POLICY EVALUATION ACROSS OECD COUNTRIES

Insights from a public governance perspective

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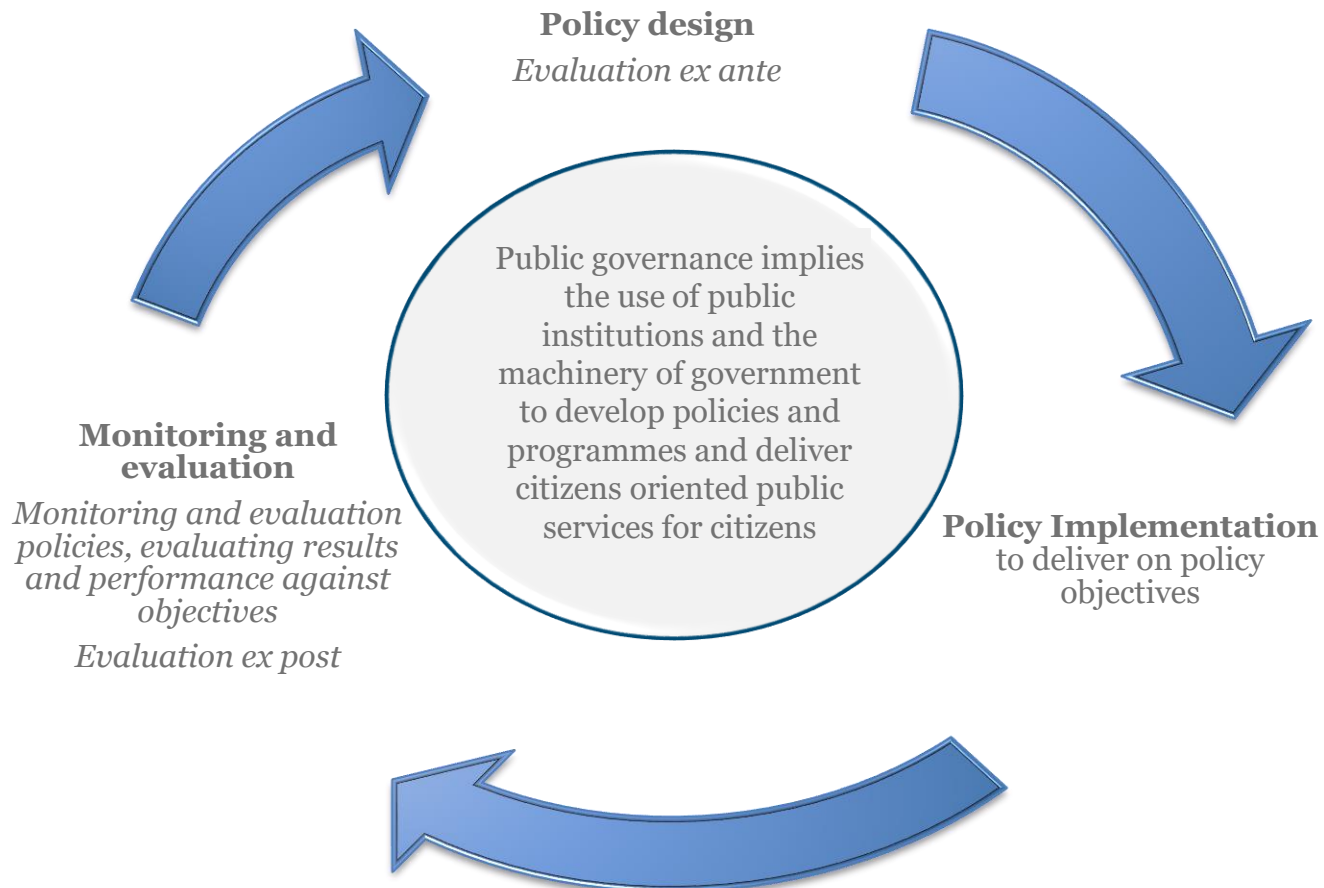
OECD, Public Governance Directorate

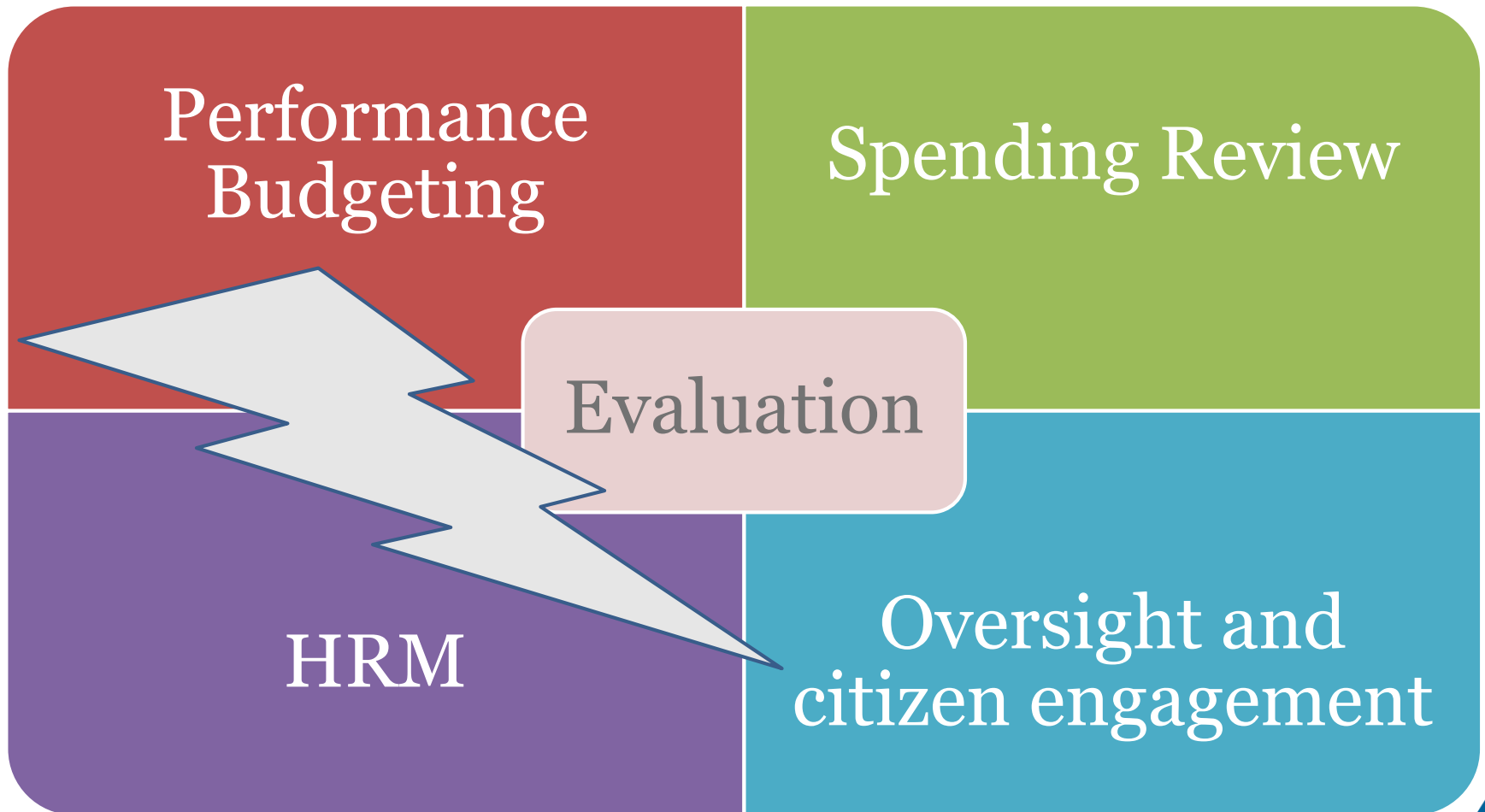**INTOSAI Working Group on Program Evaluation (EWG),** *Vilnius,* *20-21 May 2019*

