

# NZAID EVALUATION STRATEGY 2008 - 2011

## **Background**

During the first few years of its establishment phase, NZAID has focused increasing attention on upgrading the quality of its evaluative activities. The evaluation framework in place comprises an Evaluation Policy, a set of Evaluation Guidelines and an Annual Evaluation Plan. Over the past year more resources have been made available to enable further strengthening of NZAID's performance assessment, evaluation and reporting systems to ensure sufficient information for performance management at all levels. These developments along with changes in the wider development cooperation context within which NZAID operates, render it timely to develop a more strategic and coherent approach to the production and use of information from monitoring and evaluation.

## **Aim of the Strategy**

This strategy sets a direction for the ongoing quality improvement of NZAID's evaluation system with the aim of having well focused, comprehensive and systematic assessment systems to enhance policy and programme effectiveness and meet accountability requirements. If the strategy is successful it will place NZAID as a leader in the use of an evaluation system to effectively support policy development, programme management and performance reporting.

NZAID's key objectives for this evaluation strategy are to:

- a) Create a strong evaluation system and culture
- b) Connect evaluation to policy and operational requirements through planning
- c) Enhance learning from evaluation through effective sharing and use of evaluative information within NZAID and externally
- d) Strengthen evaluation partnerships through more joint activities with other donors and country partners
- e) Increase the capability and capacity of NZAID staff and development partners to effectively manage and undertake evaluative activities

## **International development evaluation context**

Internationally there is a growing demand for more and better development evaluation. This demand has created an ongoing need to develop evaluation capability and capacity in donor and partner organizations. A number of significant changes in the aid environment have contributed to this demand, including:

- The MDGs and measurement of progress towards achieving them
- The Paris Declaration and associated changes in development cooperation dynamics
- Increases in the levels of aid / scaling up of aid and changes in aid delivery systems

- Increased pressure for external accountability and a corresponding demand for performance information

These changes imply a shift towards higher-level evaluations e.g. sector and country level; an increase in the number of joint evaluations carried out by donors with other donors and donors with partners, and an increase in the number of country-led evaluations.

All of these changes have implications for evaluation systems in aid organizations. There are also significant methodological challenges for carrying out evaluations in this changed environment, but this issue is outside of the scope of this strategy document. Suffice to say an evaluation system needs to be sufficiently flexible to be able to respond appropriately and effectively to these changes, acknowledging the time it takes to implement new approaches in a large and increasingly complex international aid environment. A greater investment in evaluation capacity development at the country level is required to respond to all three of the changes above.

One of the most significant aspects of the changes of critical relevance to evaluation systems is the move to managing for development results. In applying evaluation resources this means moving beyond a focus on inputs and outputs to a greater focus on outcomes and impacts. However, this does not mean that the emphasis needs to be on after-the-fact evaluation. What this means is *evaluative information needs to be timely and relevant and available at all stages of the programme and activity cycles* to be of most use for management and decision making purposes.

The overall aim of investment in monitoring and evaluation is to obtain reliable and credible information for decision-making and ongoing learning with three levels of focus of evaluation:

- (1) Policy, strategy and design issues and the question - ***Are we doing the right things?***
- (2) Operational and implementation issues - ***Are we doing things right?***
- (3) Improvement of ongoing or future interventions - ***What are we learning?***

### ***Relationship between monitoring and evaluation***

Monitoring and evaluation have different but complementary roles and both contribute to overall performance information. Monitoring provides information during implementation about what resources are deployed, what progress is being made towards the desired outcomes and risk management, i.e. ***what*** is happening and what the trends are. Review<sup>1</sup> and evaluation<sup>2</sup> can address issues

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<sup>1</sup> 'Review' describes 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 are between monitoring and full (outcome/impact) evaluations. They check the overall direction is still relevant and ask whether the development activity is likely to meet the purpose for which it was planned.

of determining **why** and **how** it is happening. In this way monitoring and evaluation complement and support each other with each by itself being insufficient. Therefore a well-designed results-focussed monitoring and evaluation system will include a good balance between these two types of evaluative activity.

