

8. NEPAL

INSTITUTIONALIZATION AND USE OF EVALUATIONS IN THE PUBLIC SECTOR IN NEPAL

TEERTHA DHAKAL
Joint Secretary

National Planning Commission Secretariat

OVERVIEW

In Nepal, efforts to institutionalize evaluation of development interventions began in earnest in 1990, though the formal planning process had started in 1956. The National Planning Commission is the apex body that facilitates M&E in the country. The M&E system has been embedded in national planning processes and in all stages of project cycle management. Similarly, starting from July 2002, Nepal has been making efforts to institutionalize managing for development results approaches in its planning processes; the country has designed results frameworks and standardized results indicators at the sectoral and project levels. Since 1995, the National Planning Commission has conducted ongoing and post-completion evaluations of 29 projects in various sectors,⁶⁹ engaging third parties. This paper aims to briefly review the use of evidence generated from those evaluations in planning and decision-making processes.

LITERATURE REVIEW

The use of evaluations of development interventions depends on many things. As per Cracknell (2005), feedback from evaluations can be used at the project, programme, institutional, sectoral and policy or strategy levels. In addition, evaluations can be used in trainings and by beneficiaries and others outside the agency. However, as per Weiss (1999),

69 Available at: npc.gov.np.

policymakers rarely base new policies directly on evaluation results. Weiss gives two main reasons for the low use of such evidences in policymaking processes; competing pressures from interests, ideologies, other information and institutional constraints, and because many policies take shape over time through the actions of many officials in many offices, each of which does its job without conscious reflection (Weiss 1999).

An independent evaluation system that ensures report quality is critical to the effective use of evaluations. However, there is a need to strike a balance between independence and the internal relevance of evaluations. Gaarder and Briceno (2010) “want a system that is independent in order to achieve external credibility and social legitimacy, but not so independent that it loses its internal relevance.” Moreover, management responses to evaluation reports provide a useful basis to ensure the effective use of evaluations by addressing recommendations along with identifying responsibility and timing of implementation. Bamberger and Segone (2011) argue that management responses are a practical means to enhance the use of the evaluations to improve action. The writers also argue for proper dissemination of the report, identifying both direct and indirect users of the evaluation in order to ensure that the findings and conclusions are effectively utilized.

METHODOLOGY

A review of documents (including 29 evaluation reports, five medium-term plan documents and some policies) was conducted in order to assess the use of the evaluations in Nepal. In addition, key informant interviews were conducted with nine individuals (three from the National Planning Commission, two from the Ministry of Finance and four relevant officials from line ministries directly involved in development activities) in order to generate information on the use of evaluation findings. Due to the strict length limits, it is not possible to include key portions of the data and the analysis in this paper.

FINDINGS OF THE REVIEW OF THE USE OF EVALUATIONS

As an apex planning and M&E agency, the National Planning Commission facilitates evaluations, engaging third parties hired through competitive processes. Each year, some programmes or projects are selected for evaluation using specific criteria received from line ministries. Steering committees, formed for each evaluation to facilitate the process, approve the terms of reference, select the right evaluators, facilitate evaluation processes and maintain the quality of evaluations and reports.

From 1996 to 2012, the National Planning Commission conducted evaluations of 29 programmes/projects. Sixteen evaluations were from the agriculture sector, including the irrigation and land reform sub-sectors (nine evaluations were from the irrigation sub-sector). In addition, sectoral disaggregation showed that eight evaluations were from the social sector, three from infrastructure and two from the economic sector. Out of the 29 evaluations, only 60 percent had baseline data, whereas the rest of the projects used the recall method to create baselines.

The evaluation reports mostly focus on implementation processes and outputs delivered, rather than on the upper hierarchies of the results chain, especially the outcomes.

Methodologically, all studies reviewed in this paper were mostly quantitative in nature, though attempts were made to use some qualitative tools. Proper triangulations have not been done on the tools, either in the design of instruments or in interfacing the data in the analysis stages.

The National Planning Commission has established practices to disseminate evaluation findings, inviting a broad range of stakeholders (including policymakers from line ministries and relevant partners) and uploading the reports to websites.

While reviewing the evaluation reports and assessing their uses in the planning processes, it was found that the results have been used instrumentally or directly for several purposes. The recommendations have been used to formulate or refine policies and to make decisions regarding whether to continue, scale up, replicate or modify the project and its implementation modalities. In addition, results have been used in the discussions and decisions regarding annual programme and project budgets.

Moreover, the findings and results of ongoing evaluations of projects have been used for the amendment of programmes and in requesting more funds during the fiscal year. Line ministries have used evaluation results as evidence when responding to concerns that arose in legislative debates regarding budget allocation to sectors or projects. Further, evaluations of projects were documented and used to review and evaluate medium-term plans and relevant policies. However, none of the reports were used to ensure accountability of those engaged in implementation processes, even in cases where projects were not implemented well or were unlikely to realize the initially developed theory of change.

