

Evaluation Policy for the New Zealand Aid Programme

Evaluation Policy

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Approved by: Evaluation and Research Board

Overview

This operational policy document seeks to strengthen the role of evaluations in generating evidence for decision-making, learning and accountability. It is for evaluations commissioned or funded by the New Zealand Aid Programme. The policy does not include audit, monitoring, Activity Monitoring Assessments and Activity Completion Assessments (AMAs and ACAs), research or reporting requirements. The policy is intended for use by MFAT staff, partners, people who are engaged to undertake evaluations and for other external stakeholders who have an interest in how evaluation is undertaken and used by the New Zealand Aid Programme.

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Processes based on this policy

The following processes are based on this policy:

- TBC

Purpose of evaluation

The New Zealand Aid Programme manages public funds to deliver development results in challenging and dynamic environments. Evaluation provides evidence to assess whether we are making a difference, optimising our resources and using the most effective and efficient methods to support sustainable development in developing countries. It assesses the distinctive contribution of the New Zealand Aid Programme to the generation of results. Alongside other elements of our Performance System, evaluation contributes to the body of evidence and experience upon which we set future policy directions, and account for the resources we manage. We utilise evaluation findings for:

- **Decision-making:** to shape our future strategies and inform decision-making on our development interventions
- **Learning:** to identify what works, and what does not and why, and to apply lessons learnt to continuously improve the delivery of our development assistance
- **Accountability:** to help account to tax payers, partner countries and other stakeholders for the resources used and the difference they have made.

What is evaluation?

The New Zealand Aid Programme's definition of evaluation is:

The systematic and objective assessment of an on-going or completed activity, programme or policy, its design, implementation and results.

Evaluations can occur at the beginning, middle or end of an intervention, or after completion. The specific intent of the evaluation determines when it should be undertaken.

Evaluation differs from monitoring in its focus on the worth or significance of an activity, policy or programme and whether intended or unintended effects have occurred as a consequence of a particular intervention. Evaluation also explores the assumptions and logic behind an Activity or Programme theory of change and focuses on how these changes have impacted (or not) on different groups.

In contrast, monitoring is a continuous process which helps to determine whether a Programme or Activity is progressing towards the intended results (outputs and outcomes). It is structured around indicators and does not look in-depth at why results are being delivered or not. It is typically undertaken by people closely involved with the Programme or Activity. Evaluation uses data gathered through monitoring as one evidence source.

Alongside monitoring and evaluation, some other actors in international development use the word 'review' for light-touch evaluation activities that occur during or soon after the implementation of a Programme or Activity. The New Zealand Aid Programme considers these to be evaluations and they are covered by this policy.

Three levels of evaluation

The New Zealand Aid Programme evaluates at three interconnected levels:

- **Strategic evaluations:** include policy, sector, process and thematic evaluations. These evaluations are led by the Evaluation and Research Team.
- **Programme evaluations:** cover one or more of the 26 Programmes in the New Zealand Aid Programme Framework ([Programme Management Policy](#)).

Each Programme is evaluated once every two Programme strategy cycles (six to ten years depending on the length of the Programme Strategic Framework). These evaluations are led by the relevant Programme Teams with assistance from the Evaluation and Research Team.

- **Activity evaluations:** cover one or more of the aid Activities within a Programme. All Activities to which the New Zealand Aid Programme contributes NZ\$10 million or more must be evaluated either during implementation and/or after completion.¹ This evaluation may be commissioned by the New Zealand Aid Programme, by the implementing partner or jointly, provided that minimum quality standards are met. Activity managers lead the management of Activity evaluations.

Activities of less than NZ\$10 million may also be evaluated if doing so would be useful for decision-making, learning or accountability ([Evaluating an Activity Guideline](#)). The decision to evaluate (or not) an Activity is taken when the Activity design is approved for funding, but may be revisited during implementation.

