

# EVALUATION CAPACITY DEVELOPMENT

## The Canadian M&E System: Lessons Learned from 30 Years of Development

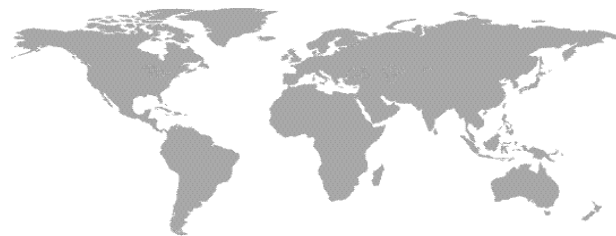
No. 23 | November 2010



Robert Lahey

ECD WORKING PAPER SERIES





**ECD Working Paper Series • No. 23**

# **The Canadian M&E System: Lessons Learned from 30 Years of Development**

***Robert Lahey***



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Building monitoring and evaluation systems helps strengthen governance in countries—by improving transparency, by strengthening accountability relationships, and by building a performance culture within governments to support better policymaking, budget decisionmaking, and management. A related area of focus is civil society, which can play a catalytic role through provision of assessments of government performance. IEG aims to identify and help develop good-practice approaches in countries, and to share the growing body of experience with such work.

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ISBN-13: 978-1-60244-163-7  
ISBN-10: 1-60244-163-4

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## Abbreviations

AG	Auditor General
ATI	Access to Information
CEE	Center of Excellence for Evaluation
CES	Canadian Evaluation Society
DPR	Departmental Performance Report
EMS	Expenditure Management System
G&C	Grant and contribution
M&E	Monitoring and evaluation
MAF	Management Accountability Framework
MRRS	Management Resources and Results Structure
PPX	Performance and Planning Exchange
RMAF	Results-based Management and Accountability Framework
TBS	Treasury Board Secretariat

## Foreword

As part of its activities, the World Bank Group's Independent Evaluation Group (IEG) provides technical assistance to member developing countries for designing and implementing effective monitoring and evaluation (M&E) systems and for strengthening government evaluation capacities as an important part of sound governance. IEG prepares resource materials, with case studies demonstrating good or promising practices, which other countries can refer to or adapt to suit their own particular circumstances (<http://www.worldbank.org/ieg/ecd>).

World Bank support to strengthen M&E systems in different countries has grown substantially in the past decade. There is intense activity on M&E issues in most regions, and IEG has provided support to governments and World Bank units, particularly since 1997, on ways to further strengthen M&E systems, with the objective of fully institutionalizing countries' efforts.

While several World Bank assessments have been done on the strengths and weaknesses of developing countries' M&E systems, fewer analyses have looked at OECD country experiences with a view to help identify and document approaches, methods, and "good practices," and to promote knowledge sharing of those cases as key references for developing country systems in the process of design and implementation.

This Evaluation Capacity Development (ECD) paper seeks to provide an overview of the Canadian model for monitoring and evaluation developed over the past three decades. The Canadian M&E system is one that has invested heavily in both evaluation and performance monitoring as key tools to support accountability and results-based management in government. The paper tracks the evolution of Canada's M&E system to its current state, identifying key lessons learned from public sector experience. It offers insights from officials' own perspectives, highlights key initiatives introduced to help drive the M&E system, and discusses the demands for public sector reforms and the emphasis they have placed on M&E in public sector management.

It is hoped that the lessons and practices identified here will benefit officials undertaking similar tasks in other countries.

This paper was peer reviewed by Anne Routhier, head of the Center of Excellence for Evaluation (CEE) at the Treasury Board Secretary of Canada; Keith Mackay and Manuel Fernando Castro, M&E experts and former World Bank Senior Evaluation Officers; and Nidhi Khattri and Ximena Fernandez Ordonez, IEG. The paper was edited for publication by Helen Chin, IEG. Their comments and feedback are gratefully acknowledged.

The views expressed in this document are solely those of the author, and do not necessarily represent the views of the World Bank or of the government of Canada.

# 1. Introduction

In Canada, the concept of monitoring and evaluation (M&E) is interpreted such that evaluation has a distinct identity from monitoring.<sup>1</sup> The Canadian M&E system is one that has invested heavily in both evaluation and performance monitoring as key tools to support accountability and results-based management.

The M&E system has evolved and changed over the past thirty-plus years, as officials have gained more experience with the use of M&E and/or new demands for public sector reforms have placed a new emphasis on the use of M&E in public sector management.

This paper provides an overview of the model for monitoring and evaluation employed by the government of Canada, examining how the concepts have evolved and identifying key lessons learned from more than thirty years of public sector experience.

