FEATURES OF EVALUATION

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WHAT IS EVALUATION?

Generally speaking, evaluation is used to establish the outcome of processes and activities with some accuracy. It ranges from the formal examination of students to the broad and in-depth studies of public programs. Over the last couple of decades, public institutions as well as industry have used evaluations increasingly.

Evaluation can be defined as systematic, analytical studies conducted occasionally to answer specific management questions about performance. Project evaluations may assess and explain any of a variety of project performance issues, as discussed further in chapter 4. They are often conducted by experts external to the project, and independent of other key stakeholders. However, some may be self-evaluations conducted by project managers and/or have participation by stakeholders such as the financing party or the users.

LEVELS OF INQUIRY

<table>
<thead>
<tr>
<th>First order effects</th>
<th>Project performance and production of outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second order effects</td>
<td>Benefits for users</td>
</tr>
<tr>
<td>Third order effects</td>
<td>Impact in society</td>
</tr>
<tr>
<td>Fourth order effects</td>
<td>Long-term return on investments</td>
</tr>
</tbody>
</table>

Evaluations tend to be in-depth analyses that examine and explain performance in their broader contexts. They not only present evidence about results achieved, but they interpret, explain, and make judgements about performance in light of the conditions that influence the outcomes and impact of the project. Evaluations typically provide recommendations for actions to be taken.

that flow from the analysis. In other words, evaluations may draw their findings from performance data, but go well beyond simple presentations of results, by drawing conclusions, interpretations or judgements based on an understanding of the broader context, and then making recommendations. Without such understanding of underlying causes, management may take inappropriate actions. Moreover, evaluations often draw broader lessons for future project designs and/or for formulation of overall strategies and policies.

Scope of evaluation

Evaluations may focus on smaller or larger parts of the process that the project is part of, or look at the project from the perspective of one or several of the key stakeholders, see chapter 1.5. Usually, an evaluation takes a perspective beyond the production of the agreed outputs. It could include impact studies beyond the first and second order effects of the project. Evaluations would usually not restrict the focus only to the positive effects but also take the negative effects into account. Evaluations are carried out at different levels of activities, from project level to policy level.

- Evaluations of individual projects focus on performance issues and effects in order to verify achievements or improve management. Project evaluations may address one or more of a variety of project performance issues. Via in-depth analysis, project evaluations answer specific performance questions raised by management. They may, for example, investigate early warning that performance is falling short of expectations.

- Program level evaluations will focus more on the combined effect of a group of related projects and less on performance of individual projects. Such evaluations may attempt to compare and assess the relative effectiveness of the different project strategies aimed at the same objective, their synergies and potential conflicts/tradeoffs.

- Sector or company level evaluations usually focus on selected policy issues. Several methodologies and data sources may be used in such evaluations. They may, for example, review and synthesize findings from a series of existing evaluation reports on related projects or programs in a given sector or theme area. From these case studies an overall synthesis report is then prepared.

<table>
<thead>
<tr>
<th>Two types of evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUMMATIVE EVALUATION</strong></td>
</tr>
<tr>
<td><strong>AIM</strong></td>
</tr>
<tr>
<td><strong>EMPHASIS ON</strong></td>
</tr>
<tr>
<td><strong>EVALUATORS</strong></td>
</tr>
</tbody>
</table>

Source: Cracknell, 2000

2Just knowing that a project has fallen short of its targets does not necessarily tell managers whether to terminate it or increase efforts.
Two main types of evaluation

In some cases, evaluations are used to establish performance or achievements, for instance at the end of a project. Such evaluations are called *summative* evaluations. In other cases the aim is to examine and change processes as they are happening. This is called *formative* evaluations.

A well-known analogy is the following: When the cook tastes the soup – it is formative. When the guest tastes the soup – it is summative.

**Stages of evaluation**

Evaluations are carried out at different stages of the project cycle:

- Evaluations of ongoing projects are called *interim evaluations*, and usually take place mid-term in the implementation period or at the end of a distinct phase. Interim evaluations will typically focus on operational activities, but will also take a wider perspective and possibly give some consideration to long-term effects.

