Activity Evaluation Operational Policy

Approved: 31 August 2011
Last updated: 13 September 2011
Minor edit: 1 March 2012

Approved by: DLT
Owner: Principal Evaluation Manager

Overview

This document defines the operational policy for Activity evaluations that are commissioned by the New Zealand Aid Programme. It provides definition, rules, principles and criteria for Activity evaluations, and is intended for use by MFAT staff working within the New Zealand Aid Programme.

Contents

Process based on this policy

The process *Evaluate an Activity* is based on this policy:

Scope and Application

This Activity Evaluation Operational Policy applies to all Activity evaluations commissioned by the New Zealand Aid Programme.

A decision is made when the evaluation is planned as to which organisation(s) (i.e. MFAT and/or other partner organisations) is/are leading and commissioning the evaluation, and therefore whether this Activity Evaluation Operational Policy and its rules apply (refer to the guideline *Evaluating an Activity*).

Where the evaluation is jointly commissioned standards and processes will be negotiated with the other parties involved.

If an evaluation is commissioned by a partner organisation then this Activity Evaluation Operational Policy does not apply. However, if the evaluation is funded by MFAT, or if the evaluation is of an Activity that is funded by MFAT, then expected quality standards for the evaluation should be clearly stated in contractual arrangements.

Exceptions

The Activity evaluation operational policy does not apply if the evaluation is commissioned or led solely or jointly by a partner organisation.

The evaluation policy may not apply to real-time disaster response management evaluations.

Definition of Activity Evaluation

An Activity evaluation is a systematic and objective assessment of an on-going or completed development Activity.

Activity evaluations vary in their purpose, focus, scope and objectives. Evaluations may address any combination of the evaluation criteria set out in this policy.

Purpose

The purpose of undertaking a particular evaluation may include:

- **Learning**
  To learn from the successes and mistakes of international development initiatives funded by the New Zealand Government:
  – Learning about what has worked for whom and in which circumstances and what did not work and why
  – Organisational learning about the Ministry's and partners' management of the Activity

- **Decision making and improvement**
  The learning and knowledge gained from evaluations helps in making decisions which improve the on-going quality of the work of the New Zealand Aid Programme. Information from all evaluations should feed back into policies, programme strategies

(including Joint Commitments for Development) and Activities to ensure better decisions, on-going improvement of aid delivery and more effective development.

- **Accountability**
The Ministry is accountable both to Parliament and the New Zealand tax-paying public, and to the communities with which the New Zealand Aid Programme and its partners are working.

Activity Evaluation and Monitoring

Monitoring and evaluation have different but complementary roles and both contribute to overall performance information.

- Monitoring provides ongoing information about what resources are deployed, and what progress is being made towards the intended results (outcomes and outputs).
- Evaluation can determine progress towards results and use of resources, but also determines *why* and *how.*

The results framework developed during Activity design defines the Activity's intended results and sets out how these results will be monitored, reported on, and evaluated. All Activities *must* be monitored and reported as documented in the Activity results framework. However, not all Activities require evaluation, especially when sound monitoring has been undertaken, or if additional monitoring can provide the required information.

When to Evaluate

Activity evaluations are undertaken when there is a need for evaluative information to inform management decisions. Activity evaluations also contribute to learning, improvement and accountability.

During Activity design, a decision is made as to whether an evaluation will be undertaken (see the Monitoring and Evaluation Workplan in the *Activity Design Document*). The evaluation may be undertaken during implementation or after completion of an Activity. This information is then included in the Activity PAA.

Use the *Activity Evaluation Decision Matrix* in appendix A to decide if an evaluation is mandatory or optional for a specific Activity. The two key considerations are the total value of the Activity and its perceived level of risk.

Where an evaluation is not mandatory, use the *Activity Evaluation Decision Checklist* in appendix B to help decide whether an evaluation should be undertaken.

Evaluations that are unplanned at the time the Results Framework is developed (and are thus not initially included in the PAA) may also be

undertaken. Use the *Activity Evaluation Decision Checklist* in appendix B in reaching this decision. A new version of the PAA is required.

When an evaluation is not mandatory, the decision to evaluate must be approved by the relevant Deputy Director or Development Counsellor.

The Evaluation Team (Strategy and Performance Team) may request that an Activity evaluation commissioned by a programme team, be undertaken to feed into the IDG programme of 'strategic' evaluations.