Section 2 of the paper traces the evolution of the formalized use of M&E in Canada's public sector from its origins in the 1960s to the present day.

Section 3 outlines the organization of M&E, identifying the key players at a government-wide level, as well as M&E organization within an individual government department. The variety of key initiatives that the government has introduced to help drive the M&E system is also identified and discussed.

Section 4 highlights the key features that define the Canadian M&E system, characterizing the system on the basis of eight distinguishing elements. The elements discussed include, among others, the operational emphasis on both monitoring and evaluation; the various checks and balances that have been introduced to maintain the independence/neutrality of the evaluator, without impeding the evaluator's role in knowledge generation and dissemination; the emphasis put on oversight and quality control, as well as the importance placed on transparency and capacity building.

Section 5 provides information on the ways that M&E information has been used in the Canadian public sector, including recent efforts to strengthen the link to decision-making.

Lessons learned from the Canadian experience with public sector M&E are summarized in Section 6 under three broad categories: lessons regarding drivers for M&E; lessons pertaining to the implementation of the M&E system and; key elements associated with M&E capacity building.

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<sup>1</sup> It should be noted that this is not always true in other parts of the world where the term M&E may ignore or minimize the concept of evaluation.



## **2. Evolution of M&E in Canada**

### **2.1 Origin and Introduction of Systematic Evaluation in Government**

Evaluation in public sector management extends back to 1969 in Canada, with the initiation of formalized and centralized evaluation practices. (Outcome monitoring did not evolve into government practice until many years later.) That initial approach to centrally led evaluation was replaced in 1977 with the first government-wide Evaluation Policy, which established the model upon which the practice of evaluation still functions in the government of Canada.

Generally speaking, the introduction of the practice of evaluation was inspired by the notion of “letting the managers manage”; that is, allowing deputy ministers<sup>2</sup> of federal government departments to assume greater responsibility of their departments and programs, but also being accountable for the performance of those programs and the prudent use of public funds. The model is based on a strong central management board that oversees and holds deputies accountable, and one of the mechanisms to do this is intended to be performance evaluation.

Over the past thirty-plus years, however, a number of changes have occurred with the policy, practices, and standards of evaluation in Canada. The formalized Evaluation Policy, for instance, has been updated on three occasions—in 1991, 2001, and 2009. Changes in the policy occurred for a variety of reasons: as the needs for evaluation or performance measurement evolved or became clearer; as M&E practices matured; and/or as the demands of the system through public sector reform put emphasis on new areas, for example, the widespread introduction of results-based management in the 1990s and 2000s.

### **2.2 A Move in the 1990s to Monitoring and Increased Performance Reporting**

The 1990s saw an increased move to performance monitoring and high-level reporting in an attempt to make performance information more accessible and useful to parliamentarians and parliamentary committees. A formal requirement for each government department to annually submit a Departmental Performance Report (DPR) to Parliament had the impact of placing new emphasis on program managers (and not just technical experts such as evaluators) to be more accountable for measuring and reporting on the performance of their programs. Associated with this was a new emphasis on the measurement of outputs and outcomes (i.e., going beyond measuring resources expended or inputs) when reporting on performance. As with the evaluation function, the central agency—Treasury Board Secretariat (TBS)—has played a major and active role in providing guidance and oversight over performance reporting and the production of DPRs across the system.

Unlike some other OECD countries, which significantly reduced the role of evaluation during reforms of public sector management (thus placing more emphasis, reliance and, ultimately, resources, on performance monitoring), Canada held the view that the two tools (evaluation and

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<sup>2</sup> In the Canadian system, the deputy minister of a government department (or, deputy head of an agency) is the most senior nonelected official in charge of and accountable for the department and its programs. They report to a minister, an elected politician.

performance monitoring) were complementary, and not competing, tools within the performance measurement toolkit.

## **2.3 Renewal in the 2000s of the Evaluation Function in a Results-based Context**

The 2000s saw a more formal results-orientation in the public sector with the introduction of *Results for Canadians*, the government's modern management agenda, which placed a focus squarely on results-based management, with greater emphasis on improved management practices and the delivery of results rather than processes. In this environment, evaluation and performance monitoring (as well as internal auditing) were recognized as key tools to help ensure a results focus, responsible spending, and greater transparency and accountability across government.

