Monitoring and Evaluation in the Public Policy Cycle:
the Experience of OECD Countries

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1. Introduction: three themes

- 1. Characteristics of a modern OECD policy cycle – a system for making and implementing public policies:
  - Partly "rational", partly politicized.
  - Partly decentralized ; messy; changing.
  - Increasingly performance-based (using information and contracts).
  - Increasingly evidence-based; multiple and competing sources of analysis.
- 2. Aspirations for better coordinating mechanism in OECD countries:
  - Strategic control from the center of government.
  - Capable ministries as partners of the center.
  - Mechanisms for horizontal coordination.
- 3. Characteristics of M&E (monitoring and evaluation) in OECD countries:
  - "M&E": a diverse and disparate set of activities within the policy cycle.
  - Monitoring: increasingly embedded in the performance system.
  - Evaluation: an uncertain role, of uncertain importance; a practice or a system?
- The relevance of all this for M&E of social programs in Chile?
  - "Wicked" social problems require coordination across programs and evaluation of effectiveness.
  - Good coordination and evaluation will not be forthcoming where the effective demand for performance is weak.

1. Introduction: the historical context

- The old paradigm (19th Century to late 20th):
  - Small government, cabinet government, hierarchical control.
  - From the 19th Century: gradual growth of government, functions, agencies.
  - From the early-to-mid 20th Century: occasional reform efforts to make management more strategic, discretionary.
- New Public Management (NPM) from the 1980s:
  - Removing activities from central government.
  - Empowering citizens.
  - Better management (in imitation of the private sector): *specialization* (new agencies, splits, quasi-markets, passing discretion down); *performance management* (internal contracts, performance-informed budgeting); use of *information & communications technology*.
- The problem of coordinating the policy cycle (from the 1990s):
  - The first problem: the growing size and complexity of government.
  - The second problem: the unintended consequences of NPM - the efficiency emphasis led to a loss of policy coherence and undermined vertical control.
  - A new emphasis (a new "post-NPM" paradigm?) from the 1990s: coordinated government (or "joined-up-government" or "whole-of-government").
- In the last half-century, M&E activities have developed in the context of perceived problems or paradigms: planning in the 1960s and 1970s; retrenchment in the 1970s and1980s; then NPM and post-NPM.

1. Introduction: outline of the presentation

1. Introduction and context
2. First theme: the modern policy cycle in OECD countries
3. Second theme: coordinating the policy cycle in OECD countries
4. Third theme: M&E in the policy cycle in OECD countries
5. Concluding speculations: relevance for Latin America

2.1 Rational policy making

- A policy is an idea or plan to reach a public-interest objective.
  - Policies can range from an idea (broadly-stated objectives and the methods to achieve them) to a blueprint.
  - Policies can be a fuzzy concept.
- A program is a detailed set of targets and arrangements to implement a policy.
- The policy cycle is the cycle of activities involving the identification, design, and implementation of policies and feedback on policies and their implementation.
- A rational policy cycle is an abstraction; in reality, policy making is a substantially political process.

2.1 What is the policy cycle?

Policy making	***Policy identification:*** - Identification of issues - Policy analysis - Policy instruments
	Policy decisions: - Consultation and coordination - Assessment - Decision - Program formulation
Program administration	***Program implementation***: - Execution - Monitoring
	Program evaluation: - Evaluation - Corrective actions

2.1 OECD policy making: a "quasi"-system

- Policy-making: a "quasi"-system, largely not "routinized".
- The break between:
  - policy-making (the world of politicians); and
  - program-implementation (the world of civil servants and technicians).
- Institutional mechanisms to manage the interface between politicians (making policy) and the bureaucracy (implementing programs).
- Four spheres of policy making:
  - political at the center;
  - technical at the center;
  - budget at the center;
  - in the ministries.

