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## 10 Decisions to Build a Monitoring and Evaluation System for Public Policy

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## Executive Summary

Public policies are rarely carried out as they were designed, but we do not always know why or what changes we specifically achieve. Understanding how public policies function and what results they have requires a monitoring and evaluation system for programs and policies within public administration. These systems provide feedback on the policy design process, improve the levels of transparency and responsibility of public officials, and achieve greater effectiveness and accountability of State actions.

During the last years, the evaluation of public policies has gained prominence within the public administrations of different countries. However, in many cases it is carried out in a fragmented manner in response to punctual and isolated requests. On the contrary, speaking of a “system” in terms of monitoring and evaluation (M&E) implies stable institutional arrangements that contemplate the distribution of functions between those involved in these processes, as well as other definitions oriented to rely on quality evaluative information on a regular and sustained basis about the characteristics of interventions, implemented conditions, results and possible impacts.

Public policy managers should consider four critical dimensions when designing a M&E system: i) the organizational framework (institutional dependency and distribution of functions); ii) the evaluative practice (approach to the system, evaluability and scope levels); iii) the sustainability of the system (financing, human resources, and quality); and iv) the use of the monitoring and evaluation results (generation of demand and possible uses).

The experiences of Canada, Spain, Mexico, Brazil at a national level and Catalonia, Jalisco, Pernambuco, and Buenos Aires at a sub-national levels show that there is no single pattern of the institutionalization of M&E functions. Each of these dimensions raise a series of questions and design alternatives that have been resolved in different ways by different governments according to the institutional legacy of public administration, the particular social and political context and its budgetary restrictions.

However, there are two criteria that should be taken into account irrespective of the institutional arrangement chosen. The first of these is internal coherence, that is, the elements chosen to form part of a M&E system should keep an adequate relationship with each other and contribute to the purpose for which it was intended. The second of the criteria is intergovernmental and intersectoral coherence, and alludes to the necessary balance between the autonomous decisions of the sectoral ministries and sub-national governments in federal countries, without neglecting the integrity of the system as a whole.

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## Introduction

Traditionally, public administrations have developed systems of financial and budget management, human resources and auditing without taking into consideration the results and consequences of government actions (Kusek and Rist, 2004). Understanding how these actions work and what results they have requires monitoring and evaluation (M&E) systems and programs within the public administration in order to provide feedback on the policy design process, improve the levels of transparency and responsibility of public officials, and achieve greater effectiveness and accountability of State actions.

During the last decades, M&E systems have gained a presence within public administrations. However, not any action oriented to the M&E of programs and policies means that progress is being made in shaping a system in this area. An M&E system implies that the practice of monitoring and evaluation derives from stable institutional arrangements that guarantee the regular provision of information to policy makers about the characteristics of the interventions, conditions of implementation, results and possible impacts. The development of a system also refers to the existence of a set of actors with predefined responsibilities and interactions, and certain institutions and organizational capacities that ensure their development and sustainability over time. Last but not least, it presupposes the existence of a shared epistemological perspective and an agreement regarding what the evaluation activity entails and how to carry it out (Leeuw and Furubo, 2008).

In other words, it is not possible to refer to an M&E “system” if those functions are developed in a fragmented manner. Fragmentation is due to the fact that evaluations are often commissioned and carried out in a timely and isolated manner depending on the interests and motivations of specific actors (including international organizations) and without an integral framework that articulates them coherently and gives them strategic sense.

In this sense, the political-institutional construction of a M&E system requires positioning and decision-making regarding four dimensions: i) the organizational framework (institutional dependency and distribution of functions); ii) the evaluative practice (approach to the system, evaluability and scope levels); iii) the sustainability of the system (financing, human resources, and quality); and iv) the use of the monitoring and evaluation results (generation of demand and possible uses). In each of these dimensions, alternatives are proposed (not necessarily mutually exclusive), which have been resolved in different ways by different countries. That is, there is no single model that can be copied, but there are multiple alternatives depending on the institutional legacies that characterize the various public administrations, the particular social and political context and its budgetary restrictions.

This document exposes these alternatives and shows how they were resolved by the national governments of different federal countries (Canada, Spain<sup>1</sup>, Mexico, Brazil) and by some sub-national governments (Catalonia, Jalisco, Pernambuco, and Buenos Aires).<sup>2</sup>

## **10 critical decisions for the construction of a monitoring and evaluation system for public policies.**

When undertaking the task of defining the political-institutional design of a M&E system for public policies, managers must consider and make decisions related to different key aspects. The analysis of the experiences of the M&E systems at the national level of federal countries and some of their sub-national states (provinces, states or autonomous communities as the case may be) that have advanced in this direction indicates that there are at least ten critical decisions that emerge from the four dimensions of a M&E policy: organizational framework, evaluative practice, sustainability and use.