OECD
BETTER POLICIES FOR BETTER LIVES

POLICY EVALUATION AND PUBLIC GOVERNANCE

The policy cycle

Policy design
Evaluation ex ante

Public governance implies the use of public institutions and the machinery of government to develop policies and programmes and deliver citizens oriented public services for citizens

Policy Implementation
to deliver on policy objectives

Monitoring and evaluation

Monitoring and evaluation policies, evaluating results and performance against objectives

Evaluation ex post

Evaluation as part of good public governance and performance management frameworks

The role of SAIs to improve performance
From audit and control to performance evaluation

Stage of the policy cycle	Key functions	Examples of SAI activities
planning	Communication and co-ordination + Budgetary and strategic planning = more coherent, evidence-based policies	The Dutch NCA: **Supervision of the Netherlands food and consumer safety authority:** *Assessing the adequacy of evidence used in decision-making, pointing to a lack of cost-benefit analysis and a loss of anticipated savings.*
implementation	Sound Budgetary execution + Implementation of controls and risk-management = increasing the likelihood of achieving policy goals	The Portuguese TCU: **Strengthening internal control in State-Owned Enterprises**: *leading to the requirement of all SOE's to set a benchmark of good governance.*
monitoring and evaluation	M&E for results + M&E for accountability = using results to improve public management	Canada's OAG: **Assessing programme evaluation in the Federal Government:** *a series of audits on the systems of monitoring and evaluation, and adequacy of driving improvements in government*

PRELIMINARY RESULTS OF THE OECD CROSS COUNTRY SURVEY ON POLICY EVALUATION

On going survey (42 countries to date)

The objectives are to understand:

- ✓ Key objectives of evaluation and how countries mobilise evaluation towards these objectives
- ✓ What are the evaluation practices
- ✓ Why countries are conducting policy evaluation, what challenges they encounter and what good practice they identify

Note : the data presented here are not for any public diffusion and are still undergoing a consultation and validation process with participating countries.

Complemented with some results from the survey on Budgeting and Results
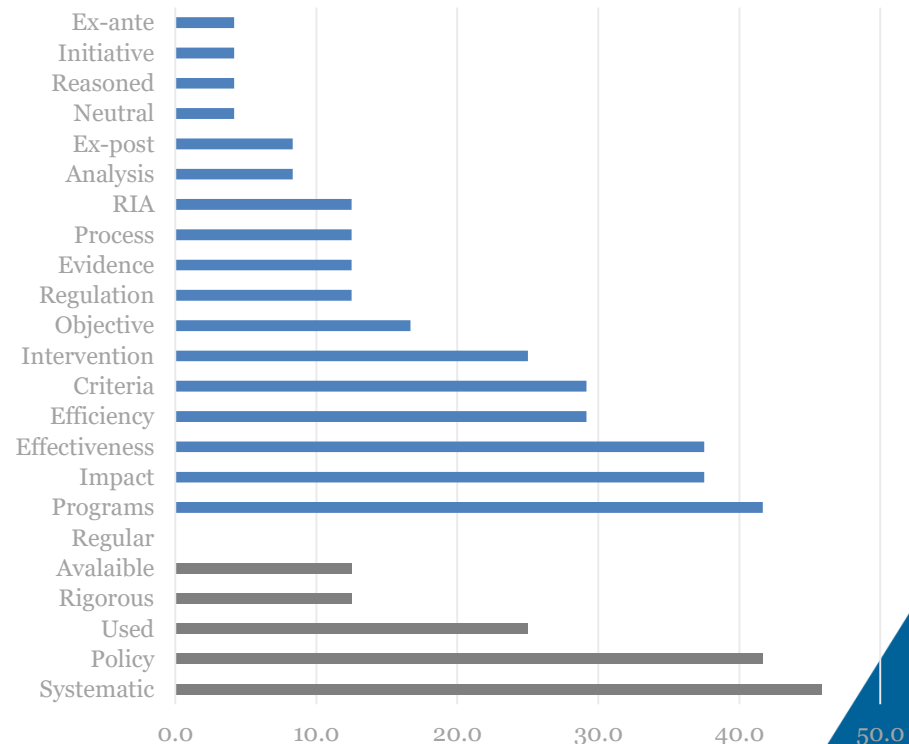
What elements contribute most to the definition of evaluation ?

While differences exist, there are some recurring elements across countries

- **The definition used by the OECD in the questionnaire** :

  Policy evaluation is understood as the structured and objective assessment of an ongoing or completed policy or reform initiative, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability, etc. Evaluation also refers to the process of determining the worth or significance of a policy .

% of countries using the following elements of their definition of policy evaluation

* The grey elements correspond to the evaluation base of Lazaro (2015).

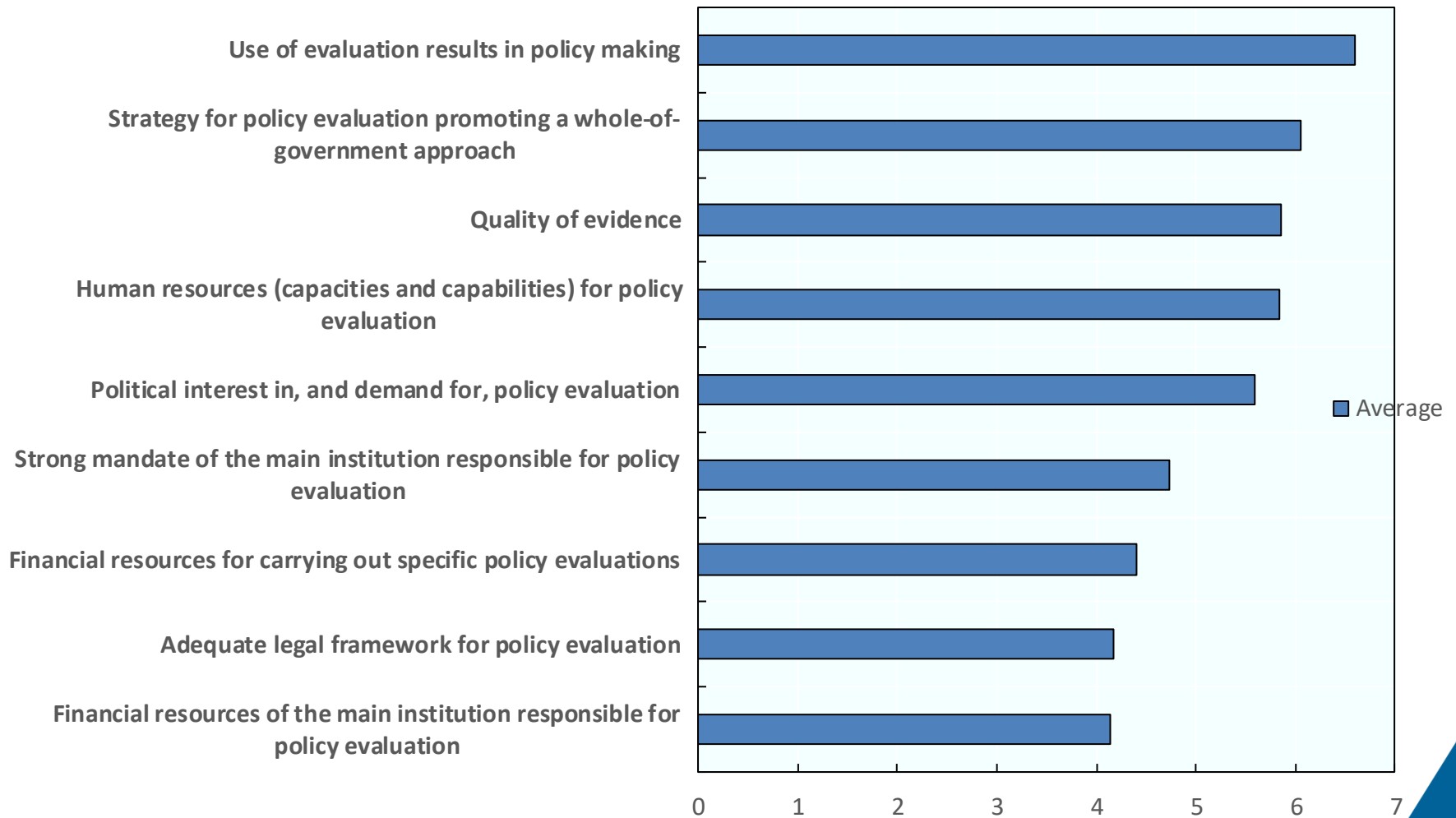# UNDERSTANDING POLICY EVALUATION SYSTEMS

