evaluation
- Evaluation Quality Standards (DAC)
- NZAID Evaluation and Research Committee Process Guideline
- Evaluation and Programming Approaches
- Selection and Management of Evaluation Contractors

Use of the guidelines by NZAID staff is supported through a professional development programme and ongoing advisory support from the Strategy, Advisory and Evaluation Group.

Evaluation and knowledge management

Evaluative activities are expected to produce useful and practical knowledge that can be applied to the design and improvement of development activities and to provide publicly available information. The corporate management of evaluative information is recognised as a key requirement. Syntheses of learning from a range of NZAID reviews and evaluations aimed at identifying good practice will be undertaken annually. The design and development of the management information system (AMS – Activity Management System) includes a component dedicated to reviews and evaluations. The NZAID library collection includes an evaluation and review reference collection (ERRC) that can be searched electronically from desktop PCs.

Sharing knowledge internationally

NZAID is committed to being an active participant in the international development evaluation community, including engagement in the DAC Network on Development Evaluation. This forum provides effective mechanisms for the exchange of evaluation knowledge and experience among DAC peer agencies, resulting in learning that informs current and future work and provides a basis for harmonisation of evaluation and for joint evaluations to be undertaken.

Engagement with other international evaluation groups that include a wider range of evaluation actors from government and NGO sectors also provides the means for sharing evaluation lessons and engaging in international thinking and new developments in evaluation as well as supporting capacity building with development partners. Opportunities for engagement in evaluation-related activities occur through electronic media, meetings, workshops and conferences.

Overview of Evaluative Activities at NZAID

Activity Cycle Stage:

Identification & Design

- Appraisal
- Needs Assessment
- Literature Review/Desk study
- Scoping Study
- Feasibility Study
- Situation Analysis
- Development of programme theory/logic
- Previous Evaluations
- Planning for M&E

Implementation

- Monitoring
- Review

Completion

- Evaluation

Programme Committee

Evaluation and Research Committee



APPENDIX 1

KEY EVALUATION TERMS AND DEFINITIONS

Evaluative Activity refers to the range of evaluative processes occurring over the course of the activity cycle.

Evaluation is an assessment of outcomes and/or impact carried out after a project or programme has become fully operational, during the completion stage, or some time after the intervention has been completed.

Impact refers to the wider, deeper and long-term effects of a development activity. These may be positive or negative; primary or secondary; direct or indirect; intended or unintended.

Outcome refers to the short and medium term effects of a development activity.

Outcome evaluation refers to the assessment of immediate, intermediate or longer term effects of a programme. A causal attribution between the intervention and the outcome(s) is not fully established but contribution to outcomes can be assessed.

Impact evaluation is often associated with the establishment of causal attribution between a development activity and immediate, intermediate or longer-term outcomes or results.

The establishment of attribution requires the use of methodology such as pre-post intervention comparisons and with/without comparisons. This requires considerable forward planning, and a high level of resources. There are also ethical and technical considerations that constrain the use of these approaches in many development settings. In many cases it is more feasible and cost-effective to assess the *contribution* of development activities to the achievement of outcomes.

Monitoring refers to the systematic collection of data to provide management and the main stakeholders of an on-going development intervention with indications of how allocated funds are being used and progress towards achievement of expected outcomes. Monitoring may be formal and/or informal.

Review is used to describe evaluative activity taking place at key points during the lifetime of an activity to gain a better understanding of what is being achieved and to identify how implementation can be improved. Reviews lie between monitoring and full evaluations. They check that the overall direction is still relevant and ask whether the development activity is likely to meet the purpose for which it was planned.

Ex post Evaluation refers to evaluation of a development intervention after it has been completed. The intention is to identify the factors of success or failure, to assess the sustainability of results and impacts and to draw conclusions that may inform other interventions.