In this way, the questions that structure any M&E system are the following<sup>3</sup>:

Dimension	Questions
Organizational framework	<ol style="list-style-type: none"> <li>1. Which agency will the governing body of the M&amp;E system depend on?</li> <li>2. In what ways will the powers be distributed between the governing body and the other governmental and non-governmental actors involved?</li> </ol>
Evaluative practice	<ol style="list-style-type: none"> <li>3. What will be the adopted approach to analyze the processes and results of the State's actions?</li> <li>4. How will the evaluation of the program and policies be guaranteed in relation to its results and impacts?</li> <li>5. What scope will the system have over the total programs and policies implemented?</li> </ol>
Sustainability	<ol style="list-style-type: none"> <li>6. Where will the funds for monitoring and evaluation come from?</li> <li>7. What type of profile should the human resources that will make up the system have?</li> <li>8. How will the quality of evaluative information be guaranteed?</li> </ol>
Use	<ol style="list-style-type: none"> <li>9. How will the execution of monitoring and evaluation be incentivized?</li> <li>10. What will the evaluative information be used for?</li> </ol>

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<sup>1</sup> The case of Spain has been analyzed based on the system established by the State Agency for the Evaluation and Quality of Services (AEVAL), which operated until 2017.

<sup>2</sup> For a more extensive development of each of these cases see Aquilino, Balleescá, Potenza and Rubio (2017).

<sup>3</sup> Throughout this document, the term evaluation will be used generically to encompass both activities with a more clearly explanatory purpose and activities with a primarily descriptive purpose associated with monitoring.

## 1. Which agency will the governing body of the M&E system depend on?

A M&E system must have a governing body, that is, a government division that fulfills, among others, the following functions: i) set the objectives and goals of the system; ii) define priorities and methodologies; iii) assign responsibilities and functions; iv) distribute the necessary resources for compliance; v) regulate the performance of activities in accordance with quality standards, coverage levels and financing; vi) monitor and evaluate the progress of the activity and the scope of the goals (Acuña and Repetto, 2009).

That said, one of the most important decisions in shaping a M&E system is one that refers to the institutional environment where the governing body will operate. Institutional dependence outside the Executive Branch (for example, in the Legislative Branch) guarantees a certain degree of independence from political interference, namely, what programs, plans and policies to evaluate, how to evaluate them, what results to publicize and which not. This can have a positive impact on the legitimacy and credibility of evaluations and their results, but at the same time implies that the governing body may have less power to promote the use of evaluations as a management tool by government agencies (Gaarder and Briceño, 2010).

When considering this tension between the independence of the system and effective use of its results, the experiences analyzed show a clear preference for guaranteeing the use of evaluations as management tools. Therefore, the confirmation of the governing body of the M&E system prevail within the competence of the Executive Power. The only case which the governing body of the system does not depend on the Executive Power is Catalonia, where a public-private consortium was formed (Box 1).

Although the governing body was usually constituted as a line dependency within the Executive Branch, the concern to guarantee a certain degree of independence of the system has led, in some cases, to be granted financial, managerial, and functional autonomy. That happened in the dissolved assessment agency of Spain that had its own legal personality and financial and functional autarchy. In practice, the agency did not achieve its purpose due to the interference of the Council of Ministries in its sphere of decision (for example in the approval of the Annual Evaluation Plan)<sup>4</sup>. In the case of Mexico, the alliance between a line unit (Ministry of Finance) and a body with autonomy and financial self-sufficiency with high technical expertise (CONEVAL) has sought to give the system some protection from political interference.

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<sup>4</sup> In fact, in 2017, the State Agency for Evaluation and Quality Services (AEVAL) was replaced by a new institution for the Evaluation for Public Policies, attached to the Secretary of State for Public Service of the Ministry of Finance and Public Service, with the organic level of General Subdirectorate (Royal Decree 769/2017). In this way, the governing body lost its status as an autarchic organization.

### **Box 1. Autonomy of the governing body: public-private consortium in Catalonia**

An innovative experience is that of the Catalan Institute for the Evaluation of Public Policies (Ivàlua), which works outside the government structure since its creation in 2008. One of the particularities is that it took the form of a “consortium” between the government, the academy and civil society. This design has the advantage of granting greater autonomy with respect to the government. However, it has the disadvantage of lacking the formal mandate to evaluate government public policies (Blasco, 2013). It is currently made up of representatives of the Catalan government, Barcelona Council, Pompeu Fabra University, Interuniversity Council and Economic-Social Work Council.

Likewise, the literature on the institutionalization of the M&E function has distinguished between budget-oriented models and plan-oriented models (Ospina et al., 2004). However, beyond this distinction, in most of the cases analyzed there is a concern to link the M&E system with the budgetary formulation process in order to facilitate the analysis of the consistency of the budget distribution and improve the assignment tasks and administration of resources.

The analyzed cases present a variety of possibilities regarding the institutional design created to facilitate the link between the evaluation and the budget.

- **Area with expenditure management functions.** In the case of Canada, the governing body of the evaluation system operates within the Treasury Council, which is responsible for the general administration of the government with responsibilities for expenditure management. It has the authority to intervene on the financing decisions of the programs, while its approval is required to allocate resources to programs and policy initiatives previously approved by the Cabinet.
- **Alliance with area in charge of the budget.** In the case of Mexico, the M&E system is in charge of two bodies: on one hand, the National Council for the Evaluation of Social Policy (CONEVAL), which is the technical body for M&E and, on the other hand, the Secretariat of Finance and Public Credit with responsibilities in terms of budgetary formulation and responsible for carrying out the allocation of resources, taking into account the evaluations carried out and the performance indicators of the programs.
- **Area with budget and planning functions.** In some cases (Jalisco, Pernambuco and Brazil) the system works within areas that integrate the planning functions of the management and formulation of the budget with the objective of facilitating the alignment between the objectives and goals of government and the resources required for the achievement of them. In these cases, the M&E system is a fundamental input to analyze the consistency between the physical and financial execution of the defined goals.