Implementing a holistic national evaluation systems contributes to good public governance across the policy cycle. The OECD survey analyses the maturity of evaluation systems across 3 criteria:

Institutional Organisation i

Promoting **quality of e**valuation

Promoting **use** of evaluation

- *The **Institutional Framework of evaluations offers** (a) the legal base to perform policy evaluations (b) provides a macro orientation as to when and how to perform policy evaluation; (c) identifies and gives mandates to institutional actors with corresponding resources for supervising, controlling and performing policy evaluations*

- *An evaluation driven **culture**, which includes efforts towards promoting **quality** and **use** of evaluations across government, for example through training, investing in skills and stakeholder engagement*
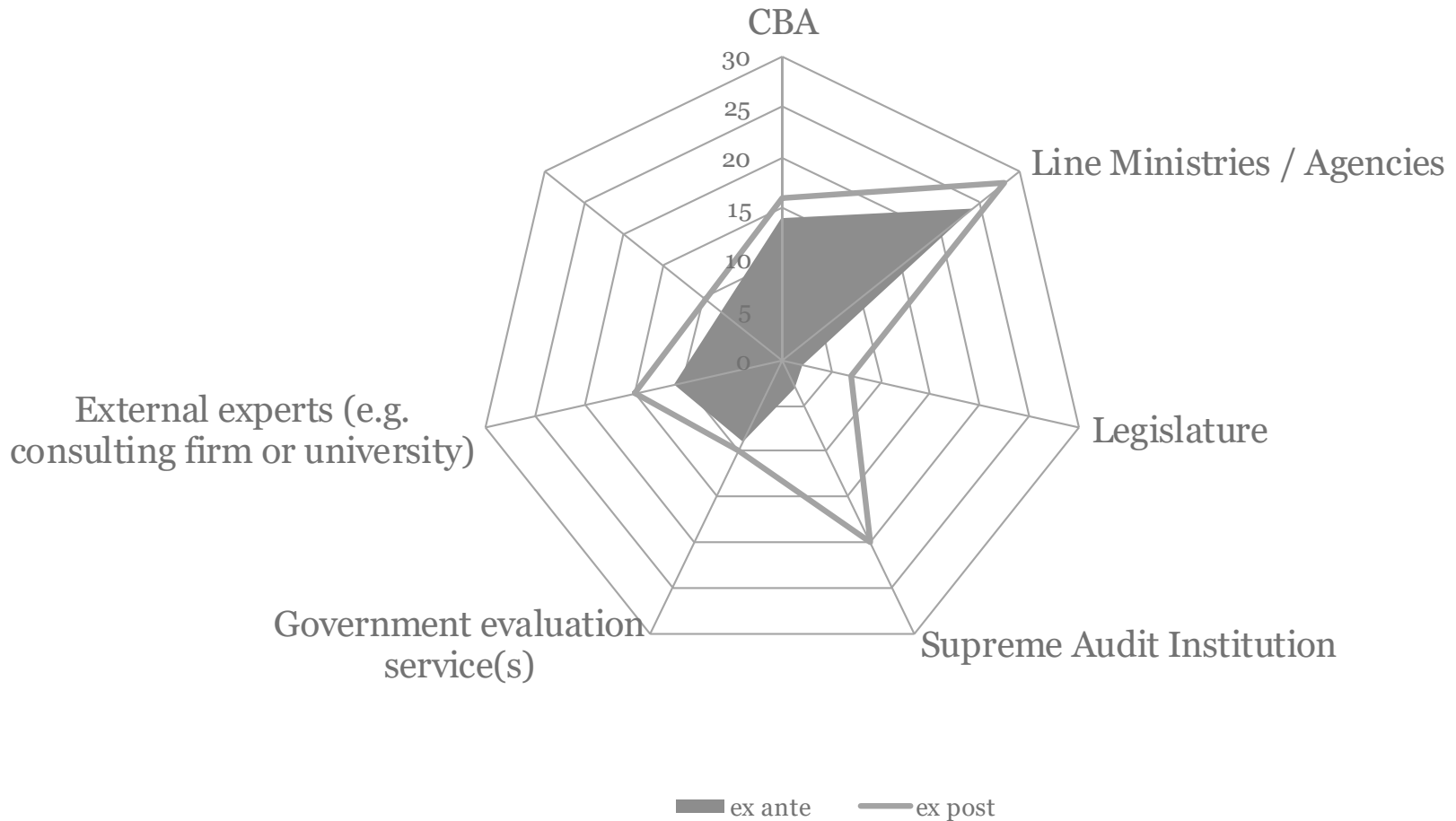
What are the perceived challenges ?

Evaluation systems : Defining an institutional framework

- The institutional frameworks include:
  - **Actors and mandates** : within the public sector (within executive, or beyond (e.g. SAIs), or on the valuation market (NGOs, Think tanks, civil society)
  - **Normative frameworks** (laws, regulations, strategic orientations, etc.)