There are some explanations of the low use of evaluation recommendations in planning and decision-making processes. Evidence indicates that ownership and usage are higher among evaluations demanded by line ministries than those initiated by the National Planning Commission. Some evaluations' policy recommendations were used after four years, because they were mostly addressed in a successive medium-term plan.

Some evaluations were done before a programme or project was fully developed and had not yet delivered anticipated results. This lowered usage, because recommended measures were not convincing enough to influence project-related policy decisions. Evaluation and recommendation quality is an important determinant of whether a report will be effectively used. The review found that, even when an evaluation was methodologically sound and captured many facts, if its recommendations were insufficiently based on rigorous analysis, its overall quality and use declined.

When asked about report quality, a policymaker in the National Planning Commission responded, "It is an unhealthy competition among evaluators who bid [a] very low amount to get the assignment even if their proposal is not technically sound." Moreover, a policymaker in a line ministry responded: "It is due to low capacities of both of the parties that facilitate or conduct evaluations."

The Government of Nepal has institutionalized the practice of evaluating public-sector projects. However, evaluations have not been conducted systematically or with a clearly defined purpose (whether for lessons learning, ensuring accountability or both). Unless the agencies that facilitate evaluations do not have predetermined ideas about evaluation use or the decisions for which the evaluation provides evidence, evaluation reports will not be

used effectively. A lack of clear evaluation objectives makes it difficult to frame evaluation questions that will generate evidence in areas of interest to policymakers. The absence of clear-cut evaluation policies and periodic M&E plans correlated with inconsistencies in conducting and using evaluations. Whatever evaluations have been done, the use of the reports is not encouraging.

The review findings of the policy papers and key informant interviews clearly indicate that evaluation usability depends on policymakers' commitment and demand for the immediate or medium-term needs, timeliness and quality of the reports. Policymakers in upper echelons are not always clear about the value-for-money allocated to conducting impact evaluations. A high level M&E official in a line ministry said, "Time and, often, questions come from policymakers about the benefits of investing resources in evaluations arguing that issues in project implementation and the results are visible in the surface, so that there is no need to pour resources into studies." Hesitancies like this at higher levels affect the demand for and use of evaluations in public systems.

In addition to evaluation reports, policymakers have other reference and feedback options. Therefore, it is not always right to expect a one-to-one relationship between evaluation recommendations and policies. Similarly, evaluation users are diverse and range from policymakers in planning, budget and line agencies to project managers and subnational policymakers.

Evaluation report usability has been found to depend on how clearly its recommendations are addressed to the implementing agencies and the relevant implementation action plans. Nepal's experience shows that, in order for recommendations to be effectively used, evaluation design must identify the range of evaluation report users.

Usability questions heavily depend on report quality, which in turn relies on the capacity and independent work of the evaluators. Quality concerns can come from the theory of change of the intervention, its methodologies or from its analysis. In some evaluations, the evaluators did not find a project's theory of change or predefined indicators. In such cases, the evaluators were unclear on the programme or project theory of change (especially impacts or outcomes), and instead focused only on the outputs delivered.

ISSUES AND LESSONS LEARNED

The findings show that there are several issues in the use of evaluation in Nepal. The main one is of taking evaluations as a driver of policy or programmatic changes. It is because questions have been raised about the continuity of funding to weak-performing projects in terms of the results generated by evaluation studies.

Nepal lacks a clear and coherent evaluation policy that drives systematic selection, conduct and use of evaluations; weak capacities to demand, facilitate and conduct impact evaluations result in low-quality studies and limited use of recommendations. Similarly, properly documenting and disseminating reports in local languages have been lacking. Further, because the government's performance management system is weak, lessons learned from evaluations have not been effectively used to ensure accountability.

Based on this review, the following lessons can be drawn:

- Institutionalizing evaluation as a core function in public agencies is crucial to increasing the use of evaluations;
- Evaluation quality requires a sectoral results framework with baselines and a defined theory of change;
- A well-designed, mixed methodology that uses a range of quantitative and qualitative techniques is important to improving the quality and use of evaluation;
- More advocacy is needed at policymaking levels to demand and use evaluations; and
- Dissemination of findings and preparing management responses are important preconditions to improving the use of evaluations.

Finally, Nepalese experiences show that evaluation usability heavily depends on the quality of recommendations; recommendations rely on the evaluator's capacities and independence. Hence, strengthening the capacities of government personnel who facilitate evaluations and of the evaluators who conduct them is extremely important to improving evaluation quality and use. Moreover, the in-country, regional and international communities of practice and knowledge networks are important tools for cross-learning and institutionalizing the effective use of evaluations.

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