## Box 2. Linkage between the budget: the integrated model of Pernambuco

Towards the end of 2007, the government of the State of Pernambuco implemented a new management model based on the integration of planning, budgeting and monitoring, for which it created the Secretariat of Planning and Management (SEPLAG). The functions of formulating the priority goals were assigned to the SEPLAG exclusively and they were aligned with the structure of the budget and the monitoring of said goals and the performance compacts in health, education and security matters. Likewise, the decision was made to delegate the most routine activities of public management (such as human resources management on procurement) in other areas with the aim of SEPLAG concentrating exclusively on the implementation of the new model of management (Alessandro et al., 2014).

## 2. In what ways will the powers be distributed between the governing body and the other actors (governmental and non-governmental) involved?

The implementation of a M&E system requires defining not only the type of functions that will be in charge of the governing body, but also the dynamics of distribution of responsibilities between it and the other government agencies (ministries, secretariats, directorates).

Regarding the type of functions performed within these systems, the following are generally distinguished: i) conduct evaluations (directly or outsourced); ii) establish guidelines and quality standards for evaluations; iii) perform quality control of the processes and evaluations carried out; iv) promote capacity development; v) establish mechanisms to guarantee the use of the results of the evaluations; and vi) disseminate the results thereof internally and externally<sup>5</sup>.

The dynamics of distribution of functions within the M&E system inexorably refers to the **degree of centralization that is intended**.

- **Centralized model.** A centralized system is one in which the governing body is responsible for carrying out the evaluations or contracting and managing the execution of the evaluations (Mexico and Jalisco).
- **Decentralized model.** In a decentralized system (such as Canada) the evaluations are carried out or contracted and administered by the different government agencies, while the governing body retains some responsibilities such as the definition of the general guidelines and regulations to carry out the evaluations, the definition of the quality standards of these processes, the supervision of their implementation and the development of capacities.

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<sup>5</sup> In many countries, these systems also have an influence on the planning of policies and programs. The functions of planning, monitoring and evaluation are closely linked. This document focuses on the last two, although it also presents some reflections about its interconnections.

The management of a centralized system has the advantage that greater control can be exercised over the evaluation process. However, this type of scheme can lead to sectoral ministries and agencies making little use of evaluations and not appropriate their results. On the contrary, the main advantage of implementing a decentralized system is the generation of greater legitimacy of the evaluation exercise among sectoral agencies, although this may raise questions about the reliability and quality of self-evaluations (Mackay, 2007). Likewise, the centralized model requires that the governing body has a significant degree of independence in that its direct involvement in conducting evaluation is greater.

Regardless of the degree of centralization, in several of the cases analyzed, the strategy aimed at forming M&E units in each of the sectoral divisions is verified. In cases with greater decentralization (Canada), the sectoral evaluation units are responsible for defining the Evaluation Policy and for preparing and executing the Evaluation Plan of their respective departments based on the guidelines established by the governing body of the system. In the cases with the highest degree of centralization (Mexico), the sectoral evaluation units function as a counterpart of the governing body for the definition of the project, the hiring, supervision and follow-up of evaluations.

In turn, it is sometimes decided to give interference, in the evaluation process, to both the evaluated programs themselves and to non-governmental actors. The implementation of participatory instance can occur through various mechanisms:

- **Participation of the evaluated programs.** It is possible to formally establish (as the Evaluation Policy in Canada does) the obligation for the actors involved in the evaluated programs to participate in the evaluation during both the design and implementation stages (Lahey, 2010). In the same way, in Catalonia it is sought that those responsible for the evaluated programs participate actively in decision-making and the generation of knowledge throughout the evaluation process.
- **Participation of other actors (civil society, academia).** Some systems also contemplate specific mechanisms to expand participation to actors that are not directly committed to the specific evaluations that will be carried out, but are interested in the subject. This happens in Jalisco (**Box 3**) and also in Mexico, where six academics elected on the basis of public announcement participate in the Steering Committee responsible for the administration of CONEVAL.

### Box 3. Citizen participation: the advisory councils in Jalisco.

Jalisco has two councils of which non-governmental actors participate. One of them is the Evaluate Jalisco Council composed of academics, officials and agencies dedicated to the evaluation in entities of the federal and local public administration. It is a consultative body that periodically reviews progress in compliance with the M&E strategy and makes recommendations on the Annual Monitoring and Evaluation Program.