2.2 OECD instruments: government at the center

		2.1 Politics: at the center	2.2 Technical: at the center	2.3 Budget: at the center	2.4 Technical: in the ministries
Policy making	***Policy identification***	• Proposals by the political executive and legislature	• Cabinet & presidential offices • Specialized research/policy agency • *Ad hoc* studies • Technical support to ministries		• Specialized research/policy agency • *Ad hoc* studies
	Policy decisions	• Cabinet and legislature • Public consultation		• The budget cycle • Program/ project appraisal • Expenditure reviews	
Program administration	***Program implementation***	• Management information systems ("early warning")		• Performance monitoring • Value-for-money reviews	• Ministry-level management information systems
	Program evaluation		• Performance audit and evaluation	• Performance evaluation systems	• Evaluation systems or *ad hoc* studies

2.2 OECD instruments: the secretariat at the center

		2.1 Politics: at the center	2.2 Technical: at the center	2.3 Budget: at the center	2.4 Technical: in the ministries
Policy making	*Policy identification*	• Proposals by the political executive and legislature	• Cabinet & presidential offices • Specialized research/policy agency • *Ad hoc* studies • Technical support to ministries		• Specialized research/pol-icy agency • *Ad hoc* studies
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2.2 OECD instruments: the budget cycle

		2.1 Politics: at the center	2.2 Technical: at the center	2.3 Budget: at the center	2.4 Technical: in the ministries
Policy making	*Policy identification*	• Proposals by the political executive and legislature	• Cabinet & presidential offices		• Specialized research/pol-icy agency
	Policy decisions	• Cabinet and legislature • Public consultation	• Specialized research/policy agency • *Ad hoc* studies • Technical support to ministries	• The budget cycle • Program/ project appraisal • Expenditure reviews	• *Ad hoc* studies
Program administration	*Program implementation*	• Management information systems ("early warning")		• Performance monitoring • Value-for-money reviews	• Ministry-level management information systems
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2.2 OECD instruments: the ministries

		2.1 Politics: at the center	2.2 Technical: at the center	2.3 Budget: at the center	2.4 Technical: in the ministries
Policy making	*Policy identification*	• Proposals by the political executive and legislature	• Cabinet & presidential offices • Specialized research/policy agency • *Ad hoc* studies • Technical support to ministries		• Specialized research/policy agency • *Ad hoc* studies
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2.2 OECD instruments: other elements

- Ad hoc policy panels:
  - Effective in several countries (e.g. Scandinavia).
- Parliamentary commissions and support bodies:
  - Effective in the US, less so in other countries.
- External audit and evaluation:
  - Greater feedback for implementation than for policy design.

2.3 OECD policy making: new features in recent years

- Alternative policy-advice organizations (best examples: US, Germany, UK) – moving from "monopoly of advice" to "market for advice":
  - Alternative advice from inside government, from the political arena, from universities, consultants, civil society.
- Performance management:
  - Strategic planning , internal contracting , monitoring.
- Spending reviews ("value-for-money") as part of the budget cycle:
  - Addressing efficiency and effectiveness across programs;
  - Impact on budget appropriations (but not – or not yet? - on policy design).
- External performance audit.

2.3 OECD policy making: three "models"

The US: *a presidential system*:	• Both President and Congress make policy. • The President has a strong policy-oriented secretariat (the White House staff) to counterbalance Congress.
Westminster: *parliamentary systems*	• The cabinet and its secretariat, not parliament, are at the core of policy. • First-past-the-post voting systems accelerate the policy-making process and proportional-representation systems slow it down.
Europe: *parliamentary or semi-presidential systems*	Similar to Whitehall systems, except that : • Cabinets are often subordinate to heads of government or prime ministers. • Political and legal constraints make policy change more difficult.

2.3 OECD policy making: noteworthy instruments

- Specialized policy-analysis bodies at the head of the executive (UK, France, US).

- Specialized policy-analysis bodies in the legislature (US).

- Bodies relating policy evaluation ex-ante and ex-post (Spain).