Activity Evaluation Policy Rules

Determining whether an evaluation is required

- All Activities that have a total value over $10 million, or with a high risk and a value over $5 million (the **red range** in the matrix in appendix A) **must** be evaluated either during implementation and/or at completion of the Activity.

  Note: Contributions to multilateral organisations are an exception to this rule if evaluative information is available from other credible sources on the organisation.

- Activities with a low or medium risk and a value between $1 million and $10 million, or with a high risk and a value between $500,000 and $5 million (the **orange range** in the matrix in appendix A) **may** be evaluated.

- Activities with a low or medium risk and value up to $1 million, or with a high risk and a value up to $500,000 (within the **green range** in the matrix in appendix A) would only be evaluated in exceptional circumstances.

Managing an evaluation

- Activity evaluations are managed by the activity manager.

  Note: Where the activity manager is at post, then the responsibility for managing the evaluation may be transferred to a designated person in Wellington at the discretion of the relevant Development Counsellor, or if not the Development Counsellor then the Deputy Director. If the activity manager has a conflict of interest that is likely to jeopardise the evaluation then management of the evaluation should be transferred to another person at the discretion of the Deputy Director or Development Counsellor.

- All Activity evaluations must have an evaluation plan which must be approved prior to the commencement of any field work.

- All Activity evaluations should consider the extent to which cross cutting issues (gender, environment and human rights) have been addressed in the Activity.

- Evaluations must meet the required quality standards in appendix C before the final report is approved.

- All Activity evaluations should be able to be publicly released and should not contain any material that would prevent this.

Steering group rules

- Evaluations for Activities falling within the **red or orange range** (appendix A) are governed by a steering group.

- Steering groups for evaluations for Activities in the **green range** (appendix A) are optional.

- The Deputy Director or Development Counsellor must approve decisions *not* to have a steering group (where Activities are in the red/orange range) or to have a steering group (where Activities are in the green range).

- The steering group is chaired by an MFAT representative.

  Note: The Deputy Director or Development Counsellor can approve the appointment of a non-MFAT chair.

Activity evaluation follow-up rules

- An MFAT Management Response to Evaluation must be completed for each Activity evaluation.

- All **finalised** evaluations commissioned by the New Zealand Aid Programme must be shared within the appropriate division and disseminated to the rest of IDG. Relevant Activity evaluations commissioned by partner organisations may also be discussed in the appropriate division(s).

- Directors present a summary of completed evaluations commissioned by their division each 6 months to the Evaluation and Research Steering Group.

- Finalised evaluation reports must be submitted to the Development Support Officer, Development Strategy and Effectiveness (DSE) Division for inclusion in the evaluation library collection, and for public release.

New Zealand Aid Programme Evaluation Principles

Evaluations are underpinned by the following principles.

- **Partnership:** Evaluation design and implementation is undertaken with partners and other stakeholders. In line with the Ministry's commitment to the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Cairns Compact, joint evaluations are undertaken with other partner organisations, and partners will lead evaluations where appropriate.

- **Independence:** Evaluations are carried out in a way that ensures there is no undue political or organisational influence on the findings or recommendations.

- **Participation:** Stakeholders are involved at all stages of the evaluation to the extent possible.

- **Transparency:** Evaluation processes are open and understood by all parties.

- **Capacity development:** Where possible organisational capacity to undertake evaluation is enhanced through stakeholder involvement in the evaluation process.

Evaluation Standards

The DAC Quality Standards for Development Evaluation, and New Zealand Aid Programme Activity evaluation operational policy, guidance and templates are used to determine quality standards for an Activity evaluation. Appendix C sets out a summary checklist of standards for Activity evaluations drawn from these documents.

Evaluation Criteria

The OECD-DAC recommends a set of five criteria that may be used to determine the objectives and focus of evaluations. These have been adapted for use in New Zealand Aid Programme Activity evaluations.

The DAC evaluation criteria may be further adapted to suit different situations. Not all five criteria will be addressed by every evaluation and sometimes, additional criteria may be included.

The five DAC evaluation criteria are:

Relevance: The extent to which the Activity is aligned with the priorities and policies of the target group, partner organisation and donor.

Effectiveness: The extent to which an Activity attains its intended results (outputs and outcomes), and any unintended results (both positive and negative).

Efficiency: How well (in quantitative and/or qualitative terms), the Activity uses resources in order to achieve results (e.g. value for money). The 'efficiency' criterion can also be used to determine how efficiently the Activity has been implemented.