The other is the Citizen Council Measures Jalisco. It is a consultative body, created to promote citizen participation in the orientation of the monitoring strategy of the State development indicators. It is composed of academics, civil society organizations and think tanks of national and local presence. This council intervenes, together with the dependencies of the sun-national government, in the definition of the indicators that are used to follow up on the objectives of the State Development Plan (PED) Jalisco 2013-2033. It also participates in the determination of criteria and technical guidelines for the definition of the goals of said indicators, periodically reviews the indicators and the fulfillment of its goals, and issues recommendations for the continuous improvement of the Measures Jalisco system.

### 3. What will be the adopted approach to analyze the processes and results of the State's actions?

Although the monitoring and evaluation of public policies are closely related, each of them provide different contributions for the analysis of the processes and results of the State's action and its subsequent planning and management.

Monitoring a fundamental tool to measure the extent to which the objectives and goals established in planning were achieved through the monitoring of outcome indicators and/or processes. Unlike the previous one, the evaluation is done in a timely manner in certain moments of a public initiative (exante, during or expost) with the objective of identifying the reasons for the successes or failures in achieving the purposes of the policies and programs, as well as identifying the unintended effects (Davies, 1999). In this way, the alternative between monitoring and evaluation raises a **tension between a system approach put in the description and a focus on explanation**. These approaches are not exclusive, but complementary to each other and systems that focus exclusively on only one of them tend to have certain disadvantages and weaknesses.

- **Description (Monitoring).** Some systems (Buenos Aires, Pernambuco and Brazil) are devoted to the monitoring of government plans and strategic goals. This implies the definition of a common methodology by the governing body so that government agencies identify performance indicators and report progress according to deadlines and centrally determined forms. It is observed

in these cases that monitoring is usually focused on the processes and products (goods and services delivered) rather than on the results and impacts.

The disadvantage posed by this type of system is that it can evaluate the degree of implementation and compliance of the program or policy, but does not directly derive from a successful implementation implies obtaining results and impacts that have an impact on effective improvement in the field of intervention (Kusek and Rist, 2004).

- **Explanation (evaluation).** On the other hand, there are cases (Catalonia and Spain) that focus exclusively on carrying out evaluations with an explanatory intention of government actions. However, these cases have difficulties in carrying out evaluations due to the lack of information that characterizes public administrations, as they lack solid monitoring systems and have little orientation towards the measurement of their processes and results.
- **Mixed (monitoring and evaluation).** Finally, in some of the cases (Jalisco, Canada, Mexico) the governing body of the system combines functions associated with monitoring with others related to the evaluation of programs and policies. The coexistence of both approaches recognizes their complementarity and results in a more complete system, which allows combining the descriptive approach with the explanatory one. However, in practice, the information that emerges from the monitoring of the programs tends to be insufficient, so that the evaluation does not find in it sufficient sustenance for its realization. These situations highlight the needs to strengthen the links between both approaches.

#### **Box 4. Integration of monitoring and evaluation: the Jalisco experience**

The Jalisco M&E system is structured around the General Directorate of Monitoring and Evaluation, which depends on the Secretariat of Planning, Administration and Finances. It is integrated by two strategies: Monitoring of Development Indicators (MIDE Jalisco) and Evaluate Jalisco. The MIDE follows up on the objectives established in the State Development Plan (PED) 2013-2033. The monthly progress of its goals is made through a dynamic computer platform for public consultation on the Internet. More than 40% of the indicators (mainly the levels of impact and results) come from sources external to the government offices, while the rest of the metrics are generated by specialized information offices or offices of the Jalisco government.

On the other hand, Evaluate Jalisco focuses on the promotion of the evaluation of programs and policies, which are outsourced. The evaluations that will be carried out in each period are contained in the Annual Evaluation Program. Between 2013 and 2016, 48 evaluative investigations were carried out on government programs in different areas, and another 20 were planned for 2017 and 2018 respectively.

#### **4. How will the evaluation of the program and policies be guaranteed in relation to its results and impacts?**

The analyzed experiences make it possible to verify that in most cases different types of evaluations coexist: from process evaluations, result or impact of plans, programs and policies to evaluations on the quality of public services. The option for a particular type of evaluation (or for the preeminence of any of them) is linked to the type of questions that are sought to answer about public policies.

Beyond this plurality, the concern to achieve greater effectiveness of State action has led to the focus on the search for evidence about “what works” in terms of policy interventions to solve social problems (Vedung, 2010). This has led to a growing interest in M&E systems providing information to analyze whether the mobilization of resources, the execution of programmed activities and the delivery of the committed products generate or not the expected results and to what extent they do so.

In this sense, it is possible to distinguish three mechanisms to improve and/or guarantee the evaluation conditions of a certain plan or program in relation to the achievement of its objectives, results and impacts.