- Expert panels for policy-analysis (Scandinavian countries).

- Fora for public debate of new policies (France).

3. 1 Policy coordination: the issues

- The need for coordination:
  - Large government.
  - New, "wicked" problems (e.g. social problems, environment, ….)
  - NPM's unintended consequences: efficiency-oriented reforms reducing motivations for horizontal cooperation and the control capacity of the center of government.
- The elements of coordination (Parker et al, 2010):
  - Strategic control at the center of government.
  - Horizontal coordination mechanisms.
  - Good ministerial governance (as partners for the center).
- A new rhetoric of reforms since the late 1990s: "Post-NPM", or "joined-up- government" or "whole-of-government" reforms.
  - Proposals, experiments (and much hyperbole) for better coordination and public-society collaboration without many clear results yet.

3.2 Instruments for strategic (vertical) control at the center of government

- Strategy:
  - Strategic planning capacity at the center.
  - Performance contracts cascading down from broad government strategy to program objectives and delivery.
  - Sanctions and rewards for ministry officials related to government-wide targets.
- Delivery units: central units working with ministries to "troubleshoot" implementation problems.
- Harmonization of information systems ("digital-era governance").

3.2 Instruments for horizontal coordination

- Reorganization: re-aggregation of agencies.
- "Matrix" arrangements for cross-cutting topics : lead (or "super") ministries; inter-ministerial task forces, "National Strategies", "czars").
- Budget allocation to cross-ministry tasks for the most important cross-cutting issues.
- Improving and amplifying service delivery: integrating services through networks, public-private partnerships; user-forums and user-surveys; harmonization of standards and information systems (one-stop shops).
- Policy networks (cross-ministry).

3.3 Coordination experiences in some OECD countries in the 2000s

- The UK:
  - Reassertion of direct control over policy implementation through the Prime Minister's Delivery Unit (PMDU) in 2001
  - Cross-departmental Public Service Agreements (PSAs) since 2007.
  - Reviews of ministry management (Capability Reviews).
  - Scotland: strategy-driven radical government reorganization.
- New Zealand:
  - Mergers of government departments and agencies.
  - Linking overarching government strategic (outcome-oriented) goals to each department's funding and expected outputs.
- Canada:
  - A reporting system is under development that aligns departmental programs with departmental strategic objectives and these latter objectives to a whole-of-government outcome.
- US:
  - Cross-departmental budgeting.

4. M&E in OECD countries - systems or activities?

- OECD countries have a broad base of M&E as the information basis for an evidence-based policy cycle.
- Yet M&E activities do not necessarily sit inside unified, self-contained *systems*.
  - Monitoring and evaluation activities are often quite separate (e.g. the UK), more rarely unified (e.g. Canada).
  - M&E activities also overlap with other systems – information, quality-management, audit, etc.
  - Evaluation gets mixed in with other analytical work.
- There is a large variety of practice, in terms of objectives, systems, architectures, and tools.
- There is no standard best practice. M&E is seen everywhere a work-in-progress.

4. A diversity of M&E instruments: some OECD examples

Objective	Example
1. Implementation problem solving: Monitoring program execution to detect and correct implementation problems.	• *UK*: the Prime Minister's Delivery Unit.
2. Intra-government accountability: M&E of program execution to ensure that public agents are doing what they should and what they have undertaken to do.	• *Canada*: articulated M&E information used for internal accountability and management and for external accountability (reporting to the center of government and to Parliament). • *UK*: Public Service Agreements (also with elements of public accountability).
3. Providing public information: Providing information to the legislature and the public (for external accountability; to legitimize public policies; or to facilitate public choice and voice.	• *UK*: education and health "score-cards" (or "league tables") (for consumer choice).
4. Improving program design: M&E to learn about the efficiency and effectiveness of individual programs.	• *Ireland*: evaluation for projects of EU Structural funds (also for accountability).
5. Coordination and prioritizing among programs: M&E to learn about efficiency and effectiveness *across* programs.	• *Australia*: evaluation system 1987-96 to help in policy and budget prioritization, but also improve program performance and render internal accountability. • *Canada*: Strategic Reviews (budget). • *US*: Program Assessment Rating Tool (PART) (budget).