Sustainability: Whether the benefits of a programme or Activity are likely to continue after donor funding has been withdrawn. Sustainability is also used to assess environmental, financial and social sustainability of an Activity.

Impact: The long term positive and negative changes produced by an Activity (usually at societal level), directly or indirectly, intended or unintended.

Evaluating impact

The criteria 'effectiveness' includes assessment of long-term outcomes which are sometimes termed 'impacts' by other organisations.

In the New Zealand Aid Programme the intended 'impact' is usually described by the goal of an Activity in the results framework. The goal is usually very high level and at societal level. To evaluate impact at this level, and to attribute impact to an individual Activity may require a very complex (and costly) evaluation. If impact is to be assessed activity managers should consult with the Evaluation team (Strategy and Performance Team).

Glossary

Acronyms

Term	Description
DAC	Development Assistance Committee
DSE	Development Strategy and Effectiveness
OECD	Organisation for Economic Cooperation and Development
TOR	Terms of Reference

Terms

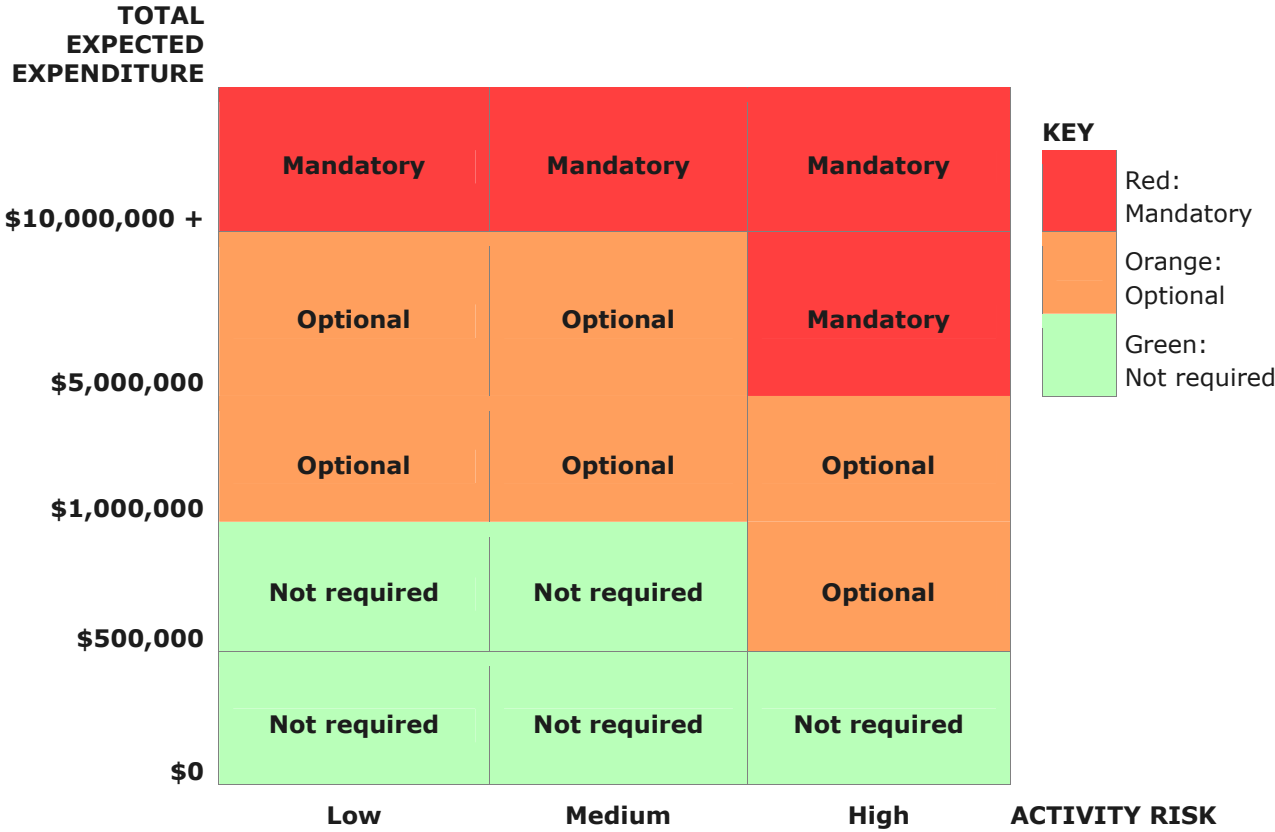| Term	Definition
Activity	A discrete grouping of actions taken or work performed through which inputs are mobilized to produce specific outputs and outcomes.
Evaluation	An assessment, as systematic and objective as possible, of an ongoing or completed development intervention.