- **Guidelines for planning programs and policies.** The quality of the design and planning of the interventions impacts on the clarity with which objectives and expected results are defined, and the way in which it is presumed that the activities carried out and the products delivered will affect the achievement of the same. Consequently, the lack of clarity about these aspects makes the assessment task more difficult. That is why some of the governing bodies of the M&E systems also take responsibility for management planning through the definition of common guidelines (Canada, Mexico, Brazil). In this way, we try to guarantee that the design of an intervention contemplates from its starting point some elements whose definitions will be necessary when carrying out future evaluations.
- **Recommendations to improve information systems.** In general, the programs do not have reliable and complete systems to survey and report on their performance, from which an impact evaluation can be designed and executed. Even when the most quality of the data is satisfactory, most systems pay little attention to aspects such as the quality of the services delivered or which sectors of the target population are effectively reached (Bamberger et al., 2010). With this concern in mind, in Catalonia it is decided to incorporate a special section in some of its evaluations, with specific recommendations on how to improve the information systems of the evaluated program, as a prelude to future exercises of results-oriented evaluations and/or impacts.
- **Evaluation of the feasibility of carrying out an impact evaluation.** Experimental and quasi-experimental impact evaluation methodologies with a

focus on attribution of causality have expanded within the field of public policy evaluation as a way of seeking rigorous evidence on what type of interventions are effected. Government M&E systems have not been unaware of these trends. However, the analyzed experiences show an increasing critical view on the feasibility and convenience of implementing impact evaluations in any context. From this perspective, there are different types of evaluations that can provide vital information on the functioning of programs and policies and do not necessarily imply the implementation of methodologies such as those used by impact evaluations (Bamberger et al., 2010; Ravallion, 2009; Sanderson, 2009).

However, such evaluations are often preferred, even without considering the cost-benefit of their application and their limited scope in terms of the type of information provided and the type of intervention to which they may be applied. Precisely for this reason, in Mexico it is required that before carrying out such an evaluation, the agency or program to be evaluated prepares a document that analyzes the existence of some minimum elements linked to the information of the program. This document is presented to CONEVAL for its opinion on the feasibility of carrying out the evaluation or, failing that, the proposal to carry out another type of evaluation of results.

#### **Box 4. The monitoring of strategic goals: the experience of Buenos Aires**

In 2016, an area dedicated to optimizing compliance with the priority objectives of the Head of Government called the Compliance Management Unit (UGC) was created within the General Secretariat and of International Relations (SGRI). The creation of this unit corresponds to the observed tendency in several countries to create units of delivery of services (delivery units) in the center of the government with the objective of advising, monitoring and ensuring a better implementation of priority policy initiatives (Lindquist, 2006). In this way, the UGC's main function is to monitor and ensure compliance with a limited set of strategic government goals that were selected from the Annual Operating Plans prepared by each of the ministries based on criteria of public relevance and feasibility of compliance with such goals.

### **5. What scope will the system have over the total programs and policies implemented?**

Another key decision that managers must take when designing an M&E system refers to the degree of coverage of the system, the way in which the programs and policies to be evaluated or the objectives and actions to be monitored will be selected, and the criteria which will be used in that selection.

- **General scope.** In some cases, no selection is made as long as all programs and policies are subject to monitoring and/or evaluation. In Brazil, for example, all the programs included in the Multi-Year Plan are incorporated into the monitoring process. For its part in Canada, the goal was established to evaluate 100% of direct government spending on programs over a period of 5 years and the obligation to evaluate all programs that grant subsidies and contributions.
- **Prioritization.** Given the complexity of M&E has of all government objectives and actions, in most cases a decision is made regarding what to evaluate and when. In Pernambuco and Buenos Aires, for example, the monitoring of a few goals is carried out in order to ensure a better implementation of priority initiatives. On the other hand, in the systems with a focus on evaluation (Jalisco, Mexico, Spain) there is a planning that prioritizes which are the evaluations that will be carried out each year and/or within a defined period of time and establishes the calendar of its execution. In addition, explicit criteria are sometimes established for selecting programs and policies (for example, depending on their relevance in terms of public resources affected or the size of the affected population), which guarantees that their selection is not motivated solely by interests of the political actors, who may not have incentives for some of the most relevant initiatives to be evaluated.
- **Request.** The alternative to defining a plan is to leave the evaluation exercise contingent on the potential demand of the agencies or programs that may be interested, as in the case of Catalonia.

Although prioritizing some programs and policies implies a segmented scope of the M&E system, this coverage strategy allows for incremental capacity generation while generating a demonstration effect for other areas of government. On the other hand, the coverage strategy based on the demand of the programs show limitations in terms of the “ordering” of the system.

#### **Box 6. Funding from a trust: the Jalisco experience**

With the objective of guaranteeing financing for the outsourcing of the evaluations, given that practically all the evaluations are external, in 2015 the Evaluate Jalisco Trust Fund was constituted, consisting of a retention of up to 2% of the total amount of the programs with state resources, regardless of whether they are evaluated or not during a given year. The Evaluate Jalisco Trust Fund, in charge of the Evaluation Unit, was created following a recommendation from the Evaluate Jalisco Council. It has a committee composed of the Secretary of Planning, Administration and Finance or designated person, State Comptroller, General Coordination of Transparency, Undersecretariat and Evaluation Unit.

## 6. Where will the funds for monitoring and evaluation come from?

Another central aspect related to the sustainability of the system lies in the availability of financial resources to carry out the evaluation exercise<sup>6</sup>. This is a crucial issue since in those cases in which the governing body depends on variable budgetary allocations from year to year, the effective exercise of its functions may be compromised. Additionally, the participation (or lack of it) of the bodies or programs evaluated in the financing of their evaluation may condition the effective use made of the findings to which they arrive.

