



Treasury Board of Canada
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du Canada

Evaluation: A Canadian Government Priority

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Danish Evaluation Society Conference 2007
Kolding, Denmark
September 15, 2007

RDIMS # 585201

Canada 



Presentation outline

- Canadian Context
- Overview of the Evaluation Function
- Challenges for the Evaluation Function
- Moving Forward – Renewal of the Evaluation Function
- Policy Implementation



Canadian Context



Canada – large country, decentralized government

- Decentralized federation with 10 provinces and 3 territories
- Federal Parliament and the provincial legislatures
 - Separate and shared responsibilities
 - Requires inter-governmental cooperation on issues of common interest (e.g., environment)
- Over 90 departments and agencies in the federal government
 - \$210B in expenditures (2007-08)
 - Approximately 250,000 public servants
- Programming is weighted towards transfer payments
- Many programs have cross governmental boundaries



Canada has a relatively mature performance measurement and reporting infrastructure

- Treasury Board and its Secretariat
 - Set policy for evaluation, planning and public performance reporting
 - Produces an annual performance report – *Canada's Performance*
 - Assesses management performance across government, including results-based management capacity
 - All grant and contribution programs reviewed and approved on a 5-year cycle
- Departments and Agencies
 - Most major departments and agencies have audit and evaluation units
 - Produce reports, such as:
 - Annual Report on Plans and Priorities
 - Annual Departmental Performance Report
 - Outcome frameworks that are consistently based across government (MRRS)
 - Evaluations and audits, with all reports made public
 - Proactive disclosure on many items – contracts, hospitality, grants ...
 - Appearances before parliamentary committees at Estimates time
 - Appearances before the Public Accounts Committee to defend their performance
- Office of the Auditor General
 - Agent of Parliament
 - Produces many performance audits of departments and agencies
 - Reports to Parliament, not to the government



Overview of the Evaluation Function





Current Role of Federal Evaluation Function

- Embeds principles of evaluation into management practice (“life cycle” of programs)
- Evaluation - foundation stone for results-based management and decision-making
- Broadens scope beyond programs to policies & initiatives; cross-jurisdictions
- Strategic use for evaluation
 - Up-front in terms of design of performance measurement frameworks
 - Back-end in terms of assessing value for money – results-based management and decision-making
 - Accountability tool
- Commitment to transparency and management in “full public view”



Federal Evaluation Requirements

**Departmental
Deputy Head**

- **Evaluation Committee
(DM & Executive Team)**

Head of Evaluation

- **Departmental Evaluation Plan
(Rolling three-year risk-based plan)**

Evaluation Unit

- **Evaluation Studies**
 - Manages and undertakes evaluation studies
 - Apply TB policy and standards

Program Managers

- **Management Response & Action Plan**
 - Participates in evaluation studies
- **Results-based Management and
Accountability Framework (RMAF)**
 - Ensures on-going performance measurement is available and used





Who conducts evaluations and how are they used?

- Formal evaluation policy in Canada for over 30 years
- Evaluation seen as key enabler of results-based management and sound expenditure management
- Evaluations are done by departments and agencies:
 - Approximately 200 each year – about 10% of program spending
 - Mix of internal and external expertise
 - All large departments have dedicated evaluation units
 - Some horizontal or cross-organizational evaluations conducted
- 97 percent of departments and larger agencies have an Evaluation Committee in place
- All evaluations are made public - TBS policy requirement
- Evaluation is used by departments mainly to support program improvement and resource allocation
- Some are used by central agencies to inform funding decisions
 - Periodic Treasury Board review of transfer payment programs



Federal government policy centre for evaluation - Centre of Excellence For Evaluation, TBS

- Established in 2001
- Central policy unit responsible for monitoring the implementation of the evaluation policy, and the capacity of evaluation units to meet requirements
- Informs TB of results of programs as input to decision-making
- Builds capacity within the evaluation community:
 - Capacity building activities
 - Networking events
 - Tools, guidance, research -- all on-line
- Assesses quality of evaluation reports and provides through an annual management assessment
 - Management Accountability Framework (MAF) includes evaluation performance indicators (Annex A)
 - MAF assessments feed into Deputy Head appraisals