Term	Definition
Monitoring	The systematic collection and analysis of information about a development intervention. Monitoring provides information about how allocated funds are being used, what outputs are being delivered and whether progress towards expected outcomes is being achieved.
Inputs	The financial, human, and material resources used to produce the development intervention's outputs.
Development Results	Output(s), outcome(s) and goal of an Activity. Outcomes are further qualified as short, medium and/or long-term.
Results Framework	A Results Framework comprises three components: a results diagram; a results measurement table; and a monitoring and evaluation workplan. They set out the development intervention's goal, outcomes and outputs, and how these will be measured, monitored and evaluated over the life of the development intervention.
Outputs	The products, capital goods and services which result directly from the inputs and activities of a development intervention
Outcome	Short, medium or long-term effect(s) of a development intervention that contribute(s) to other outcome(s) and/or a goal
Short-term outcome	The effects (or intended change(s)) resulting from one or more output(s), and leading to one or more medium and/or long term outcome(s)
Medium-term outcome	The effects (or intended change(s)) resulting from the achievement of one or more short-term outcome(s) and or output(s) and leading to one or more long-term outcome(s).
Long-term outcome	The effects (or intended change(s)) resulting from the achievement of one or more medium term and/or short-term outcome(s).
Goal	The overall impact that a development intervention is expected to contribute towards, usually expressed as an intention (e.g. To… or For…). It is unlikely that achievement of the goal could be directly or solely attributed to the intervention.
Impact	Positive and negative long-term effect(s) produced by a development intervention, directly or indirectly, intended or unintended. Impact may not be directly attributable to the intervention.

Appendices

Appendix A: Activity Evaluation Decision Matrix

This matrix shows when evaluation of an Activity is required.

TOTAL EXPECTED EXPENDITURE	Low	Medium	High	KEY
$10,000,000 +	Mandatory	Mandatory	Mandatory	Red: Mandatory
$5,000,000	Optional	Optional	Mandatory	Orange: Optional
$1,000,000	Optional	Optional	Optional	Green: Not required
$500,000	Not required	Not required	Optional	
$0	Not required	Not required	Not required	
	Low	Medium	High	ACTIVITY RISK

Appendix B: Activity Evaluation Decision Checklist

Use this checklist when an Activity evaluation is optional (orange and green range in the activity evaluation decision matrix in appendix A of the *Activity Evaluation Operational Policy*) to help decide whether an evaluation is needed or whether other action would suffice.

We should only undertake an Activity evaluation if:

• The answers below indicate that an evaluation would be of value

AND

• No alternative to an evaluation (such as further monitoring) would satisfy the requirements.

Activity Evaluation Decision Checklist		
Use of the evaluation: Would the evaluation contribute to knowledge and learning related to improving the effectiveness of development assistance that is not already available or cannot be attained through some other method?	Yes ☐	No ☐
Use of the evaluation: Would information produced by the evaluation be highly useful to the management and administration of the New Zealand Aid Programme?	Yes ☐	No ☐
Issues identified: Has monitoring indicated there are difficulties, risks or issues that require an in-depth investigation of the 'how' and 'why'?	Yes ☐	No ☐
Independence: is there a need for information that is more independently obtained than is currently available?	Yes ☐	No ☐
Evidence-supported information: Is there a need for more evidence-supported information that is not available or cannot be attained through monitoring?	Yes ☐	No ☐
Priority: Would information produced by the evaluation cover key information needs or gaps, (eg broader or more in-depth information) that cannot be attained through further monitoring, perhaps in a specific monitoring assignment?	Yes ☐	No ☐
Results of Activity not clear: Is there a high level of uncertainty about the potential or actual effectiveness of the Activity that could only be determined by evaluation (i.e. not by further monitoring or a monitoring assignment)?	Yes ☐	No ☐
Feasibility: Is it feasible to collect required information through an evaluation (ie reliable information may not be available, or the evaluation would not provide value for money)	Yes ☐	No ☐