### **Evaluation Planning**

In a context where NZAID has multiple requirements from its investment in evaluation, it is important that there is a clear process for linking evaluations to Agency and partner needs. NZAID reviews and evaluations are planned and commissioned at two levels:

1. Monitoring, review and evaluation processes are planned for each activity<sup>3</sup> and included in programme and operational plans.
2. Priorities for undertaking sectoral and thematic evaluations are determined annually by the Evaluation Team in consultation with the Programme Groups and agreed by the Evaluation Committee

In recent years the proposed reviews and evaluations from these two planning lines have been pulled together into an NZAID Annual Evaluation Plan which has been a mechanism providing oversight of evaluative activity in NZAID. This approach has served reasonably well as a bottom up planning process but has lacked a coherent and strategic link to overall policy, strategic and operational planning, as well as meeting ongoing learning and accountability requirements. Also in recent years a longer term view of development assistance has emerged that would be better served by a more strategic approach to planning for evaluation.

### *Prioritisation*

In a context where resources for evaluation are limited, it is important to be clear about evaluation priorities and to ensure that all the evaluation that needs to be done gets done and that resources are not wasted by undertaking unnecessary evaluations, particularly when it is not clear that the information will be used.

Priorities for evaluation are determined by a number of factors. These include the level of information needs and demand for evaluation: which can be from within NZAID to meet policy and programme needs; from external stakeholders (e.g. NZ government and central agencies); from the NZ public and civil society organizations; from peer organizations (e.g. other DAC donors) and from country partners.

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<sup>2</sup> 'Evaluation' is defined as: 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.

<sup>3</sup> See Evaluation System matrix in Appendix 1

Other important factors are the **timeliness** and **relevance** of the evaluation products. Information provision needs to be aligned with decision-making processes and evaluative activities need to be scheduled accordingly.

**Coverage** of key policy and programme areas is also an important consideration. It is not possible to have complete coverage of all areas within a particular planning period but the aim is to select a balanced sample that meets information requirements and contributes to a cumulative knowledge base.

**Less is more:** *“It is better to do a smaller number of high quality evaluations than a large number of weak evaluations”* M.Q. Patton

In planning evaluative work, the following criteria<sup>4</sup> will be used to select priorities for review and evaluation:

- Review and Evaluation Planning Criteria**
1. **Monitoring** information has indicated that there are difficulties or issues that require a more in-depth investigation and a decision will need to be made about the future of the activity (i.e. monitoring ‘hot spots’ have been detected.)
  2. Involves a significant **investment** of funds: **>1m per year**
  3. Activities that are **innovative**
  4. There is a high level of **uncertainty** about potential effectiveness
  5. Activities likely to be **extended, expanded, or replicated** in other settings
  6. There is wide **divergence of evidence** of outcomes from similar programmes or activities that are expected to produce similar results

NZAID seeks a balanced approach to evaluation and the use of different forms of evaluation. A balance is also sought between self-evaluation undertaken by NZAID staff (and contractors where needed), and external, independent<sup>5</sup> evaluation (undertaken by a wholly independent team and managed independently of the programme management). The former is more appropriate

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<sup>4</sup> Any of these criteria can apply

<sup>5</sup> An independent evaluation is free from influences that would bias the conduct, reporting or recommendations of the evaluation. This can be achieved through structurally separating the evaluation function from other functional areas responsible for implementation of policies and operations that are evaluated. Also, to some extent, through ensuring robust processes that comply with good practice principles and standards.

for review (*improvement-focused*) and the latter for outcome and impact evaluation (*accountability-focused*). It is expected that *learning* results from all evaluative activity undertaken by NZAID and that this is used to inform future decisions.

An increase in the number of joint and partner-led evaluative activities is expected. NZAID priorities for these are: firstly for partner-led (including donor coordination); secondly NZAID-led with close involvement of partners and other donors; and thirdly NZAID-led in consultation with others. These joint evaluative activities will require recognition and support for evaluation capacity development.

