

COSTA RICA: USING EVALUATION IN THE PUBLIC SECTOR – CURRENT SITUATION AND CHALLENGES

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INTRODUCTION

Planning—involving spheres for coordination, participation and consultation—has become a fundamental exercise to agree on development agendas for good governance. It intrinsically requires a continuous and relevant flow of information to provide feedback to decision-making bodies.

Planning includes a complex cycle that integrates planning, programming, budgeting, implementation—which is guided by planning), monitoring, evaluation, oversight and accountability. These phases, if properly coordinated, help to achieve the final objectives: the expected results that mobilize the entire dynamic of the targeted interactions and that, in the case of governments, seek the sustainable provision of goods and services to improve the welfare of the population.

The complexity of the cycle requires a careful definition of how it will be put into practice. It is here that the evaluation provides substantive support throughout the cycle. Given the importance of evaluation to the project cycle and its applicability to other phases, it is an essential criterion in the design and execution of all management phases.

Correctly operationalizing proposals in order to guarantee evaluability is crucial to ensuring the effectiveness and quality of policies, plans, programmes and projects; failing to link planning and programming to evaluation incurs high social, economic and political costs. Evaluation should not be treated as an end in itself. Rather, it is an element that ensures logical connectivity among programme elements and identifies the activities necessary to achieve them.

The public management cycle—a process applicable to other intervention areas—requires a flow of information for decision-making and the legitimacy of decisions, and focuses on both management bodies themselves and the beneficiary population. Merely providing information is insufficient if the data does not refer to actual inputs or equate actions with society's objectives and demands.

In this dynamic, evaluation has an irreplaceable role, with a constructive and proactive approach inserting itself at the beginning of the formulation phase to contribute to an effective design. It then highlights areas for improvement and collects lessons learned, helping implementing agencies achieve objectives and commitments, improve management capacities, develop public servants and contribute to national development.

THE PLANNING SYSTEM AND PUBLIC EVALUATION IN COSTA RICA

Costa Rica implemented national development planning by creating the National Planning Office in 1963. The Office acts as an advisory body to the Presidency of the Republic.¹⁷ The Office was later transformed and strengthened, acquiring ministerial status with the enactment of the National Planning Law.¹⁸

Thereafter, the Ministry of National Planning and Economic Policy (MIDEPLAN) assumed the mandate to guide national development by working with public institutions to improve the country's production and productivity, to increase income distribution and state social services, to foster increased citizen participation in solving economic and social problems, and to improve governance. MIDEPLAN functions include conducting studies and analysing the national reality and public administration, participating in the formulation and adoption of economic and social development policies and plans, and evaluating state programmes and projects.

To this end, MIDEPLAN is responsible for the National Planning System, which comprises the planning units of more than 100 central and decentralized government institutions. The National Planning System is organized in a sectoral structure through coordination and advisory mechanisms that establish comprehensive, coherent and ongoing state actions. The National Planning System is vital to ensuring the comprehensiveness and coherence of the state as the nexus of planning, programming and evaluation between institutions and sectors.

The major product of the National Planning System is the national development plan, a tool that gathers and organizes the government's strategic priorities and forms the basis for defining annual institutional action plans. It also guides the public investment agenda and the country's international cooperation policy (including resource allocations). As such, it integrates the administration's proposed actions for one government cycle. MIDEPLAN is responsible for convoking, organizing, integrating, presenting and monitoring the national development plan; participating institutions formulate and implement the plans. Thus, the national development plan is the product of a participatory process, and starting with its definition, formalizes the platform from which to programme public institutions and the corresponding monitoring and evaluation efforts.

Although MIDEPLAN has been continually planned and institutionalized since its creation, state reforms (particularly those implemented in the 1980s) have weakened the Ministry's functions and its role in agenda-setting and governance. Consequences of this deterioration

18 Law number 3087 of 1963.

19 Law number 5525 of 1974.

include the separation of planning and budgeting and the strengthening of public finance oversight to the detriment of the evaluation of public management and management approaches that varied across sectoral and regional structures. This affected the comprehensiveness, complementarity and subsidiarity of national development agendas; reduced public investment and diminished institutional capacities in project agenda management.