Challenges for the Evaluation Function





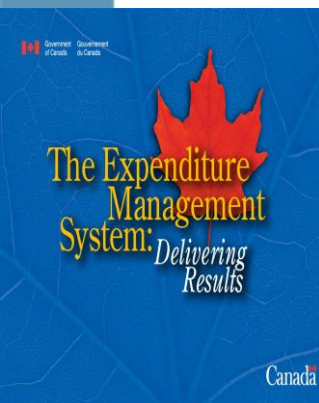
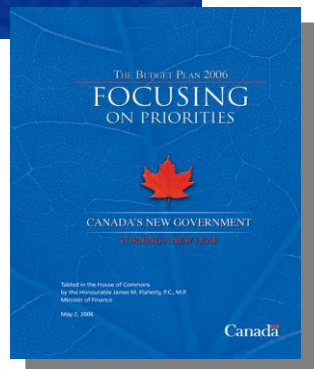
There are some real challenges for the evaluation function

- Quality, timeliness and strategic focus issues make it difficult to use evaluation to support decision-making:
 - often focused on small programs and not strategic
 - can take too long to complete and are difficult to understand
 - can be self serving when funded by program managers
- Government wide capacity issues have made it difficult to deliver
 - Lack of trained evaluators
 - No consistent competencies for those who lead the evaluation function
 - Definition of the evaluation “product” hasn’t changed much in 20 years
- Current TBS evaluation policy:
 - no clear standards around quality and use of evaluation
 - focus is too much on program or management-process improvement – rebalance toward cost-effectiveness



Moving forward – Renewing the Evaluation Function

Key drivers for renewing the evaluation function



- The Federal Accountability Act requires all Transfer Payment Programs to be evaluated (relevance and effectiveness) over a five-year cycle
- Budget 2006 and the Economic and Fiscal Update commit to using results and value-for-money to inform priority setting and decision-making through a renewed Expenditure Management System (EMS)
 - A strong evaluation function will be critical to deliver on this commitment
- Current evaluation policy is not meeting the needs of Deputy Heads and does not provide the support evaluators want to address government information needs (Breen Report, 2005)
- The Office of the Auditor General has consistently noted the need for the evaluation of ongoing programs

“...our government’s approach to spending control is based on the following three principles:

- government programs should focus on results and value for money;
- government programs must be consistent with federal responsibilities; and
- programs that no longer serve the purpose for which they were created should be eliminated.”

“With those principals in mind, the Government is launching a review of its expenditure management system.”

[The Budget Speech 2006 \(p.18\)](#)



Objectives of an effective EMS

An effective EMS must support the Government in answering the following question:

Are resources allocated to the Government's priorities and to its core roles and responsibilities, and are they achieving intended results?

Can we answer this question for departments, the Government as a whole and, most importantly, for Canadians?



What a renewed Expenditure Management System will need from Evaluation

- Focus on value-for money – relevance and performance
- Evaluations of all programs (direct program spending) over a five-year period
- Development of a suite of evaluation approaches
- Investments in capacity (coverage, standards, training and evaluation community development)



Renewing the evaluation policy –research and consultation

- Extensive diagnostic of current evaluation function undertaken
 - Wide range research and academic think-pieces undertaken over the last two years
 - Consultations with deputies, ADMs, Heads of Evaluation, program managers, and external professional bodies - current Evaluation Policy (2001) deemed as “weak
- Extensive consultations on policy proposals
 - Evaluation Community (series of meetings throughout the summer - DG Committee, 3 Heads of Evaluation working groups, and small agencies)
 - Internal TBS consultations
 - Discussions with academics (eight universities & professional bodies)

Overview - proposed policy objective and focus

Policy Objective: strengthen the evaluative information base available to Ministers, departments and central agencies to support evidence-based decision-making on policy, expenditure management and program improvements.