4. Monitoring activities in OECD countries

- Monitoring is a widespread activity. Many monitoring systems are integrated within (and reflect the growth of) performance-oriented management
  - Examples are Australia, Canada, New Zealand, the UK, and the US.
- Monitoring has become increasingly mandated and overseen by the center of government, but its implementation is largely the province of the individual ministries and agencies.
- Two types of monitoring system:
  - Internal contracting (accountability).
  - Early-warning (learning).

4. Evaluation activities in OECD countries

- In many OECD countries, one can only speak loosely of evaluation "systems".
- For the most part, ex-post evaluation is not carried out centrally. Typically, the center of government will set a policy framework and provide technical assistance and the ministries have latitude within these rules to follow their own evaluation policies. There are two exceptions to this picture of decentralized ex-post evaluation:
  - Ministries of finance in most OECD countries now conduct spending reviews, rapid evaluations for purposes of budget allocation.
  - Some external audit agencies (for example in the UK and US) conduct performance evaluations.
- Ex-ante evaluation of programs does not generally follow a formalized routine.
  - A rare exception: the cost-benefit analysis of investment projects in France.

4. Government-wide evaluation systems and agencies in selected OECD countries

	Government-wide system		Center-of-government agency		External agency
	Ex-post program evaluation	Ex-post program spending reviews	Ex-ante policy assessment	Ex-post program evaluation	Ex-post program evaluation
	1	2	3	4	5
United Kingdom	Weak elements of a decentralized system	Spending Reviews	Strategy Unit		NAO
New Zealand	Limited elements of a decentralized system	Spending Reviews (planned)	SPEaR (social policy)	SPEaR (social policy)	OAG (limited role)
Canada	Decentralized system	Elements of a system			
United States	Elements of a semi-centralized system (PART)	PART	Congressional Budget Office		GAO (also some ex-ante policy evaluation)
France	Limited elements of a decentralized system	GRPP	CSA CEA (economic policy)		Court of Accounts
Spain		IGAE		AEVAL (nascent system)	

4. Ex-post program evaluation in selected OECD countries

- *Canada*: the center actively ensures that the agencies have an evaluation function. It provides a framework for evaluation, and it provides support to the agencies.

- *United States*: as a modest part of a broader management-control system (the Program Assistance Rating Tool), the center has ensured that the agencies had an evaluation function, and it has worked with the agency to rate that function and, if necessary, to identify a program to improve it.

- *New Zealand*: the center ensures that the agencies have an evaluation function as part of an annual strategic planning exercise (though evaluation is not a high priority in this exercise).

- *The United Kingdom*: the center lays down guidelines and provides support for evaluation, but it does not otherwise control or supervise the evaluation activities of the agencies.

- *France* does not even have the weak elements of a program evaluation system as seen in the countries above. But it does have ministry inspectorates, one of whose tasks is evaluation.

- *Spain* has no program evaluation system, it has a dedicated central agency that actively evaluates (and which might become the nucleus of a nascent government-wide evaluation system).

4. The Drivers of M&E in OECD countries

- The largest driver of M&E appears to have been the broader performance-management framework.
  - For instance, in Australia, Canada, the UK, and the US, public-sector reforms required better reporting once individual government departments and agencies were given greater managerial discretion; these governments also wanted to link evaluation and performance information to budget decision-making and high-level policy debate.
- In some of OECD, external evaluations requirements, typically related to projects financed by the European Union, have also helped develop an evaluation culture.
- Adverse evaluation findings do not (except for those from external auditors) generally trigger mandatory actions to correct programs.