The analyzed experiences make it possible to verify that in most cases, the governing bodies are financed with funds from the Treasury and no situations have been detected in which there is a specific tax on this function. This means that, mainly, the amount of resources allocated to M&E is subject to political decisions, with high risks of discontinuity and/or cuts. However, there are several alternatives through which it is possible to strengthen the resources allocated to the M&E functions.

- **Sale of services.** Beyond financing through the Treasury, in some cases the budget of the governing body of the system is complemented by the own resources obtained from the sale of services that it can offer, such as studies, training, technical assistance or others linked to its functions (Spain, Catalonia).
- **Co-financing.** In some cases (Mexico, Spain, Canada and Catalonia) the programs make contributions to co-finance the completion of the studies when they are to be evaluated.
- **Formation of a trust.** In Jalisco, programs contribute to a common fund beyond whether or not they are evaluated that year (Box 6).

In summary, it is important that the evaluation system provides for a financing mechanism that guarantees its autonomy and sustainability, as well as co-responsibility on the part of the agencies or programs that are evaluated.

## 7. What type of profile should the human resources that will make up the system have?

The technical *expertise* of the human resources that make up the M&E system is essential not only to guarantee the quality of evaluations but also to legitimize the role of the M&E system and its governing body *vis-à-vis* the sectoral areas insofar as it depends on theses to access information and their specialized knowledge. In view of this, it is usually asked if the profile should be that of “expert evaluators”, capable of

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<sup>6</sup> The section on financing is focused exclusively on the evaluation function, as it requires resources for carrying out studies and data collection. On the contrary, the monitoring function is usually internalized within the public administration itself and carried out based on administrative records.



carrying out the evaluations themselves, or of “evaluation managers”, with the capacity to assess the design and results of the studies carried out by third parties, as well as promoting their subsequent use (Lázaro, 2012).

The decision about the profile of human resources is related to another, also central: who will carry out the evaluations? The evaluations may be carried out by evaluators who are internal to the State or by external evaluators hired to do so, such as universities, research centers or independent consultants.

- **Evaluation manager.** In some of the analyzed cases (Mexico, Jalisco) the evaluations are outsourced, so that the profile of the human resources that form part of the governing bodies is essentially that of “evaluation managers”. Although external contracting of evaluations has advantages in relation to their credibility and objectivity, it can also make it difficult to obtain and use the results by the organizations evaluated, as well as the process of accumulation of knowledge and skills on the part of the governing body of the system.
- **Expert evaluator.** On the other extreme, in Spain and Catalonia, the evaluations are carried out by the own teams of the governing body. In these cases, the profile of “expert evaluators” prevails and eventually some specific tasks are outsourced within the evaluation process (such as, for example, field work). In Canada, on the other hand, evaluation studies can be carried out by internal evaluators of departmental evaluation units, external consultants from the private sector hired to do at least part of the work or both at the same time.

Finally, it is important to highlight the need to define the profile that human resources should have in charge of managing the M&E system and develop parallel training according to these defined profiles. In Pernambuco, for example, a career in planning, management and budget analyzing was created, which establishes the profiles, making the selection through a competitive opposition process and offers continuous training through a curriculum prepared by the governing body (Alessandro et al., 2014).

## 8. How will the quality of evaluative information be guaranteed?

The credibility of evaluative information (whether of program evaluations or performance reports) is linked to the quality of it. M&E systems may be subject to three types of problems that affect their quality:

- **Technical problems** related to the way in which the performance indicators are defined and measured or the evaluation questions are answered, which may affect the validity, reliability, completeness and accuracy of the information produced.

- **Problems of manipulation or distortion** of information which can affect the integrity of the system. Such manipulation can occur directly on the declared results (which generates a disparity between the reported and actual performance) or indirectly on the services provided<sup>7</sup>.
- **Problems of the utility** of the evaluative information in relation to the frequency, timeliness and opportunity of the data provided.

In this sense, it is essential that the M&E systems establish mechanisms to ensure the quality of the information produced. These mechanisms can be implemented from a systemic approach or from a meta-evaluation approach.

The systemic approach involves strengthening the incentives and capacities of the areas in charge of demanding and/or implementing evaluations, as well as establishing quality criteria for their implementation. **The systemic mechanisms** to guarantee the quality of M&E systems may include:

- **The promotion of the cooperation** of the areas in charge of carrying out the monitoring and/or evaluation of the programs to reduce the manipulation attempts in exchange for a support provided by the central areas of government, for example, to solve problems of implementation through additional resources (Gold, 2014).
- **The improvement of the information systems** of the areas that provide the raw data for monitoring through the establishment of a common methodology, the implementation of capture and processing protocols and the provision of technical assistance (Mackay, 2006).
- **The evaluation of the capacities** that the different government departments have to perform evaluations. In Canada, for example, a methodology has been defined to assess the departmental capacities and the use of the results of the evaluations (Management Accountability Framework).
- **The definition of guidelines and common standards** for the design, implementation and execution of evaluations through manuals, guides and training. This type of practice is the most widespread among the analyzed cases.
- **The design of clear and concise terms** that define the objectives, scope, methodology and quality standards for the performance of evaluations is a frequently used mechanism to ensure, in an ex ante way, the generation of quality and useful evaluative information.