Nevertheless, in recent years, mechanisms have been developed that call for (and in some cases require), revitalizing planning and evaluation with a more comprehensive and coherent perspective.

NATIONAL EVALUATION SYSTEM

Evaluation has been integrated as a key element of governance and as an integral part of MIDEPLAN's work. It has developed into a practice that responds to mandates deeply rooted in public management.

Article 11 of the Constitution of Costa Rica stipulates that public administration shall be subject to "a process of evaluation of results and accountability, and the subsequent personal responsibility of officials for the fulfillment of their duties." In addition, MIDEPLAN's original and guiding mission provides for systematic and ongoing evaluation of policy, objectives, programmes and project outcomes and for reporting national development plan progress to the presidency. The General Law of Public Administration states that the administration must operate under political leadership in such a way that its activities and resources are legally and comprehensively channelled to resolve the country's issues in accordance with the rights of the people.¹⁹

However, the evaluation of public administration has evolved slowly; it was not effectively institutionalized until the 1990s. In 1995, the National Evaluation System was created through Executive Decree Number 24175, and significantly modified in 2010 by Executive Decree Number 35755.

The National Evaluation System is composed of the Central State Administration, autonomous and semi-autonomous bodies, public companies and non-state public agencies, which administer public resources. Public bodies and private sector firms, Costa Rican Social Security and state universities (members of the National Planning System) are excluded from the National Evaluation System.

On an operational level, the sectoral agencies and ministries, the institutional planning units and MIDEPLAN's Evaluation and Monitoring Area (in its role as coordinator) participate as entities in the National Evaluation System.

National Evaluation System responsibilities include evaluating the compliance and results of actions established in the national development plan. This analysis defines the development plan's level of implementation and contribution to the country's economic and social development, strengthens public sector evaluation and fosters transparency in public management.

The scope of evaluations was extended by the 2001 Financial Administration of the

20 Law number 6227 of 1978.

Republic and Public Budgets law. It established the imperative relationship of the national budget and the institutional action plans to the national development plan and defines the terms and conditions for reporting on both.

Ultimately, the law stimulates evaluation because it addresses programming inconsistencies that can only be corrected through feedback that began during the design phase, including the formulation of goals, objectives and indicators. It also represents an ongoing mechanism to improve institutions' performance through resource and action allocations based on outcomes, public goods and services that contribute to the quality of life.

USE OF EVALUATION IN PUBLIC ADMINISTRATION

Evaluation is a comprehensive, continuous, objective and transparent process that measures progress towards achieving the government's commitment priorities. An evaluation provides information for decision-making, strengthens governance capacities and enhances the government's response to society's needs and demands.

The national development plan maintains the most comprehensive evaluation practice in the country. However, the scope evaluations are limited, primarily due to the oversight approach's pre-eminence and evaluations' short time-frames.

National Evaluation System activities involve complex programming, monitoring and reporting, which provide specific scopes, basic collection areas and times, data integration and presentation, and a range of partners. Activities include:

- Defining guidelines for evaluating and training counterparts;
- Evaluating proposals to be incorporated into the national development plan;
- Biannual monitoring of compliance of strategic and operational actions;
- Evaluating progress and compliance with national and sectoral goals in two distinct periods;
- Evaluating compliance of sectoral goals and analysing the context;
- Conducting mid-term and final impact evaluations;
- Assessing and analysing changes in the national development context based on fulfilment of national goals and policies; and
- Conducting strategic evaluations of the government, recently promoted an assessment of the impact or outcome of specific programmes beyond the national development plan.
- Development of these activities has enabled:
 - Verification of compliance with institutional programming;
 - Justification of budget implementation (with potential sanctions for non-compliance);
 - Provision of feedback to implementing institutions and decision-makers (institutions, sectoral ministries, and government council);

- Reporting to political oversight bodies (Comptroller General of the Republic and legislative assembly);
- Maintenance of an ongoing revision of evaluation methodologies in order to streamline the exercise and guarantee that it contributes to improved government management;
- Promotion of the dissemination of information to the public; and
- Maintenance of mechanisms linking public participation to the evaluation exercise (e.g. Letters of Commitment to the Citizen), with direct accountability of management for compliance with objectives, oversight systems of public sector services and an ongoing programme for recognizing best practices in public service.