4. The Impact of M&E in the policy making cycle in OECD countries

- There is a critical lack of analysis about the impact of M&E.
- Some actual or potential areas of effective application of M&E are as follows:
  - Monitoring for the purposes of accountability (notably in internal contracting) has become ubiquitous.
  - Monitoring in order to identify and tackle implementation problems is becoming widespread.
  - Spending reviews (rapid evaluations for budget prioritization purposes) are also becoming widespread.
- The impact of program evaluation is less clear. "Evaluation is an oft-tried strategy with spotty results" (Allen Schick). Evaluation seems to have been more useful in correcting programs, than in broader policy and resource-allocation issues.

5. Government actors in the policy-making cycle: four different "models"

	Executive branch					Legislative branch
	Head of government	**Cabinet**	**Ministry of finance/ planning**	**Line ministries**	**Evaluation agency**	
Westminster-system countries	STRONG (supported by cabinet/prime minister's office)		MoF STRONG but subordinate to cabinet	STRONG, with exceptions		WEAK
United States	STRONG (supported by OMB)	WEAK, subordinate to President	STRONG but subordinate to President	STRONG, with exceptions		STRONG (supported by CBO)
European civil-law countries	STRONG	Varies between stronger and weaker	STRONG but subordinate to head of government	STRONG, with exceptions	Some attempts to establish strong central agency	WEAK
Latin American countries	STRONG in political coordination; WEAK in policy coordination	WEAK, subordinate to President	MoF and/or MP: often STRONG in policy coordination	WEAK, , with exceptions	Some attempts to establish strong central agency	WEAK

5. Latin America: characteristics of the policy cycle

- Presidential offices are strong on political coordination, weak on technical aspects of policy.
- Ministries of finance are often strong on policy matters, but with a predominantly fiscal viewpoint.
- Ministries of planning are sometimes technically strong, but often lack political authority.
- Line ministries and legislatures are often technically weak.
- Civil services are often weak (Chile and Brazil are exceptions).
- In those cases (more advanced countries) where a performance-and-M&E culture is developing, this initiative is usually driven from the center.

5. Latin America: which OECD policy-making-cycle models are relevant?

- Latin America's system of presidential government:
  - Presidential-congressional checks and balances.
  - But congresses can veto actions more easily than they can initiate them.
- Latin America compared to the US:
  - Weak cabinets (like the US).
  - Technically weak presidential - and congressional - offices (unlike the US).
  - A weak cadre of senior civil servants (a little like the US?).
  - In summary: policy expertise is not aligned with political authority (unlike the US)
- Latin America stands somewhat between the US and the European (civil-law) model.

5. Latin America: some ideas to improve the policy making cycle (1)

- Strengthen policy-making capacity at the center of government:
  - It is probably not feasible or desirable to move cabinets to playing a Westminster-style role.
  - Could presidential offices benefit from the creation of a technically strong policy-advisory secretariat? Should planning ministries be attached to the president's office?
- Strengthen strategic planning in the government (for those middle-income countries that can aspire to performance management):
  - Government-wide objectives that cascade down to sector objectives, then program objectives.
  - A system to monitor objectives (requiring harmonization of information systems).
  - Applying techniques of joined-up government: "delivery units", matrix arrangements; budgeting for cross-sectoral programs; innovative service delivery.

5. Latin America: some ideas to improve the policy making cycle (2)

- Strengthen policy-making capacity at the level of the ministries:
  - Build up ministries' planning/analysis units and strengthening their capacity to gather and analyze information.
  - Priority to those ministries with a performance orientation.
- Strengthen the policy-making and advisory capacity of the legislature.
  - The US Congress provides good models (the Congressional Budget Office, the Government Accountability Office, and the Congressional Research Service).
- Support the development of alternative channels of policy advice from inside and outside the government – some options:
  - Ad hoc panels of expert and prominent citizens.
  - Public commissioning and funding of non-government research.
  - Public policy-advice (research, evaluation) agencies.

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Thank you

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