Building on the diagnostic of the function and current policy, a renewed policy and supporting directive would focus on the following areas:

1. Re-focus evaluation on value-for-money
2. Expand evaluation coverage
3. Clear accountability and flexible governance
4. Access to competent evaluators, supported by clear standards
5. Small agency evaluation needs
6. TBS capacity to lead and use evaluation information

Proposed policy directions: re-focus evaluation on value for-money

- Balance evaluation findings to support program improvement and the assessment of program performance (identification of opportunities for investment and reallocation)

Policy Proposals:

- Refocus evaluation on results and value-for-money (ie: relevance and program performance)
 - Clear expectation as to what constitutes an evaluation report and who can undertake an evaluation
 - Ensure those evaluations used to support decision-making provide conclusions on the relevance and effectiveness of programs
- Introduce new evaluation approaches to support the timeliness and rigor of evaluation – linking complexity of evaluation with the risks associated with a program

Proposed Suite of Evaluation Approaches (Annex B)

- Strategic Policy Evaluation
- Impact Evaluation
- Targeted Evaluation
- Implementation Evaluation

Proposed policy directions: expand evaluation coverage

- Federal Accountability Act expectation is 100% coverage of transfer payment programs over five years
- EMS renewal could extend coverage beyond Gs&Cs to involve a review of all direct program expenditures over five years

Policy Proposals:

- Expectation of 100% coverage of all program expenditures (Direct Program Spending) over a five-year cycle achievable through a mix of:
 1. Re-orienting existing management reviews toward value-for-money issues
 2. Create efficiencies by introducing a suite of flexible evaluation approaches based on size, complexity, and risk
 3. Investing adequate resources in the evaluation function
- Rolling (five year) departmental evaluation plans
 - Plans would guide application of a broad suite of evaluation tools based on risk, scale and impact
- Introduce a TB Government of Canada Evaluation Plan that links departmental plans and directs horizontal reviews

Proposed policy directions – clear accountability and flexible governance

- Departments require Evaluation Governance regimes that best meets their individual needs

Policy Proposals:

A flexible approach to governance builds upon best practice departments whereby:

- Evaluation is used to inform management decision-making
- Deputy Heads and their teams are primary users (i.e. provide leadership and ensure usage)
- Evaluation reports reviewed through a committee structure appropriate to the department
- Clarifies roles and responsibilities of the Head of Evaluation:
 - Evaluation results reported directly to Deputies
 - Ensuring results orientation of new spending initiatives (i.e., allocation)
 - Ensuring evaluative information available to support expenditure management (i.e., reallocation)



Proposed policy directions - access to competent evaluators, supported by clear standards

- Deputies note a lack of qualified evaluators and question neutrality/professionalism
- Heads of Evaluation note access to qualified evaluators as a key challenge and note the absence of training opportunities within the Government of Canada

Policy Proposals:

- Using a three-year phased approach, introduce certification and training for evaluators involving:
 - A graduated set of competencies
 - Supporting training
- Clear standards to guide the function
- Focus on neutrality
 - Criteria for neutral resourcing of evaluation projects – replace program managers as main client and funding source for evaluation
 - Protocols for input by program stakeholders and beneficiaries



Proposed policy directions - address small agency evaluation needs

- Most small agencies do not meet current policy requirements - no distinctions based on size or type of organization
- Small agencies report specific barriers in meeting the policy including resource and capacity issues*

Policy Proposals:

- Different approach required – support flexibility and sharing of resources
- Series of options considered – recommend a “Clustering Approach”:
 - Create five clusters of small agencies based on mandate of agency
 - Establish economies of scale through “partnered evaluation services”
 - TB risk-based investment strategy involving infrastructure and operations (ie: 2 to 4 full time evaluators per cluster and project funding)
 - Inter-agency governance structure and ownership

Source: *Internal TBS Audit and Evaluation Directorate Study, and CEE Small Agency Business Case 2004-05

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Proposed policy directions - strengthen TBS capacity to lead, monitor and use evaluation information

- TBS will oversee the quality of evaluation assessments and evaluation plans

Policy Proposals:

- Re-orient the current TBS Centre of Excellence for Evaluation to the Office of Evaluation emphasising its new role in:
 - Using evaluation findings to challenge program effectiveness and value, and inform TB and Cabinet decision-making
 - Monitoring plans and studies to ensure relevancy and quality
 - Reporting to TB on the health of the function
 - Providing leadership to the community and promoting evaluation capacity to support policy implementation
- Coordinating key horizontal evaluations in accordance with the TB Government of Canada Evaluation Plan.