- The OECD questionnaire focuses on public institutions and the executive sphere in general. Other institutions, such as SAIs are reviewed in terms of their relation to the executive.
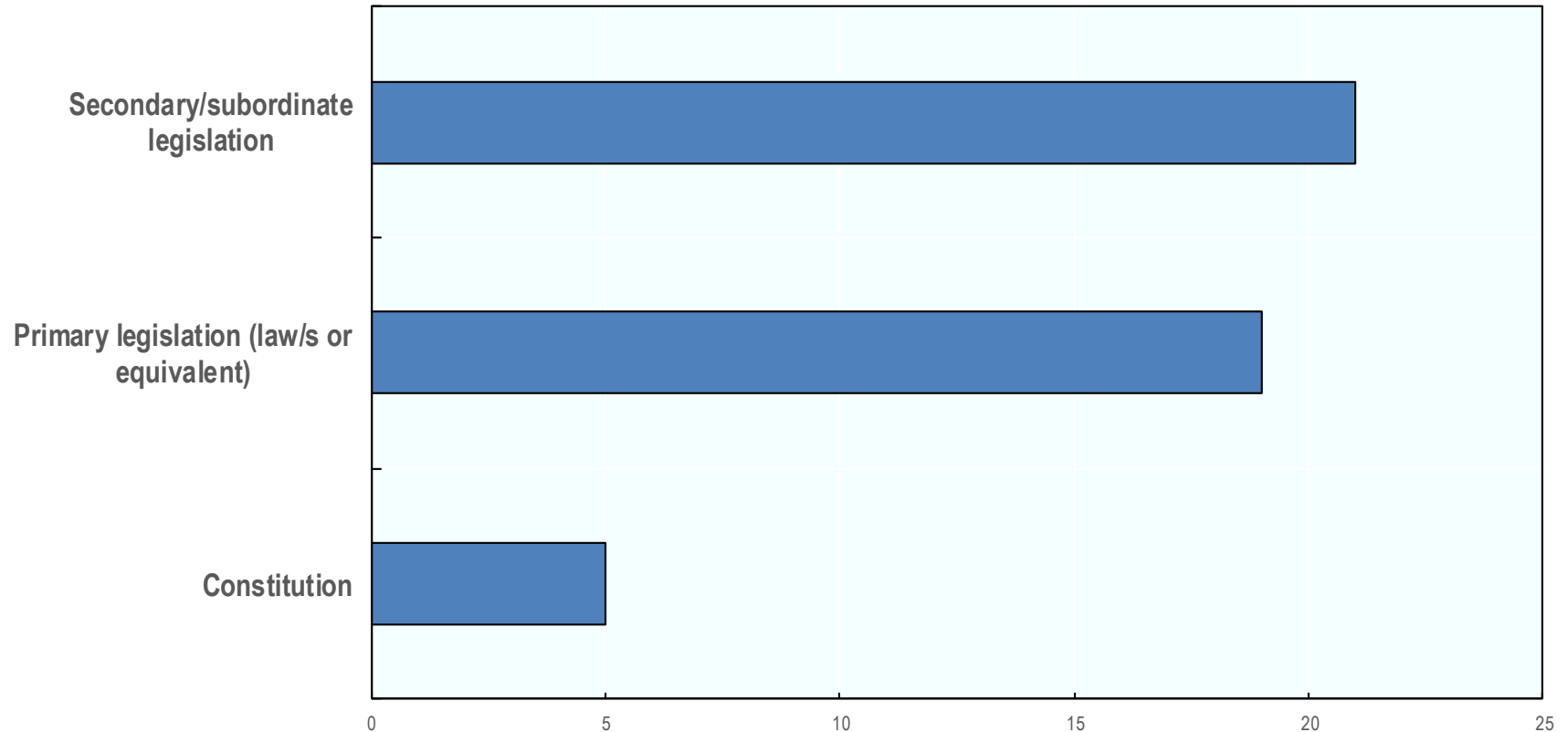
THE GOVERNANCE OF EVALUATION
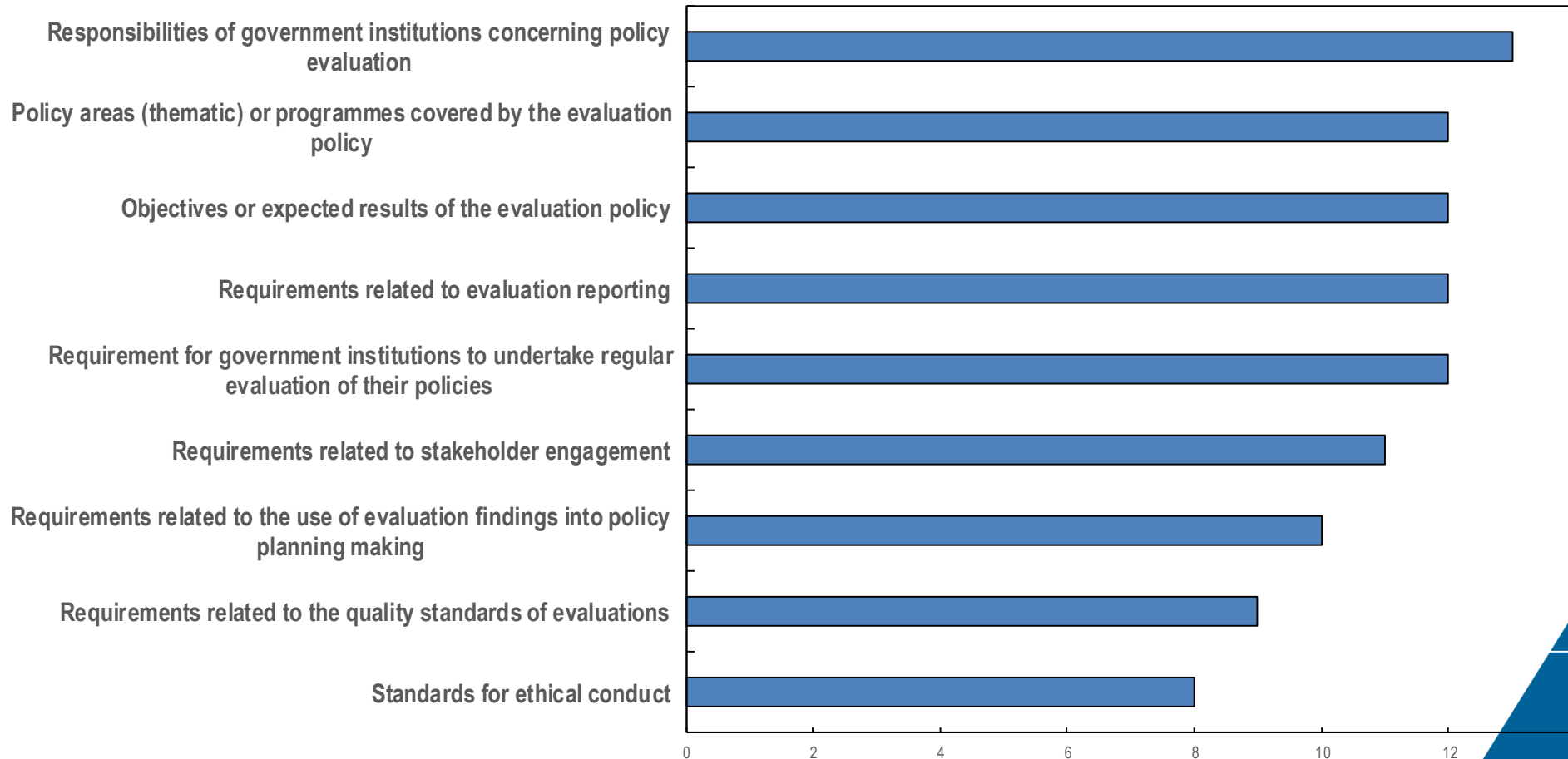