Activities of any value may also be evaluated in response to a particular information need. If this is the case, the decision to evaluate will be agreed through the annual forward planning process, described below.

Forward planning

Evaluations at the Strategic, Programme and Activity levels complement and reinforce each other, helping to build a stronger evidence base. To facilitate this, each year the Evaluation and Research Board approves a comprehensive forward schedule of evaluations.

¹ For Activities that provide organisational support (e.g. to multilateral and regional agencies) and are subject to annual funding decisions, an evaluation is only required once in the period covered by the organisation's strategic or corporate plan, or every five years.

The development of this forward schedule is based on consideration of relevance, coverage and coherence. Issues that have emerged from the New Zealand Aid Programme's Performance System (including monitoring data, AMAs and ACAs), Activity evaluations and our research work will also be used to shape the schedule. This ensures that the overall evaluation schedule is responsive to the strategic and operational needs of the New Zealand Aid Programme.

Guiding principles and standards

The New Zealand Aid Programme's approach to evaluation is founded on the following principles.²

Evaluation principles	
Impartiality and independence	<ul style="list-style-type: none"> • Our evaluations are carried out by external specialists who have no vested interest in the outcomes of the evaluation and are independent of those responsible for policy making, design, delivery and management of a development intervention. • The Evaluation and Research Team operates outside the design, delivery and management of our development interventions and is expected to deliver impartial evaluations.
Credibility	<p>The credibility of New Zealand Aid Programme evaluations is underpinned by:</p> <ul style="list-style-type: none"> • Using professional evaluators who have the necessary expertise, intellectual integrity and high ethical standards • Involving our partners in the evaluation • Reporting our successes, challenges and failures • Producing reports that distinguish between findings, conclusions and recommendations • Producing reports in a way that does not compromise sources • Ensuring our evaluation processes are open and understood by all parties • Publicly sharing evaluation results.

² These principles reflect the [OECD DAC Principles of Evaluation for Development Assistance](#)

Evaluation principles	
Usefulness	<p>Our evaluations are designed to be useful to those affected directly and indirectly by being:</p> <ul style="list-style-type: none"> • Relevant: having a clear justification for commissioning any evaluation and asking the right evaluation question/s • Timely: delivering evidence at relevant points to inform the decision-making process and meet accountability requirements • Valuable: findings are credible and reliable, and the conclusions, lessons, and recommendations flow logically, are easily understood, promote learning and feed back into decision making.
Partnership and participation	<p>Reflecting our commitment to ownership, alignment, harmonisation, mutual accountability and managing for results, we work with our partners on evaluations to increase ownership and use of our evaluations. Partners' involvement also contributes to building their evaluation capacity. Where appropriate, we support opportunities for partner-led evaluations and/or pursue joint evaluations.</p> <p>Whenever appropriate, the views and expertise of affected stakeholders should form an integral part of the evaluation.</p>
Forward planning	<p>The New Zealand Aid Programme operates a multi-year programme of evaluations that is responsive to strategic and operational needs.</p>
Donor cooperation	<p>We pursue opportunities to work collaboratively with other donors and development agencies on joint evaluations. Joint evaluations help avoid duplication of effort and overburdening of partners with multiple evaluation processes.</p>

Our operational guidance on how to conduct evaluations incorporates our Evaluation Quality Standards ([Evaluating an Activity Guideline](#)). These are consistent with the DAC evaluation standards.³

We expect that the DAC evaluation quality standards will also apply to evaluations that are funded by the New Zealand Aid Programme but commissioned jointly or wholly by partners. These evaluations we expect to be published and to be undertaken by

³ [DAC Quality Standards for Development Evaluation](#).

specialists who are independent of those responsible for policy making, design, delivery and management of the development intervention.

Where partners lead the evaluation, we use partners' evaluation systems and access the evidence they generate. We also work in partnership with our partners when required to ensure DAC evaluation quality standards apply to promote evaluation quality, utilisation and learning.