What would the proposed Policy Mean to Evaluators?

- The proposed policy strengthens the evaluation function
 - Evaluation: a key element to inform Expenditure Management System
 - Capacity needs to be strengthened
- Governance
 - Heads of Evaluation could report evaluation findings directly to Deputy Heads
- Propose a five-year departmental evaluation plan
- Introduce a flexible suite of evaluation approaches – tailored to program risk (Annex B)
- Clear role in performance measurement
 - Evaluators: a key resource on what constitutes good performance measures
 - Annual report on state of performance measurement in an organization
- Consistent standards for evaluation across government
 - Quality would be monitored based on standards
- Moving toward certification
 - Will begin with Heads of Evaluation
 - Organizations decide on how to ensure their evaluators have the appropriate training and background
- Work is underway – targeting Fall 2007 for completion and approval



Implementation Issues

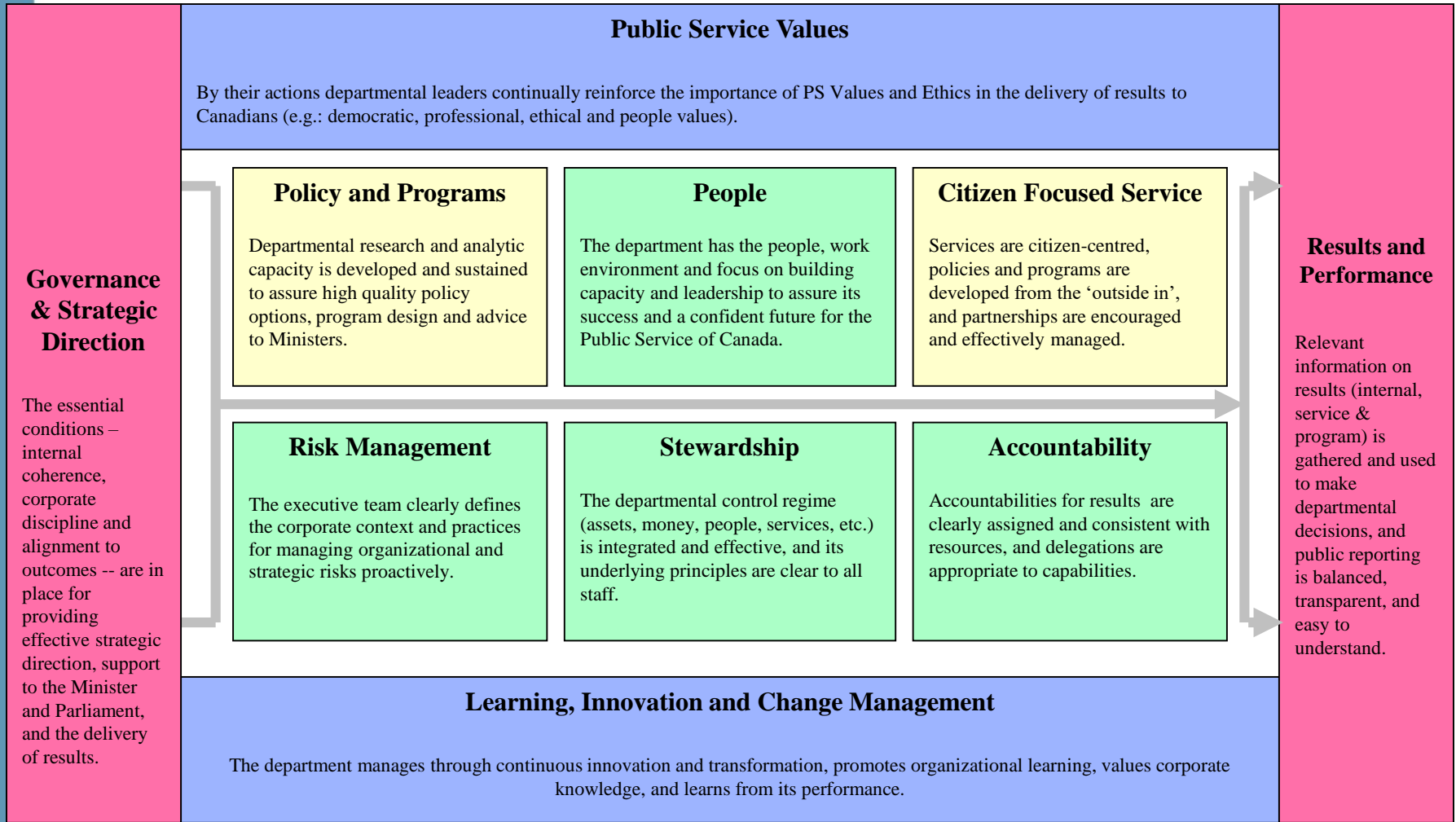




Key implementation challenges

- Meeting a “100% in five years” coverage target:
 - Internal efficiencies (i.e., reorientation of existing effort and new tools) will help meet increased coverage requirements, but some investment will be required
 - Will take three years to phase in the whole package
- Evaluation function to be evaluated in 5 years with a report back on quality, coverage and use of evaluation information
- Building capacity government-wide
 - To define and manage to results
 - To assess performance
 - New tools, appropriate skill-set

Annex A - The TBS Management Accountability Framework (MAF)



Annex B: A Suite of Flexible Evaluation Approaches



Strategic Policy Evaluation

- Focused on Cabinet decision-making of over-arching policy initiatives at a high level in the PAA or horizontally across government. Assesses adequacy of a suite of programs to achieve policy objectives and mix of policy instruments. Future oriented in terms of lessons learned, outlining policy impacts and potential directions and implications. These evaluations are generational in nature and are used to inform Cabinet of large scale policy initiatives. As such, they are not intended for accountability purposes of program effectiveness and results. Examples of the scope of such evaluations include: Agriculture Policy Initiative, Climate Change, Defence policy, etc..) Led by evaluation departmental units to ensure neutrality of findings.