- *End-evaluations* aim to establish the situation when the project is terminated and to identify possible need for follow-up activities.

- *Ex-post evaluations* are carried out after the project is terminated. The main purpose is to assess what lasting impact it has had or is likely to have and to extract lessons of experience.

The role of evaluations in the projects cycle is discussed further below.

**Evaluation: A Tool in Quality Management**

Evaluation can be seen as part of a wider quality management system, complementary to other measures to improve quality. It has traditionally been an instrument for in-depth analysis to provide insight in the complexity of projects and processes.

Organizations performing projects will often divide each project into several project phases to provide better management control and appropriate links to the ongoing operations of the performing organization. Taken together, the project phases are known as the *project life cycle*. The project life cycle serves to define the beginning and the end of a project. For example, when an organization identifies an opportunity that it would like to respond to, it will often authorize a feasibility study to decide if it should undertake a project. The project life cycle definition will also determine which transitional actions at the end of the project are included and which are not.

Both implementers and financers strive to improve quality of the projects they are responsible for. Over the years, a repertoire of tools has been developed to improve performance. These could be seen as elements in larger quality management systems.

In this perspective, it is appropriate to make the distinction between evaluation on the one hand - and performance management on the other. The distinction would be that performance management focuses on performance issues, is mandatory and largely based on self-assessment – while evaluation tend to look deeper on fewer issues, is selective, and more commonly involve external evaluators.
While performance management is an integral part of the project/program, evaluation is an ad-hoc exercise that is undertaken at certain stages and for certain purposes, either during implementation to provide guidance (interim evaluation), at the end to verify achievements, or some time after the project/program has been terminated to explore the longer term effects (ex post evaluation). In addition, formative evaluation may be applied during parts of the project life cycle in order to strengthen project management.

The role of evaluation during the project life cycle could be described as illustrated below:

1. **Appraisal.** This is an early assessment of the project concept. It is done in order to decide whether or not to finance the project and go ahead with it. The appraisal should take a broad view of the project much in the same way as subsequent evaluations, in order to ensure that it is economically viable, relevant in relation to user needs, and is likely to be sustainable.

2. **Monitoring.** This is a management function aimed to collect and analyse information on a regular basis in order to check performance with budgets, work plans and objectives. Monitoring data is indispensable as basis for evaluations, particularly since it has the advantage that it provides the basis for trend analysis.

3. **Interim evaluation.** This is usually done to guide management or in response to request or pressure from stakeholders or the public. The reasons could be that it has been programmed initially, that the project is entering a new phase, that the project is considered problematic, that there is a need to analyse impacts, etc.

4. **End evaluation.** This is done as a formal exercise to establish achievements at the end of the project life cycle. It focuses essentially on the production of project outputs in terms of quality, timing and cost - but also the extent to which formally agreed objectives have been or are likely to be achieved.

5. **Ex post evaluation.** This is done to determine the longer-term effects of a project and the extent to which it has contributed to the achievement of formally agreed objectives. This may require analysis in a wide social or socio-economic perspective. The motive
could be to draw lessons that could be useful for similar projects in the future. In most projects ex post evaluations will not be done.

In many cases there may be good reasons for not doing or postponing an evaluation, for instance in routine projects which are performing as foreseen, and where the possible impact are well understood. However, too often this is used as an excuse for not doing an evaluation. After all, independent evaluations have often proved essential to initiate necessary changes in management and strategy – and get such changes underway.

**HOW TO MAKE EVALUATIONS USEFUL**

In the end, the worth of evaluation is judged by its utility. What is considered useful in this context could be the extent to which the evaluation contributes new insight, its impact on decisions, or its relevance in a making or changing policy. The actual outcome of an evaluation largely depends on the way it is designed, conducted, distributed and used. Evaluations can and do make a difference.

Most people think of the outcome in terms of the quality and distribution of the evaluation report. Others claim that it is the evaluation process itself that is the most useful: it offers an opportunities for main stakeholders to prepare essential information, thinking through objectives and strategies, and getting inputs on essential matters from external specialists.