Evaluation criteria

Each evaluation must have a clear purpose (decision-making, learning and/or accountability) and objectives. Evaluation methods are selected to address the evaluation question/s and to promote valid judgements regarding the merit, worth and value of the New Zealand Aid Programme.

We use the five evaluation criteria listed below.⁴ Each evaluation should consider how these criteria might be applicable to its overall purpose. Not all criteria will be considered in every evaluation, but most evaluations will include a focus on relevance and effectiveness.

The five evaluation criteria are:

- **Relevance:** the extent to which development interventions are suited to the priorities and policies of the target group, partner and donor
- **Effectiveness:** whether and to what extent development interventions have achieved the desired results (outputs and outcomes) or these are expected to be achieved, taking their relative importance into account
- **Efficiency:** a measure of how economically resources/inputs are converted into results; in other words, the extent to which the cost of a development intervention can be justified by its results, taking alternatives into account
- **Sustainability:** whether and to what extent the benefits can be sustained after the end of the development assistance
- **Impact:** the positive and negative changes produced by the development intervention, directly or indirectly, intended or unintended.

Use of these five criteria does not exclude using other evaluation criteria. In undertaking evaluations of humanitarian assistance and in fragile and conflict affected environments, we consider using other criteria, such as those used by the Active Learning Network for Accountability and Performance (ALNAP) for humanitarian assistance evaluations.

⁴ [DAC Criteria for Evaluating Development Assistance](#)

The New Zealand Aid Programme's evaluations should also include where appropriate an assessment of:

- our performance in managing the intervention, and in particular how we have applied the Busan development effectiveness principles (country ownership, results focus, inclusive partnerships, and transparency and accountability)
- coherence considerations not covered under other criteria, including coordination/harmonisation with other donors' activities and consistency between New Zealand's development interventions and its policy settings (Link to Policy Coherence Statement)
- the integration of cross-cutting issues (gender equality and women's empowerment, human rights and environment) and the treatment of environmental and social impacts under the relevant criteria (e.g. relevance, effectiveness, impact, sustainability).

Quality assurance

The following processes and mechanisms are employed to underpin the quality of evaluations:

- an independent evaluation advisor peer reviews strategic evaluations at all stages of the evaluation process
- the Evaluation and Research team provides advice and support in the design and implementation of Programme and Activity evaluations and arranging for periodic independent reviews of the quality of Activity evaluations
- evaluation steering and technical reference groups ensure that evaluations meet quality standards and reflect our evaluation principles, along with providing advice on content and technical issues ([Evaluation Steering Group Terms of Reference template](#))
- evaluation training and practical guidelines equip staff with the knowledge and tools needed to deliver quality evaluations.

Governance

The New Zealand Aid Programme's Evaluation and Research Board supports and enhances the quality and use of evaluation and provides oversight and direction for the evaluation schedule ([The New Zealand Aid Programme Evaluation and Research Board Terms of Reference](#)) The Board approves evaluation policies and ensures that evaluation findings are utilised.

All evaluations benefit from feedback provided by a Steering Group ([Evaluation Steering Group Terms of Reference template](#)) with leadership and membership appropriate to the scope and content of the evaluation.

Responding to evaluations

A management response is required for all evaluations ([MFAT Management Response to Evaluation template](#)). The management response identifies whether and why we agree or disagree with the key findings, conclusions and recommendations and identifies what action will be taken as a result. It is published alongside the evaluation report.

Since evaluation plays a critical role in the learning cycle and continuous improvement, the Evaluation and Research Board reviews the Management Action Report. This report monitors the progress being made in implementing our response/s to an evaluation's key findings, conclusions and recommendations.

Disseminating evaluations

To increase the utilisation of the findings and learning from evaluation:

- evaluations are published on the MFAT website
- we actively share the findings and lessons learned internally and with our partners and stakeholders
- an annual overview of the Aid Programme's evaluation work is produced focusing on evaluation findings and learning.