Source: OECD survey on budgeting and results

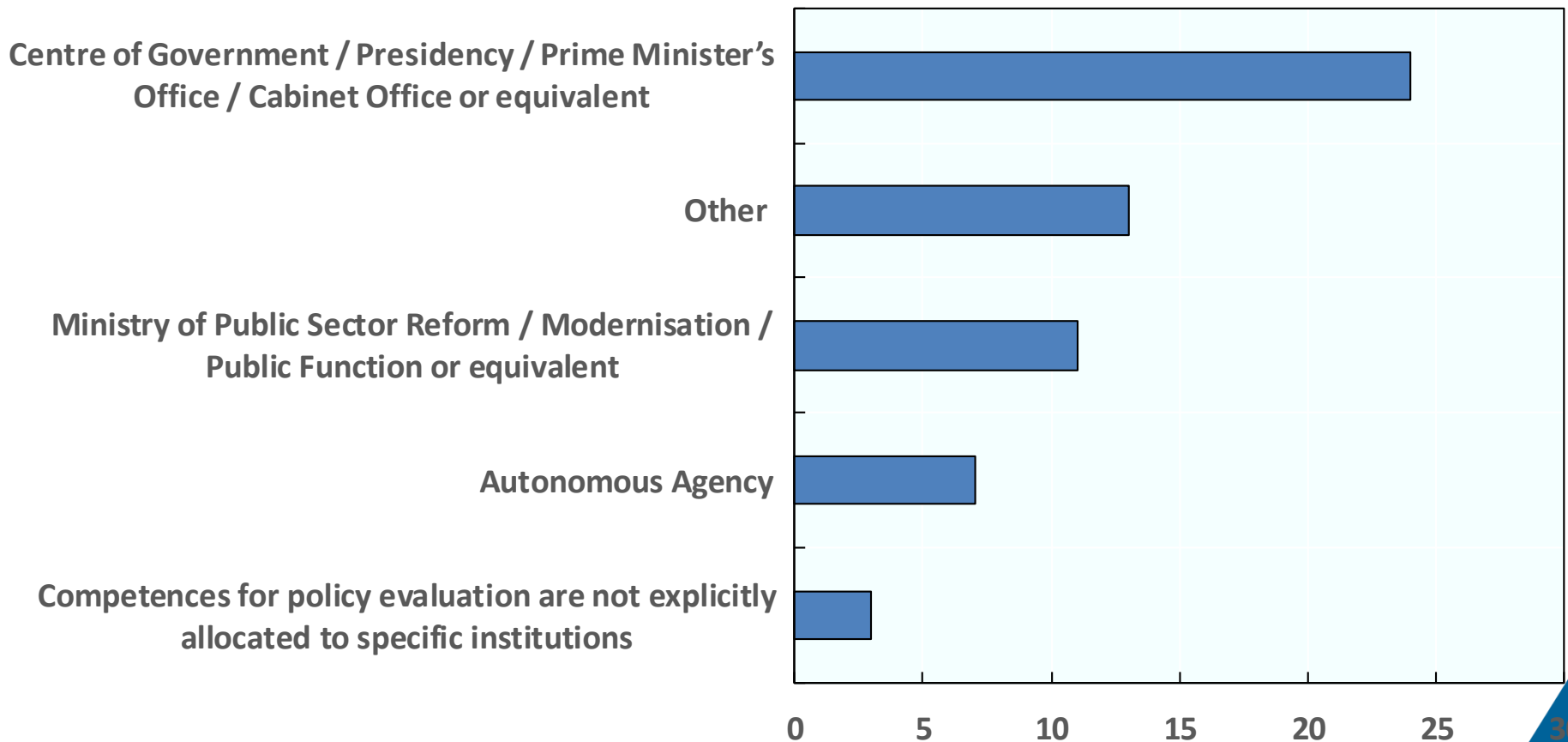# Legal and regulatory instruments for policy evaluation

Key elements of the policy frameworks

Responsibilities of government institutions concerning policy evaluation

Policy areas (thematic) or programmes covered by the evaluation policy

Objectives or expected results of the evaluation policy

Requirements related to evaluation reporting

Requirement for government institutions to undertake regular evaluation of their policies

Requirements related to stakeholder engagement

Requirements related to the use of evaluation findings into policy planning making

Requirements related to the quality standards of evaluations

Standards for ethical conduct

0   2   4   6   8   10   12

Key parts within the executive with competence for policy evaluation
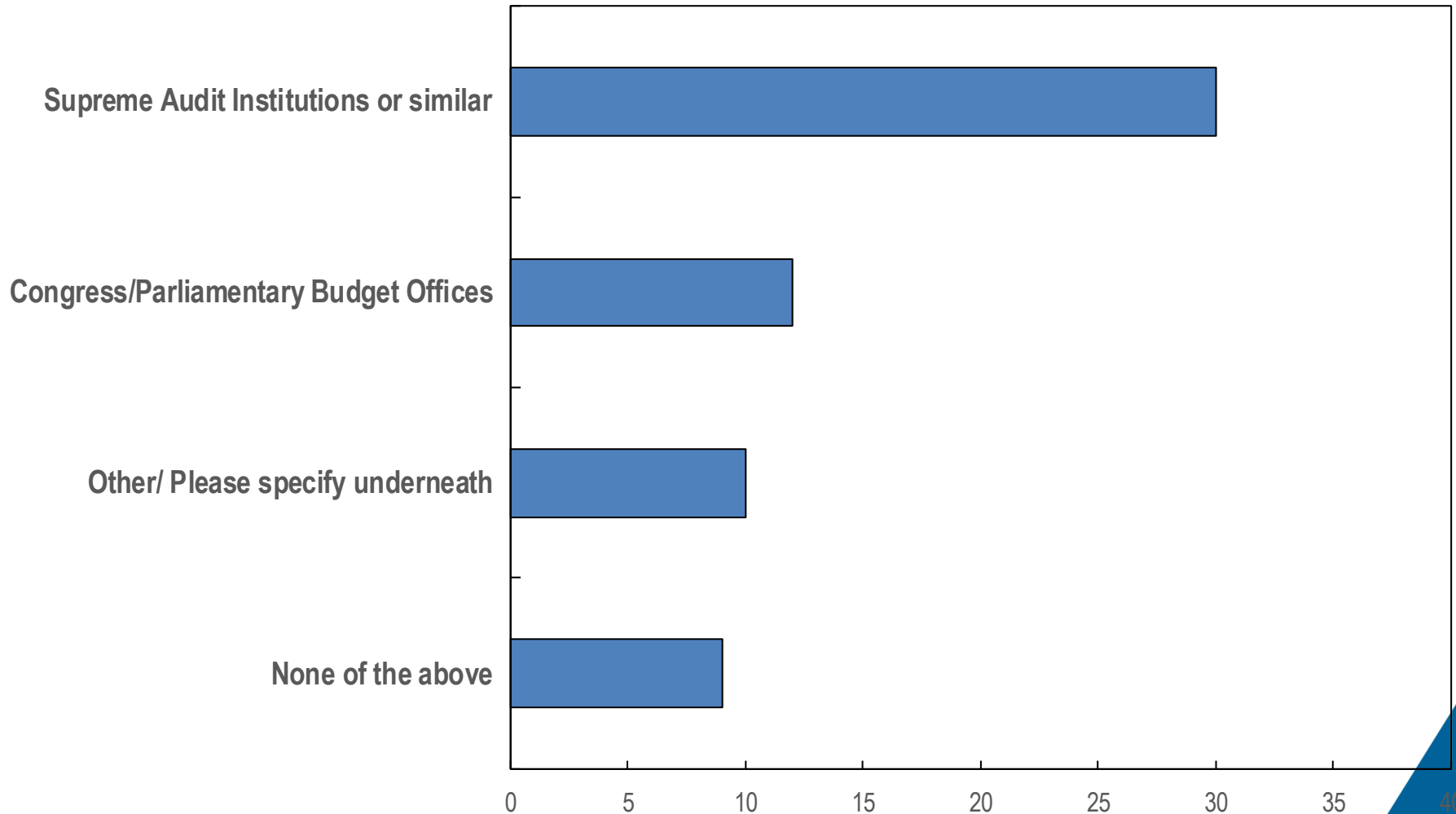
Centre of government and Ministries of Finance

Key component of the institutional frameworks beyond the executive

SAI have overwhelming competences in a large majority of countries

Promoting quality and use of policy evaluation

- A solid institutional framework and clear orientations for policy evaluation will lack impact if staff are not equipped with the right **skills** and exposed to the right **incentives**

- In particular :