#### *Annual planning process*

The following process is used for producing the annual evaluation plan:

1. On an annual basis and linked to the existing planning cycles, a set of potential evaluations are produced. (*Programme staff, with support from Advisors, plan monitoring and evaluation at the design stage*)
2. Consideration of the overall coverage and focus of evaluations to ensure that the key priority information needs for the period are likely to be met (*What are the information needs?*)
3. Where there are gaps in the overall coverage and focus, the Evaluation Team will seek an opportunity for programme staff to fill the gap, or plan an evaluation to address this
4. The timing of evaluations will be as far as possible aligned with key decision points (*When is the info needed?*)

The NZAID Evaluation & Research Committee (ERC) will consider the Draft Annual Evaluation Plan along with any advice provided by the Evaluation Community of Practice (ECOP) and make recommendations on any changes needed before it is adopted as the annual plan each year. The Annual Plan remains flexible so that items can be added or removed in response to changing information needs.

#### *Monitoring, evaluation and results-reporting*

#### **NZAID Evaluation Team**

In NZAID, the Evaluation Team has responsibility for providing leadership for the implementation of the Evaluation Policy and development and use of the Evaluation Guidelines, as well as provision of advisory support to contribute to ongoing improvement to the quality, credibility and utility of evaluations. The Evaluation Team is specifically responsible for:

- updating the Evaluation Policy and Guidelines when required in response to changes in international norms and standards for evaluation and changes in the NZAID operating environment

- developing a 3-5 year Evaluation Strategy and an Annual Evaluation Plan and monitoring progress
- providing ongoing advisory support to programme teams
- designing, commissioning and undertaking strategic-level evaluations<sup>6</sup>
- developing the evaluation capability and capacity of NZAID at HQ and at offshore posts
- communicating evaluation findings clearly, in a timely manner and through a variety of means, to support learning and decision-making
- maintaining a reference collection of evaluation reports that is easily accessed by staff
- staying up-to-date with contemporary thinking and contributing to the development of the international evaluation profession through forging links and representing NZAID in professional evaluation associations and other professional evaluation groups
- providing support for evaluation capacity development in partner countries.

## **Evaluation Community of Practice**

### **Resources for evaluation**

NZAID funding for reviews and evaluations of activities and programmes is integral to programme budgets (Crown allocation). Strategic-level, sectoral and thematic evaluations are funded through the Departmental allocation.

To enable more outcome and impact evaluations to be done that focus on results and development effectiveness, a significant increase in the departmental budget will be necessary. If these evaluations are contracted out it will still require a sufficient in-house staff with the requisite knowledge and experience to effectively manage them.

Funding for activity and programme reviews and evaluations needs to be separately identified and allocated at the planning stage. Costs can vary depending on the type of evaluative activity required and the relative costs of contractors, travel, and other costs. A range of between 2% - 5% of the total budget for an initiative is considered reasonable in other similar agencies, although there is no established general rule. Evaluation costs can be constant regardless of whether a large or small initiative is being studied.

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<sup>6</sup> Evaluations can be carried out solely by NZAID or in partnership with the evaluation functions of other organizations (joint evaluations).

Given the heavy reliance on external contractors to undertake NZAID's evaluation work, providing access to evaluation training similar to that provided for NZAID staff will enhance the potential for improvements in their professional practice.

### **Evaluation Capacity Development**

NZAID produces two annual Evaluation Summary Reports to ensure: (a) development practice learning is captured, and (b) ongoing learning and improvement of evaluative activities and development of Agency capacity through an Evaluation Training Plan<sup>7</sup>. The Evaluation Policy Statement and Guidelines are also regularly updated to reflect current good practice. NZAID also intends to increase its support to partners to better support their capacity development in monitoring and evaluation. This is consistent with the Paris Declaration (2005) and the Accra Action Agenda (2008).

Acknowledging that developing evaluation capacity in developing country settings is a form of development in itself, NZAID will continue working with other donors, partners and other development actors to support training and other forms of assistance to develop evaluation capability and capacity. It will also support more joint and country-led evaluation initiatives.

### **Evaluation and Knowledge Management**

Information overload is a common problem in organizations today. The challenge is to have relevant and valid information available at the time it is needed. Evaluation can contribute to organizational and individual knowledge in different ways. Typically, the end product of a review or evaluation is seen as the final report. However, there are other means of learning from evaluation. A significant amount of knowledge is gained from either managing or undertaking evaluative activities. Also, the involvement of stakeholders increases the likelihood of use of the resulting information. NZAID will develop knowledge-based approaches to evaluation feedback, follow-up and use of evaluative information.