Another view is that the “threat” of a formal evaluation may be more effective than the evaluation itself, since it tends to have a disciplining effect on the management of projects, much in the same way as the threat of an audit will have a positive effect on accountancy within a company.

In general terms, it is common to distinguish between whether evaluations are of *direct* or *indirect* use. By direct use is meant that decision makers and other stakeholders use evaluation findings directly, for instance by making specific decisions about immediate courses of action in the project that has been evaluated. By indirect use is meant that the use of evaluations influence thinking in a general way, for instance by sensitising individuals to certain problems or by indirectly having an impact on policy or procedures. Clearly, evaluators have a responsibility to optimise the direct utility of their work. But they also have a more difficult task to maximise the indirect utility, for instance by assessing their findings in a broad perspective.

In order to make evaluations useful there are a number of measures that need to be taken by the commissioning party as well as the evaluators at different stages of the evaluation process.

Evaluations need to respond to stakeholders’ interests. In the quest to make evaluations useful, it may be necessary with broad participation in the evaluation design process to ensure sensitivity to various stakeholders’ interests. This will also help sorting out differences in values and perspectives between stakeholders and evaluators at the outset to avoid conflicts when the work is presented.

Prior to, or as part of evaluations it might be useful to include an assessment of utilization. Evaluators and decision makers need not only to share an understanding of the purposes for which a study is undertaken but also agree on the criteria by which its successful utilization may be judged. An effort should be made to judge the extent to which the uses of findings are likely to meet these expectations.

There should also be a plan on how to use and disseminate evaluations. The purpose of evaluation needs to be clarified at the outset, to identify the main target groups. This will in turn affect the design of the evaluation as discussed above. Also, a plan needs to be made on how
and when to distribute the report, what type of follow-up would be needed, seminars and workshops to be held, how to reach a broader audience, etc.

However, the single most important aspect that determines to what extent an evaluation will be used is the stakeholders’ assessment of whether the findings can be trusted. Therefore, the quality and credibility of the study should be ensured. This clearly depends on the selection of evaluators and the participatory process involved, But it also depends on the quality of the evaluator’s work.

It is also essential that reporting is adapted to the cognitive styles of the users. For instance, presenting complex analysis may represent a barrier to understanding for non-specialists and the public. Clearly, reports and oral presentations have to be tailored to the intended audience, which is often a mix of specialists, decision makers, politicians, and the public.

Finally, evaluation results need to be timely and at hand when needed. This is a question of the ability to select the right type of evaluation at the most appropriate time. But also to minimize the time it takes from the decision to evaluate is taken to the mandate is formulated and agreed, evaluators selected, field work carried out and the report has been produced. Evaluators therefore have to balance thoroughness and completeness of analysis with timing and accessibility of findings.

**TWO MAIN APPROACHES TO EVALUATION**

In management textbooks, a common distinction is between “management by objectives” and “process management”. In the former, planning is directed towards a pre-determined objective; in the latter, emphasis is on adjusting the direction being taken in the light of experience gained on the way. Likewise, in evaluation there is a distinction between the “goal model” (based on deductive testing of hypotheses) and the “process model” (based on inductive research). (Almaas, 1990.)

With the **goal model**, the main principle is to formulate hypotheses, as to the assumed positive and negative consequences of the project. These are then tested against observable reality when the evaluation is carried out. The advantage is that it, to a large degree, takes as its point of departure existing experience. This makes it easier, in the course of the evaluation, to choose data and interpret findings.

The main criticism against this approach is that it may restrict the focus so that important aspects of the conditions under analysis may be overlooked. Project objectives will often be unclear or inadequately formulated; moreover, projects may have many unforeseen impacts - both positive and negative - which may well be overlooked if evaluation focuses only on what has already been identified as the objective of the project. The results of such evaluation are therefore highly dependent on the evaluation team’s ability to define frameworks for investigations, which can capture some of major impacts of the project in question.