  - *Quality* of evaluation allows to determine if the data that are produced represent trusted evidence, or if they can facilitate learning and accountability by public officials, contributing to improved decision making and policy design

  - *Use* of evaluations is indispensable to the extent that :
    - ✓ These require significant public resources
    - ✓ If they are not used, the data are also likely to suffer

Note: OECD is also assessed in terms of the quality and impact of its work
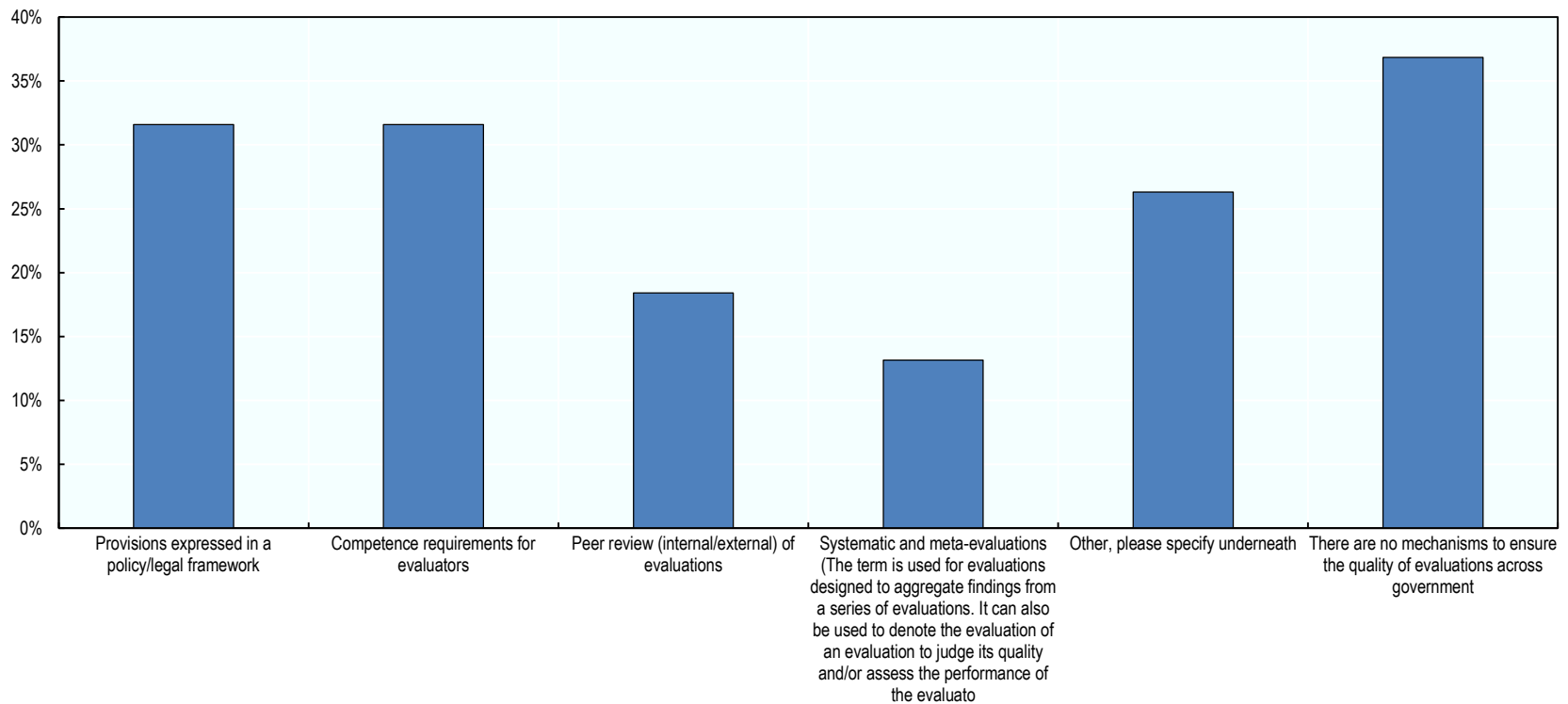
Promoting quality of evaluations

- **Quality of evaluations can be promoted through :**

  - **Mechanisms to control the quality of deliverables**
  - **Mechanisms to control the process**
  - Other mechanisms: requirements in terms of competences, legal frameworks, role of SAIs

- **Quality of evaluation can also be promoted through:**

  - **Interpersonal mechanisms:** stakeholder engagement.
  - **Systematic approaches :**
    - ✓ **Content** (quality, communication, etc.)
    - ✓ Investment in skills
    - ✓ **Context** (policies, institutions, budget calendar, etc.)

How can countries promote quality ? quality assurance and external control

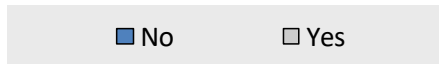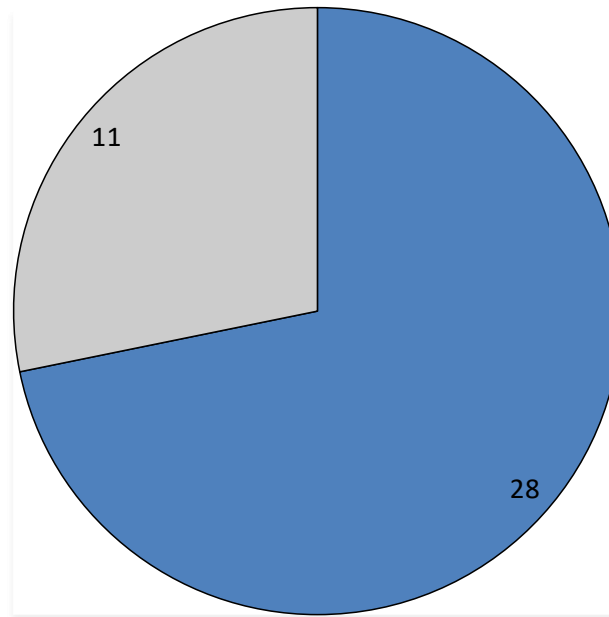*Countries are using various mechanisms for quality assurance and control*

EXAMPLES:
- A country can foresee that all evaluations are subject to peer review through a joint committee of ministries' experts, practitioners and representatives of civil society;
- The European Commission has developed a map of competences that are necessary to increase the quality of evaluations
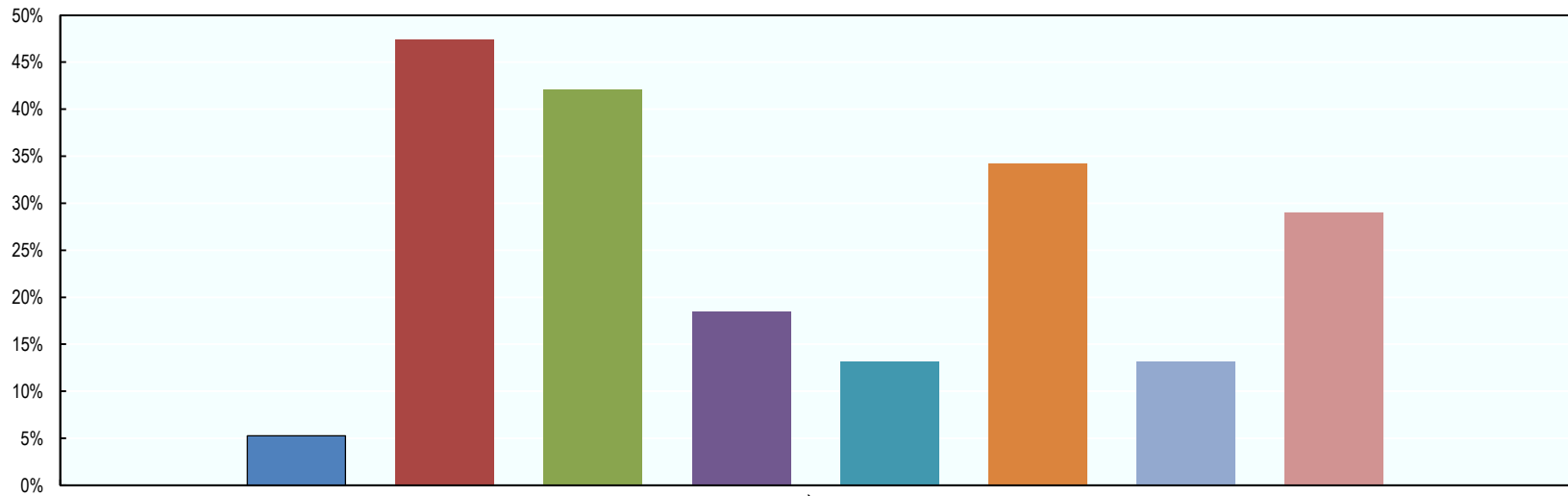
The key role of SAIs to promote quality