More involvement in joint evaluation activities is also more effective than sharing written reports. Involvement of partner countries, as well as other donors, in joint evaluations has both knowledge sharing and capacity building effects.

While single reviews and evaluations are usually of most use to the activity or programme concerned, evaluation syntheses that draw on a number of studies can identify themes and patterns that offer wider insights. To get the best use of existing evaluative information, NZAID will continue to undertake a synthesis study that draws on all reviews and evaluations undertaken each year and take steps to ensure that the learning is promoted within the organization.

Review and evaluation summaries are available to NZAID staff on the Waharoa intranet and also to external audiences on the NZAID website. A series of

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<sup>7</sup> See Appendix 3

'Knowledge Notes' that highlight good practices are produced and disseminated to facilitate access to current and potentially useful information both from within and outside NZAID. Interactive means of sharing knowledge from evaluative activities will also be used more frequently to promote appropriate use of information.

**Review**

This strategy will be subject to review and subsequent revision within three years.

### NZ AID EVALUATION SYSTEM

<i>Also refer to Evaluation Guidelines and Cross-cutting issues</i>	ACTIVITY			PROGRAMME	AGENCY LEVEL	
	Monitoring	Review	Evaluation	Programme / strategy review & evaluation	Strategic evaluation	External reviews
<b>Purposes</b>	Management  Input into review/evaluation	Management  Improving implementation	Accountability  Learning  Design of future activities	Programme planning	Policy development Programme improvement Development effectiveness	Accountability Organisational development Policy development
<b>Scope</b>	All activities	All activities over \$3m	As required (based on criteria)	Programmes and related activities	NZAID – group or agency level	Whole agency Thematic
<b>Focus</b>	Progress Management focussed Aid Effectiveness	Implementation progress Continued relevance Output results	Development effectiveness: outcomes/impacts achieved	Assess progress towards programme-level outcomes	Policy reviews Sectoral and thematic eval. Other priority issues	Agency performance
	<i>Aid Effectiveness</i>					
<b>Timing</b>	Regular and linked to milestones	During implementation	Fully implemented Near to or after completion	Follows planning cycle – (10 yearly)	2 per year	Regular (DAC) and occasional
<b>Output</b>	Monitoring reports	Review report	Evaluation report	Programme performance report	Evaluation report	Special report
<b>Responsibility</b>	Programme managers (with advisory support)	Programme managers (with advisory support)	Programme managers and/or Evaluation Team	Programme management with advisory support	NZAID Evaluation Team	DAC Peer review Minister Parliament / OAG

### Evaluation Outcomes Matrix

<b>Outcome domains</b>	<b>M&amp;E activities/products</b>	<b>Resources required</b>	<b>Assumptions / Risks</b>
NZAID Evaluation System	Evaluation strategy Updated Policy and Guidelines Annual Evaluation Schedule NZAID staff training	NZAID Evaluation Team Programme and Advisory staff External Contractors (\$Budget)	Other priorities may delay progress Contractors, where required, may not be found/available
Strategic Evaluation	Policy-level evaluations Sectoral and thematic Programme-level	Evaluation and Advisory staff Programme staff	Agreement on selection of strategic evaluations may not be reached.
Knowledge and Organizational Learning	Evaluation synthesis reports Knowledge Notes Seminars Workshops	NZAID Evaluation Team External Contractors (\$Budget) External speakers (\$Budget)	Time not available Budget not available
Evaluation Partnerships	Joint evaluations Country-led evaluations Evaluation networks	NZAID Evaluation Team NZAID Advisors Support for partners (\$Budget) Meetings/Conferences (\$Budget)	Dependent on others taking the lead – may not happen Budget or time may not be available
Evaluation Capability / Capacity	Monitoring & Evaluation training for partners Advisory support / coaching / mentoring	NZAID Evaluation Team External Contractors (\$Budget) External training etc (\$Budget)	Evaluation training plan agreed and implemented Budget/time may not be available