Impact Evaluation

- In-depth assessment of the net effect of a program. Examines program inputs, activities, effectiveness, and ultimate (ie: long-term) outcomes of a program, and the extent to which the program contributed to the achievement of reported results (ie: attribution). Intended for high-risk programs requiring a full assessment of program relevance, effectiveness, and alternatives, including cost-effectiveness. Involves the application of rigorous standards, protocols, reporting requirements. Focused on decision-making for the future disposition of the program. Led by evaluation departmental units to ensure neutrality of findings.

Targeted Evaluation

- Involves a targeted assessment of value for money (relevance, economy, efficiency & cost-effectiveness). Emphasis placed on service standards and client satisfaction using the Common Measurement Tool. Intended for low to medium risk programs, focusing on inputs, activities, and direct (ie: immediate) outcomes of a program. Involves the application of focused standards, protocols, and reporting requirements. Used for decision-making on the future disposition of the program. Led by evaluation departmental units to ensure neutrality of findings. A rapid VFM tool is currently being piloted.

Implementation Evaluation

- Examines how a program operates. Focuses on implementation processes and management issues, as opposed to demonstrating program effectiveness and results achieved. Issues include: governance, decision-making and accountability processes, and delivery mechanisms and alternative ways of delivering the program. Focus is on program improvements, not accountability for decision-making on the future disposition of the program. Led by program managers or departmental evaluation units.



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Useful resources

- Government of Canada - http://canada.gc.ca/main_e.html
- Treasury Board Secretariat - http://www.tbs-sct.gc.ca/index_e.asp
- Finance (Budget) - <http://www.fin.gc.ca/fin-eng.html>
- Evaluation - <http://www.tbs-sct.gc.ca/eval/>
- Results-Based Management (MRRS, Evaluation, Improved Reporting to Parliament) http://www.tbs-sct.gc.ca/rma/rbm-gar_e.asp
- Management Accountability Framework - http://www.tbs-sct.gc.ca/maf-crg/index_e.asp
- EMIS - http://www.tbs-sct.gc.ca/emis-sigd/index_e.asp

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