Has your Supreme Audit Institution audited the executive's policy evaluation system in the past ten years?

11

28

☐ No   ☐ Yes

Investing in skills to promote evaluation

Type of mechanisms used to develop skills in the public sector
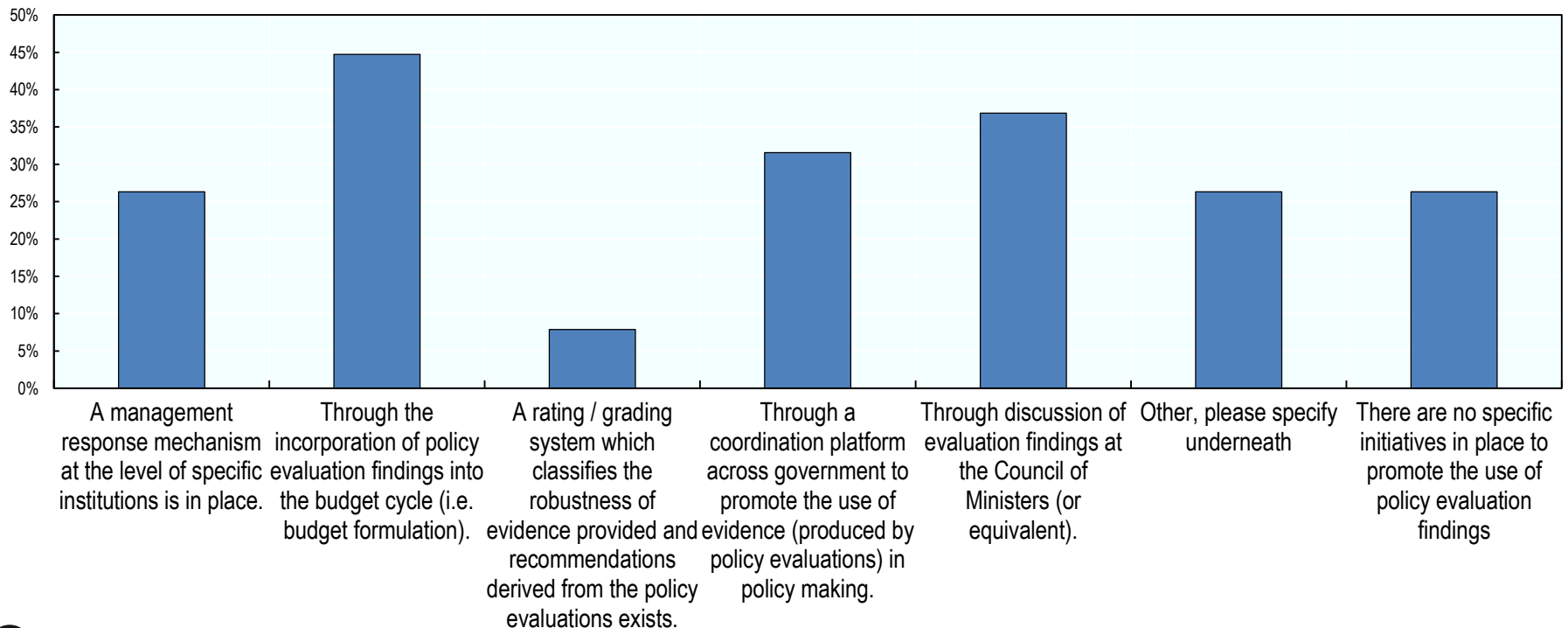

Legend:
- Certification system for evaluators
- Training for internal or external evaluators
- Establishment and/or support of a network of evaluators
- A specific job category for evaluators in the government with clear qualification and skills requirements and/or career path
- Peer review (internal/external) of evaluation plans/designs
- Advisory panel(s)/Steering committee(s) for evaluations
- Other, please specify underneath
- There is no specific support available

Promoting the use of evaluation: what are countries doing?

A majority of countries are using one or several mechanisms to promote the use of policy evaluation
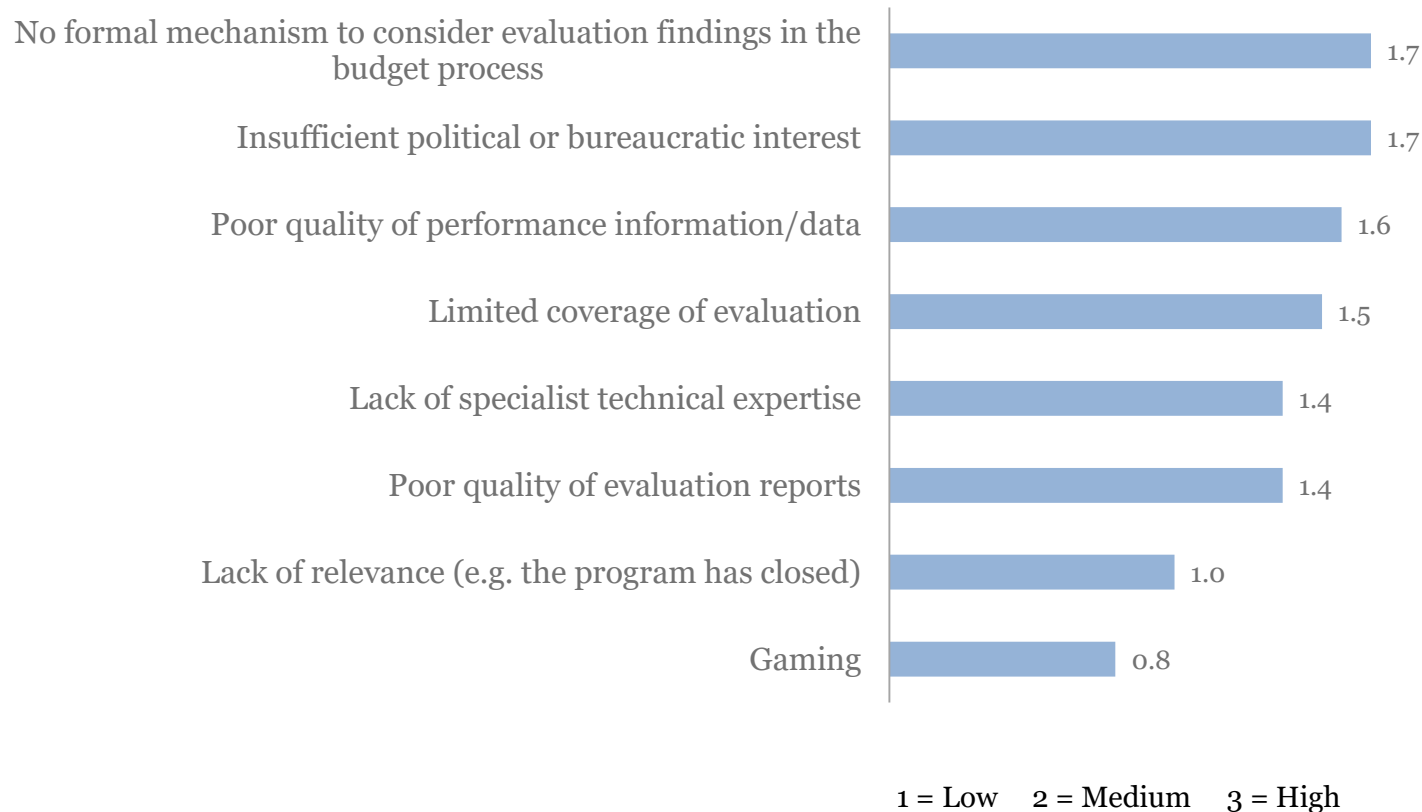