**Goal evaluation:** Assessment of the effects of the project seen in relation to its given objectives

**Process evaluation:** Assessment of the way the project functions and its consequences in the widest sense
By contrast, the **process model** does not build on set theories or hypotheses but is open-ended. Through observation and investigation, themes arise that in turn demand new knowledge, gradually leading to new insights. The process model is frequently applied when the investigator has little advance knowledge of the field in question.

The approach is time-consuming and demands a lot of the evaluator. One main objection is that, in order to avoid subjective biases, it often becomes necessary to place special emphasis on the selection of data, perspectives and methods, and to explain this in detail.

The goal model and the process model are two approaches which in practice may well complement each other. In planning and implementation of projects this can be done by re-assessing and if necessary redesigning the project underway, as new experience is gained. This requires a certain degree of flexibility in project management. Here process studies can be of considerable value.

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**Example:**

The target group for a training project is aimed at a group of immigrants to assist them setting up their own businesses. Evaluation shows this project to be highly successful in relation to the pre-defined goals and objectives (economic and social). However, it also turns out that the project has created considerable conflicts in the local community since it benefits only the immigrants, and produces certain negative economic effects for local residents. To get a picture of the overall effects of the project, the evaluation team needs a mandate to see beyond the fulfilment of the intended objective and a more process-oriented approach in the selection of methods.

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A project is defined as a planned undertaking, designed to achieve certain agreed changes within a given time through the use of specified resources. The scope of a project is limited in relative terms, which makes it relatively easy to focus the evaluation. That is, if the objectives against which the project should be evaluated are specifically expressed and in quantifiable terms.

The success of projects is usually measured in a restricted perspective. The main issue is whether **outputs** have been achieved quantitatively in time and within budgetary limits. However, project evaluation will usually go beyond what is planned and desirable and attempt to judge the project also on the basis of its foreseen and unforeseen effects in society.

It is therefore essential to make the distinction between what the project is formally expected to produce and the broader perspective applied in an evaluation. The former perspective is important for accountability, and the latter for extracting experience for the future. In many projects, formally agreed objectives are unrealistic and in some cases not established at all. In these cases the judgement should be based on what can realistically be expected with the available resources, rather than ill-defined objectives, in order to give the project a fair trial. In evaluation, the goal model and the process model can be combined by expanding the perspective beyond the planned framework to also include various less easily predictable effects.
PURPOSES AND FOCUSES OF EVALUATION

Those preparing the evaluation mandate must have a clear idea of what purpose the evaluation is meant to serve. This will influence the level of detail and precision chosen, and thereby also the choice of methods, sample size, team composition, involvement of stakeholders, etc.

Generally speaking, the purpose of evaluation is threefold. The intention is that it should contribute to efficient control, management and learning. In some cases the focus is on all aspects simultaneously, in other cases the focus may be restricted to one purpose, for instance the control aspect, in which case the exercise comes close to what is normally termed an audit. The control aspect is the most restricted, focusing on expenditure in relation to budget, progress in relation to plans, outputs in relation to standards, etc. The management aspect is broader, looking at performance, organisational issues, processes, etc. The learning aspect of evaluation is even broader and requires a more open-ended mandate in order to focus on and get a deeper understanding of causes and effects, achievements seen in relation to experience with similar projects, etc. It is often necessary to study groups of several projects simultaneously in order to draw lessons for the future.

Examples:
- Where the management aspect is in focus, professional knowledge is important, and the evaluator’s mandate should specify the extent to which alternative strategies need to be considered. Project implementation tactical choices will commonly be considered in detail.
- Where the learning aspect is especially important, the evaluation team will need to be inter-disciplinary. Here emphasis is on understanding project impacts in a broad sense, which could in some cases require wide-ranging societal analyses.
- Refering to the control function, it is important for the evaluation team to be independent of the financing party and the implementing party. Another requirement concerns precision, especially in assessing the use of resources.