STATUS OF EVALUATION IN COSTA RICA

Evaluation practice in Costa Rica has focused on the national development plan, which has only recently begun to address the challenge of incorporating evaluation into the spectrum of measurable objectives, strategic programmes and projects.

The overall evaluation system has emphasized monitoring and reporting on activities that lack adequate levels of verification and feedback or freedom to redirect actions and policies.

A systematic review of national development plan evaluation methodologies shows that the country's culture of governance lacks adequate and timely logical coordination between evaluators and those responsible for formulating the plan. This limits the design of targets and indicators with respect to evaluation criteria. Despite important advances, actions taken to overcome this situation seem inadequate, leading to material weakness in the 2011–2014 national development plan period.

While the national structure is sufficiently stable, the legitimacy and influence of the national development plan evaluation is limited at the institutional and sectoral level. The institutional units responsible for evaluations have limited resources and a limited professional profile. Responsible institutions have very little impact, and in general, their roles are limited to recording and reporting information because the institutional organizations favour short-term budget cycles that are detached from four-year planning and public policies. This approach has focused on the objectives of the process without establishing the appropriate accountability systems for non-compliance.

The predominance of institutional logic over sectoral and national perspectives leads to discontinuities and inconsistencies in the agendas, which ultimately result in the poor use of resources and an inability to meet established objectives and targets.

In addition, the public dissemination of information has decreased. National development plan evaluation reports are not broadly disseminated to the public (public reports are primarily made available on the Internet). The volume and technical nature of evaluation information further limits citizens' access to the information, further limiting participation.

Despite these limitations and challenges, there have been valuable successes in terms of building an evaluation culture and practice as an instrument of governance. Successes include establishing a consolidated institutional apparatus with stable human resources. This

has increased the legitimacy of the evaluation system and the coordination with the budget oversight system. In addition, political and citizen monitoring entities have positively received evaluation inputs, which has promoted a dynamic with the potential to be strengthened.

In recent years, advances have been made to expand evaluation to strategic policies and programmes that complement the tracking and monitoring dimension of the national development plan. This expansion will have potential for guiding government thinking; adjusting methodological frameworks for monitoring and evaluation, orienting them towards results-driven management (which marks a different approach with considerable implications); and advancing technological support to facilitate monitoring and reporting. As a result of the redefinition of scope and approach, progress has been achieved in redefining the roles of actors, which has strengthened evaluation offices' role to revitalize the set of actors to support effective evaluation exercises.

FINAL CONSIDERATIONS

An assessment of the use of evaluation in public management in Costa Rica provides a series of ideas:

- Identifying historical weaknesses in national development plan design and evaluation and reporting methodology draws attention to vital linkages between planning and evaluation. These weaknesses limit the potential to systematically and assertively impact national development and strengthen democracy;
- Shifting the governance paradigm towards a results-driven approach related to a mature evaluation culture (one that is not purely formal and informative character but assumes a leading role in decision-making) will address new challenges;
- Providing feedback for the institutional management cycle and the public sector requires transparency, accountability and mechanisms to ensure that information that is relevant, timely and reliable; and
- The evaluation exercise is a link between the technical and political counterparts, committed to efficiency and good governance. The evaluation can therefore not be seen as an isolated or even complementary process in public administration but should be accepted as an intrinsic phase of institutional management.

In light of lessons learned and its commitment to the population's welfare, MIDEPLAN has identified and promoted a series of measures that include the revision of and changes to the methodological frameworks for monitoring and evaluation. These changes will have a logical and comprehensive impact on the design and planning processes, orienting them towards results-driven management; expanding the evaluation spectrum to strategic policies and programmes; redefining the roles of stakeholders; managing and promoting appropriate resources and systems to achieve the desired parameters (e.g. a general revitalization of the system that complements a process to strengthen accountability mechanisms); conceiving of a global strategy to improve public administration; strengthening the capacity to address the population's needs, aspirations and demands; and contributing to good governance.

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