EXAMPLES:
- Presenting and debating evaluation results in cabinet meeting
- Setting up a web platform to store all the evaluations that had been commissioned and facilitating public access to the results, to encourage use by policy makers

How to promote the use of evaluation ?
Understanding barriers to the effectiveness of policy evaluation

Factors that may explain a poor use of the results :

Factor	Value
No formal mechanism to consider evaluation findings in the budget process	1.7
Insufficient political or bureaucratic interest	1.7
Poor quality of performance information/data	1.6
Limited coverage of evaluation	1.5
Lack of specialist technical expertise	1.4
Poor quality of evaluation reports	1.4
Lack of relevance (e.g. the program has closed)	1.0
Gaming	0.8

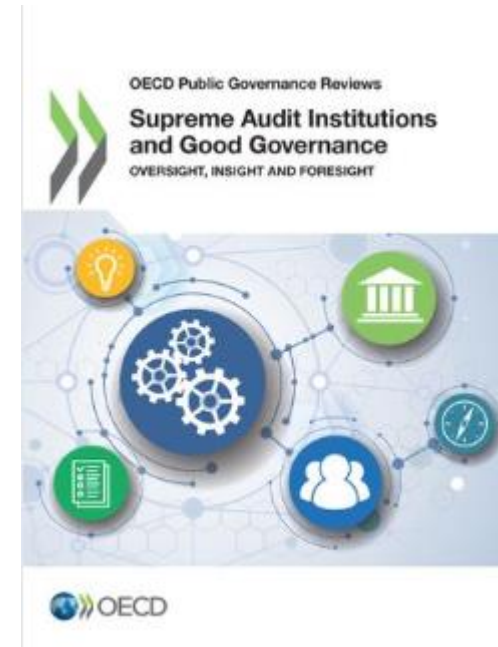1 = Low   2 = Medium   3 = High

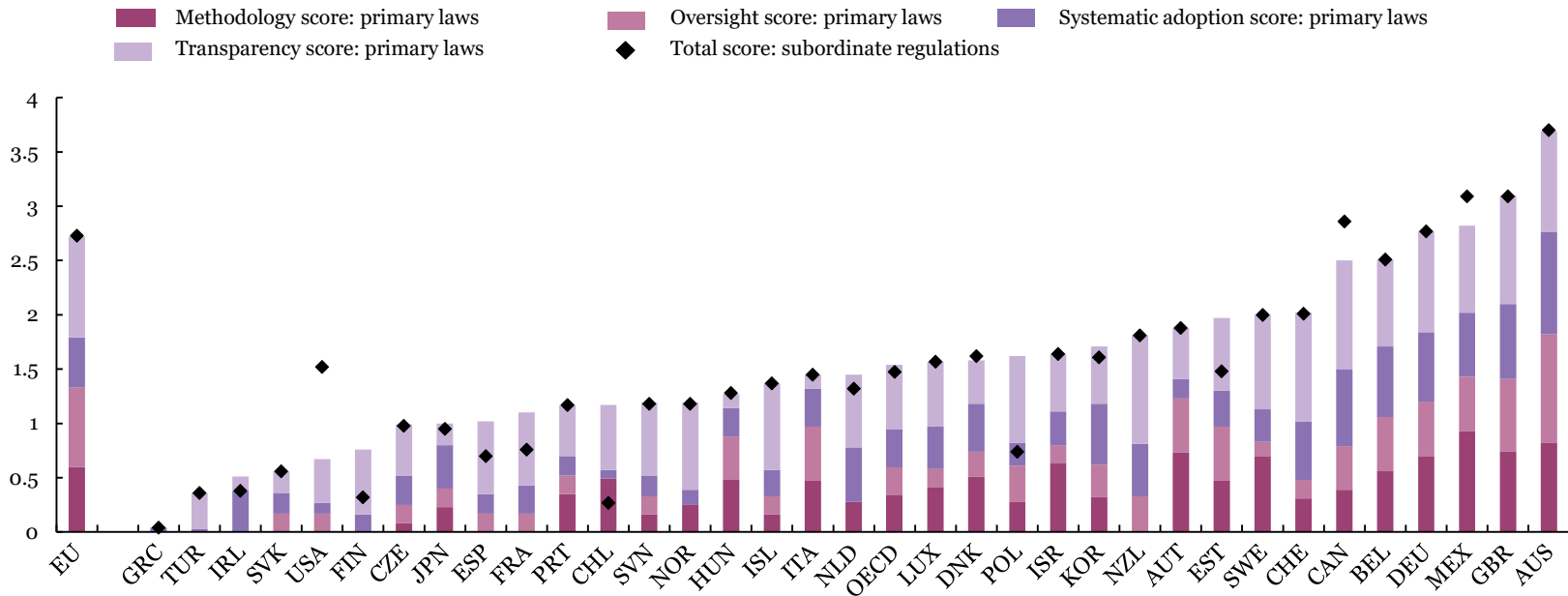Source: OECD survey on budgeting and results

OTHER RELATED OECD WORK

- ✓ Collaborative work with SAIS
- ✓ Group of Independent Fiscal institutions (Parliamentary Budget Offices cf CBO).
- ✓ Evaluation of regulatory policy
- ✓ Measuring well being and integrating well into public decision making
- ✓ Sectoral work
  - i. Cost Benefit Analysis and the Environment
  - ii. Specific evaluations of employment, education, health policies

OECD Public Governance Reviews

Supreme Audit Institutions and Good Governance

OVERSIGHT, INSIGHT AND FORESIGHT

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Ex post evaluation of regulations

Source: OECD (2015), Indicators of Regulatory Policy and Governance (iREG), OECD Publishing, Paris, http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

Note: The vertical axis represents the total aggregate score across the four separate categories of the composite indicators. The maximum score for each category is one, and the maximum aggregate score for the composite indicator is four.

KEY TAKE AWAYS

- ✓ A key tool to support the implementation of public policies :
  - Methodological requirements vs.
  - Political Relevance
- ✓ Communicating results
  - To be understood and to be heard
  - To be trusted
- ✓ SAIs irreplaceable role
  - Maintaining distance and independence
  - Capacity to access data and dialogue with public officials

LOOKING TO THE FUTURE

- ✓ Need for multidisciplinary expertise
- ✓ International impact of the « What Works » movement
- ✓ Evidence Based Policy Making in the US
- ✓ Big Data, Open Data, and the future of administrative data
- ✓ Citizens' engagement and trust

THANK YOU

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