Evaluation is used at different levels in the administration of projects. For the financing party or a contractor responsible for a portfolio of projects, co-ordination of resources is essential. Individual programmes and projects therefore need to be viewed in a larger overall context of policy or a major strategy. At national level, in order to be able to draw general lessons from experience, it may be useful to analyse several projects or programmes within the same sector within and even across nation-state borders (sector evaluation).

At the upper - strategic - level, evaluation is concerned essentially with the realisation of the overall, long-term strategic objectives or the purpose of the project, see chapter 1.6. If the evaluation were carried out during the project’s implementation period, it would typically challenge the chosen strategy in view of developments and seek to improve the strategic focus of the project. It would question whether the project is consistently designed so as to support the chosen strategy. And it would be concerned with uncertainties affecting the project, which could cause the project to deviate from its strategy, or take a toll on available resources. Evaluations with a strategic focus are commonly initiated be the financing party or public authorities.
At the tactical level the focus is on the immediate objective and how to get there. The mandate would be more limited and put its emphasis more on resources and whether they are being employed in such a way as to have the desired effect in achieving the project’s goal. Assessments at this level also concern such aspects as cost-efficiency and unforeseen impacts of the project. The party that has commissioned the project or has the overall management responsibility will normally carry out evaluations of this type.

At the operational level, evaluation is carried out in connection with the implementation of individual projects and programmes, viewed in relation to time schedules and budgets. This has traditionally been done in the form of regular, often annual project reviews, and as part of the implementing party’s management procedures.

**THE QUALITY OF EVALUATIONS**

Various stakeholders, who would tend to use their own set of criteria in their individual assessment, often judge the quality of evaluations differently. Some of the most commonly used criteria are credibility, impartiality and independence, as well as cost effectiveness. These are briefly described below. Quality is discussed further in chapter 8.

**Credibility**

The credibility of evaluations depends on the expertise of the evaluators and the degree of transparency of the evaluation process. It requires that the evaluation not only report successes but also failures.

What is required is the right type of expertise and sufficiently qualified evaluators. In complex evaluations expertise in different fields will be needed. One way to ensure professional expertise is by applying a tender process, provided that a sufficiently large resource pool of professional evaluation staff exists to ensure a certain degree of market competition among evaluators.

Credibility also requires transparency of the evaluation process. This applies both to the planning and implementation of the evaluation itself, as well as making the results of the
evaluation widely available. Stakeholders and informants need to know why and how the evaluation is carried out, how information will be available and the results be used.

**Impartiality and independence**

Impartiality contributes to the credibility of evaluations and particularly to avoid biases in findings, analysis and conclusions. Independence provides legitimacy to evaluations and reduces the potential for conflict of interest, which could arise if policymakers and managers were solely responsible for evaluating their own activities.

The evaluation process should therefore be impartial and independent in its function from the process concerned with policymaking, the delivery, and the management of the project. The requirement for impartiality will also apply to all stages of the evaluation process, including the planning of the evaluation programme, the formulation of the Terms of Reference, and the selection and approval of evaluation teams.

Involvement of internal staff as resource persons in evaluations will normally not compromise the requirement on impartiality and independence, since the members of the evaluation are external and independent, and the evaluation report is issued in the name of the authors. Involving internal staff in the evaluation will assist the team in getting useful insights in the project. At the same time it will help communication and increase the chance that the conclusions and recommendations from the evaluation findings are accepted and adopted.

**Cost effectiveness**

What justifies an evaluation in the end is that it may have considerable positive effect on management of project activities and a substantial cost saving potential in terms of improved performance. A key value of evaluations is that they allow for in-depth study of performance and independent assessment of the effectiveness of other performance management instruments. Potential benefits are the greatest for large policies and programmes.

The cost of evaluations is usually very limited compared with the overall budget of the project or program under study. Still, experience shows that evaluations have often been too costly and time consuming compared to their real use and effect. There is also a risk of evaluations being used to slow the process of decision-making and justify inaction.

As a principle, benefits of evaluations should out-weigh their costs. Both costs and benefits can be improved by careful focusing of evaluations and by choosing the appropriate evaluators and the best-suited evaluation methods.