Activity Evaluation Decision Checklist

Timeliness: Would information produced by the evaluation be available in a timely manner, e.g. to feed into a key decision?	Yes ☐	No ☐
Future of the Activity: Is information required to inform a decision on extension or expansion of an Activity?	Yes ☐	No ☐
Innovation: Is the activity using an innovative approach that has not been tried previously and knowledge about it would be useful to the New Zealand Aid Programme and/or other stakeholders?	Yes ☐	No ☐
Political imperatives: Is it important politically that this Activity be formally evaluated?	Yes ☐	No ☐
Capacity building: Will the evaluation provide an important learning opportunity for the partners involved?	Yes ☐	No ☐

Programme Team Decision

(*To keep a record of this decision, copy this table into a separate document and save.*)

Decision	☐ Evaluate	☐ Do not evaluate	Date: [dd/ mm/ yyyy]
Comment	[Optional]		
Prepared by:	[name], [role]		
Approved by:	[name], Deputy Director / Development Counsellor, [Programme Team]		

Appendix C: Checklist of New Zealand Aid Programme Quality Standards for Activity Evaluations

Activity evaluations should meet the following quality standards.

Documentation	Standards
Terms of reference for the evaluation	Terms of Reference (TOR) for the evaluation follow the Terms of Reference Template for Activity evaluations. TOR are appended to the report.
Results diagram (intervention logic/program logic)	Results diagram of the Activity is clarified and described (usually drafted in the Evaluation plan and clarified during the evaluation) unless there is a stated reason why this is not appropriate. The results diagram is used in the evaluation.
Evaluation plan	An evaluation plan describes an appropriate design, stakeholders, approach to assessing crosscutting issues, ethics, constraints/limitations and other aspects as per the headings in the Evaluation Plan template. The Evaluation Plan is appended to evaluation report.
Evaluation report	Meets the standards outlined below.

Evaluation Report Checklist

Standard	Description
Meets the TOR	Evaluation questions are answered, objectives and the purpose of the evaluation are met (including objectives and questions re crosscutting issues and value for money). The evaluation is undertaken as specified in the TOR.
Describes the background of the evaluation	The evaluation report describes the background to the Activity in sufficient detail to set the context for the evaluation including background and history of the Activity, stakeholders, organisational context, and development context.
Describes purpose and scope of the evaluation	These are clearly described in the evaluation report.
Has clear objectives and evaluation questions	Objectives and evaluation questions are clear in the report. Any variation to the TOR agreed (e.g. in the evaluation plan) is stated in the evaluation report. There are logical links between evaluation questions, objectives and purpose.
Clearly describes the methodology	Methodology as described in the evaluation plan is summarised in the evaluation report, and any variance from the plan explained. The way in which risks, limitations and/or constraints to the evaluation were managed is explained.

Standard	Description
Includes cross cutting issues	Extent to which crosscutting issues were addressed in the Activity, and how, is assessed/described (or, if cross cutting issues were not addressed in the Activity an assessment of the rationale for this).
New Zealand Aid Programme evaluation principles underpin the evaluation	The principles as described in the Activity Evaluation Operational Policy underpin the evaluation (unless there is a stated reason why this is not appropriate) and this is evident in the evaluation report.
Describes ethical considerations	Ethical considerations described in the evaluation plan are implemented in the evaluation. Names of participants do not appear anywhere in the report (including in the appendices) unless permission has been given and this is noted in the report. Cultural/gender sensitivity is evident, and conflicts of interest or any disagreement on findings within the evaluation team are declared.
Has evidence supported findings	Findings answer the evaluation questions and meet the evaluation objectives, are supported by evidence (with the source of the evidence clear), are disaggregated where appropriate (eg gender, age), and are separated from opinion and judgements.
Has clear lines of evidence	There is a clear flow from evidence-supported findings to conclusions and judgements to recommendations and to lessons learned.
Is useful and relevant	Evaluation is timely, recommendations are relevant and useful and directed to appropriate people/organisations. Lessons learned are relevant and useful.
Is reported well	Report flows logically, style/tone and length of report is appropriate. Any gaps in information are reported. Report is readable. Report follows the structure described in the Evaluation Report template. Executive summary is well written, stands alone and provides a good summary of the evaluation. Report does not contain confidential information which would prevent public release.
Includes a Value for Money assessment	Value for money of the Activity is assessed unless there is a stated reason why not.
Addresses DAC evaluation criteria appropriately	Whichever DAC evaluation criteria are addressed in the evaluation (i.e. relevance, efficiency, effectiveness, impact and/or sustainability) are acknowledged in the report and addressed appropriately.