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<sup>7</sup> A problem that has frequently been mentioned in relation to the evaluation of performance in public administrations is the selection of potential beneficiaries whose profile will allow them to more easily reach established performance standards (Propper and Wilson, 2003)

- **The performance of audits** on the integral functioning of the M&E system. In Canada, for example, the General Auditor performs periodic audits on how the Evaluation Policy is being implemented in the government in relation to its coverage, the processes through which they are carried out, the characteristics of the reports, the existing capacities and limitations and the use of their results. It also makes public reports to Parliament on its conclusion and recommendations.

On the other hand, **the meta-evaluation approach** implies the quality review (formative or summative) of the design and performance reports or of the evaluations carried out. This review can focus on the processes of implementation of the evaluations, the technical qualities of the products of their usefulness. Likewise, the review may be carried out by agencies internal or external to the government:

- **Internal review.** The quality control of evaluations and performance reports can be done by government agencies. In Canada, for example, the governing body of the system centrally monitors the quality of the departments' performance reports, as well as the evaluations carried out. In turn, the Departmental Evaluation Committees are responsible for overseeing the conduct of evaluations, evaluation reports and their use. These committees are usually made up of officials with management positions, although the incorporation of experts external to the government has been encouraged.
- **External reviews.** The supervision and control is carried out through the incorporation of external technicians or academics to the areas. In the new administration of the CONEVAL of Mexico, for example, a Steering Committee consists of a panel of six academics who must be members of the National System of Researchers and are elected by the National Commission for Social Development based on a public call. It should be mentioned, however, that those mechanisms aimed at incorporating the participation of technicians or academics in the regular review of the quality of evaluations have not always been able to be maintained over time (Catalonia, Spain).

#### **Box 7. Mechanisms of quality control: the experience of Jalisco**

Among the good practices that stand out in Evaluate Jalisco is the creation and dissemination of the General Guidelines for Monitoring and Evaluation of Public Programs, which establish the technical bases, procedures and mechanisms for monitoring and evaluation, by defining the objects of evaluative study, actors participating in the evaluation strategy, the types and scope of the research, as well as the process for the formalization of the agendas of improvement aspects and the procedures for dissemination and transparency of results.

Likewise, in 2013 the Independent Technical Council for the Evaluation of Public Policies was created (Evaluate Jalisco Council), which has among its functions to update the criteria and guidelines on M&E and participate in the development of quality criteria for internal and external evaluations.

## 9. How will the execution of monitoring and evaluation be incentivized?

There are several mechanisms that strengthen the capacity of the governing body to promote the request and conduct of evaluations and the production of monitoring information within the public administration. The analyzed experiences show that the most common (though not necessarily more effective) form is the legal mandate. This implies the existence of a norm (or a set of them) that provide for the obligation that certain programs be evaluated and/or monitored, as well as usually indicates the deadlines, methodologies and uses of that information. Canada, Mexico and Brazil are part of this type of experience.

However, the insufficiency of this type of incentives to promote the performance of evaluations has become evident. In this sense, three additional mechanisms are observed through which they can be stimulated: i) the requirements by agencies of the central government or the Legislative Power, ii) the political leadership and iii) the initiative of the managers of the programs and policies.

- **Legal requirement for information.** It is possible to establish performance information requirements by some actors of the Executive Powers or Legislative Power. In Canada, for example, the formal requirement to conduct an evaluation to finance the renewal decisions of all subsidy and contribution programs or the formal requirement that each government department deliver an annual Departmental Performance Report to Parliament has generated greater pressure on those responsible for the programs to measure and report on the performance of their programs in a systematic and credible way (Lahey, 2010).
- **Political leadership.** In other cases, the direct involvement of the highest political authority in the monitoring of the programs generates strong incentives for the sectorial departments to monitor and evaluate them. In the case of Pernambuco and Buenos Aires, for example, the indicators are examined in data-based monitoring meetings that are usually chaired by the governor or head of government.
- **Promotion of demand.** It is important to highlight the usefulness of evaluation as a tool for management and its improvement, so as to generate a voluntary adoption of this type of practice (Gaarder and Briceño, 2009). Moving forward in this type of action involves working on the “demand” of the evaluation, and involves putting the focus on the manager, their needs and preferences. That is, to privilege the relationship with who may require the evaluation to answer central questions about the best way to manage a program, to define among possible policy alternatives or to decide whether or not to give continuity to a

specific action<sup>8</sup>. In those cases in which there is no legal mandate to evaluate (Catalonia), it has been explicitly sought to prioritize the examination of those programs in priority areas that may generate a “demonstration effect” and, in this way, expose the type of information that it can produce and how it can contribute to management.

## 10. What will the evaluative information be used for?

A final decision when structuring a M&E system is related to the use that will be given to the information collected. In this regard, the emphasis can be placed on the external use of the evaluated body (either for accountability before other bodies or as an input for budgetary decisions) or in internal use (for learning and redesign of programs).

One of the advantages of M&E systems associated with budgetary areas is that the information produced can be used in decision-making, as it is used to “impose” on ministries and agencies improvements in their programs. However, in these cases there is also a low utilization of the same by the ministries and dependencies due to the low level of appropriation or acceptance of the findings. On the other other hand, in the case of assessment systems associated with government planning areas, there is a greater level of collaboration between these bodies and the line ministries and agencies whose programs are evaluated.

However, a weakness of this type of system is the poor integration with budget work (Mackay, 2007). The analyzed experiences make it possible to conclude that in practice a combination of uses is observed.

- **Accountability.** Among the analyzed experiences there is a strong predominance of that oriented to the rendering of accounts through the submission of reports to the Parliament or the government Cabinet.
- **Resource allocation.** To a lesser extent, the use of evaluations is verified as an input to make decisions on the allocation of budgetary resources (Mexico, Canada), which requires a strong articulation with the area of the Executive Branch that is in charge of public expenditure management. This can be achieved through an organizational framework that fosters this link (see the question referring to the institutional dependency of the system) or through specific regulations that establish the obligation to evaluate certain types of programs to support renewal decisions and budgetary allocations of the same.

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<sup>8</sup> Although in this section the focus is on the “demand”, it is important to note its intimate link with two other elements: the supply of the information, on one hand, and use, on the other hand (UNICEF, 2017). To advance in the coherence of the system supposes, exactly, to maintain a balance between those components.

- **Redesign of policies.** Finally, the use oriented to learning and the redesign of programs and policies requires taking into consideration the establishment of mechanisms that promote the use of information in management. In Canada and Catalonia, it seeks to promote it through the performance of evaluations with active participation of the managers of the evaluated programs. In Jalisco and Mexico, for its part, this is achieved through the definition of commitments with respect to those “aspects susceptible to improvement”, which are published and execute a follow up.

**Box 8. The use of evaluative information: the Pernambuco experience.**

Since 2008, the government of the State of Pernambuco has held weekly monitoring meetings, chaired by the Governor. The agenda of the monitoring meetings with the Governor is based on the analysis of the progress of the priority goals within each strategic objective. SEPLAG selects the goals that seem to have strayed from its course, and invites the managers of those areas to attend the meeting. When the data indicates that the goals are delayed, the officials provide the pertinent explanations, specifying the problems that affect the performance of their respective agencies. When the obstacles are clearly identified, it is decided on how to overcome the, which officials will be responsible for taking the necessary measures and the deadline to carry them out. These decisions are recorded in the minutes of the meeting, which the staff of SEPLAG prepares simultaneously and projects on the screen, so that the agreements are clear to all participants (Alessandro et al., 2014).

## Conclusions

Recent experiences in the institutionalization of M&E systems in different countries allow us to conclude that these have gained relevance within central governments as well as at the sub-national level.

Although the creation of a specific agency in terms of M&E is a clear signal of the importance given to the systematic analysis of programs and policies, the analyzed cases show that the political-institutional construction of a system of a unit within M&E functions. It also requires defining and strengthening M&E powers in that body that functions as “rector” and also in its counterparts within the central government (ministries, secretariats, agencies), at the levels of government with which it interacts (provinces/states, municipalities/city halls) and the actors of society in general. These actors are the ones who must gather information, guarantee the evaluability of the programs and policies and know how to interpret the results of the evaluations, therefore, it is crucial that they are also trained. This positions the provinces and states not only as active partners in the implementation of centrally defined M&E practices, but also as leaders in the creation and operation of their own M&E systems.

In turn, the analyzed cases show that there is no single pattern of institutionalization of M&E functions. Rather, the managers have before them different alternatives that can be weighed according to the institutional legacies that characterize their respective public administrations, the particular social and political contexts and the budgetary resources available. However, there are two criteria that must be taken into account when taking a position on each of the questions posed above.

The first of these is internal coherence: each of the critical decisions referred to above marks the option for elements that will be part of a system, in such a way that all the pieces must keep an adequate relationship and contribute to the purpose for which the M&E system is designed. The components of the system (institutional dependency of the governing body, distribution of powers, profile of human resources, financing methods, criteria for prioritizing the evaluations to be carried out, etc.) must be aligned with that purpose. Thus, for example, if the objective is to have an independent M&E system, certain institutional designs should be implemented to protect them from excessive political interference, as well as to ensure quality control mechanisms and sources of stable financing.

The second part of the criteria refers to intersectoral and intergovernmental coherence. It alludes to achieving a certain balance between the autonomous decisions of the sectoral ministries and the sub-national governments, without neglecting the integrality of the system as a whole. From this perspective, some functions are particularly relevant and, consequently, they must necessarily be addressed in institutional engineering: the strengthening of certain management tools that guarantee the evaluability of programs and policies (such as, for example, information systems), training and technical assistance to the teams responsible for M&E, and the definition and application of quality standards for evaluations. The congruence

between the monitoring and evaluation priorities of the different sectors and levels of government and the potential cross-use of the findings of those processes should also be considered.

In this way, it is possible to expect central governments to make more precise decisions taking advantage of the evidence generated at the local level, and that sub-national governments, in turn, can frame the M&E decisions in the guidelines, decisions and national strategies.



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