To help jumpstart this process of change, the government introduced the Modern Comptrollership initiative along with a strategy aimed at building/strengthening M&E capacity in individual government departments and revitalizing the central presence for evaluation within the TBS. It had been recognized that the evaluation function, in general, had regressed due to funding cutbacks, which had occurred across government, over the 1990s.<sup>3</sup> A revitalization of the evaluation function across government would thus be fuelled by three elements introduced in 2001: (i) a new Evaluation Policy with an increased emphasis on results; (ii) creation of an Evaluation Policy center in TBS, named the Center of Excellence for Evaluation (CEE), to serve as a means to oversee, champion, and help rebuild capacity across government;<sup>4</sup> and (iii) an investment strategy to help departments and agencies build/rebuild the function to meet the increasing demands on evaluation.

Evaluation on its own, however, is not enough. To reinforce the results-orientation in public sector management, a number of government-wide initiatives were also launched over the 2000s that have served as incentives and have helped drive the use of M&E by government managers and decision-makers. These drivers are identified and discussed in section 3.3 below.

## **2.4 Current Emphasis on the M&E Agenda**

Certain weaknesses in the areas of both monitoring and evaluation have persisted though—for evaluation, there has been too little coverage of programs and insufficient focus on effectiveness of programs; for monitoring, there has been generally insufficient performance information in departmental monitoring of programs. The Auditor General (AG) in her 2009 report, *Evaluating the Effectiveness of Programs*, acknowledged these weaknesses (as well as a shortage of experienced evaluators) as key challenges for M&E. This situation, coupled with the desire of

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<sup>3</sup> The Auditor General of Canada had noted in the December 2000 Report (Chapter 20 on “Managing Departments for Results”), that “The government needs to ensure that the evaluation function plays a more central role in its move toward managing for results. The evaluation capacity in many departments has atrophied at a time when more effort, not less, is needed to measure the results of programs.”

<sup>4</sup> A strong Evaluation policy center had previously existed within the Treasury Board Secretariat, but its resources and influence had been significantly reduced over the 1990s. Creation of the Center of Excellence for Evaluation (in 2001) was a signal to departments that the government was putting more emphasis on the role of Evaluation in the management and oversight of government spending.

the government to better manage overall government spending growth, and the introduction in 2007 of a renewed Expenditure Management System, caused the government in 2009 to once again revise the Evaluation Policy. The policy aim is to help ensure that the evaluation function can provide adequate program effectiveness information to support the central Expenditure Management System (EMS) as well as the department-level cycle of strategic reviews,<sup>5</sup> which were introduced in 2007.

In effect, the 2009 Evaluation Policy has put renewed emphasis on evaluating all direct program expenditures of government and, in the process, focusing on the issues of program relevance and performance, that is, effectiveness, efficiency, and economy. The intent is that evaluation will be better used by both departments and the central agency to address higher-level issues;<sup>6</sup> and, ultimately, to better integrate program effectiveness information into decision-making processes, especially expenditure management decisions.

Greater care is also being taken to ensure that all departments and agencies, including smaller ones that may not have observed the requirements of the federal Evaluation Policy in the past, adhere to the broad government requirements of accountability and performance reporting.<sup>7</sup> Table 1 provides highlights of some of the key elements in the evolution of M&E in Canada.

<b>Table 1. The Evolution of M&amp;E in Canada</b>	
<b>Key Features</b>	<b>Year</b>
Initiation of formalized evaluation practices	1969
Government-wide Evaluation Policy introduced	1977
Evaluation Policy revised	1991, 2001, 2009
Drivers of ongoing performance monitoring and reporting (date introduced)	<ul style="list-style-type: none"> <li>• Departmental Performance Reports (1995)</li> <li>• Results-based Management and Accountability Frameworks (2000)</li> <li>• Management Accountability Framework (2003)</li> <li>• Management Resources and Results Structure Policy (2006)</li> </ul>

<sup>5</sup> Centrally directed Strategic Reviews of departments are requiring senior managers to assess all programs within their portfolio and make judgments on priorities. With the proper timing and scope, it is expected that program evaluations can provide an important input to these senior-level deliberations.

<sup>6</sup> Renewed emphasis is being placed on evaluations addressing such fundamental issues as: Whether or not programs are delivering value for money? Are they still relevant and a priority of government?

<sup>7</sup> Of some 90 Canadian federal departments and agencies, approximately half represent medium to large departments, most of which historically have had some formal evaluation capacity. Requirements of the 2001 and 2009 Evaluation Policies have served to strengthen the resourcing of evaluation within these departments, as well as putting greater focus on ensuring that smaller agencies conduct evaluation at a level appropriate to the needs of the agency.

Key drivers of change in emphasis on governance tools	<ul style="list-style-type: none"> <li>• Public sector reform</li> <li>• Fiscal restraint</li> <li>• Government Management Agenda: <i>Results for Canadians</i></li> </ul>
Current emphasis on evaluation capacity	<ul style="list-style-type: none"> <li>• Formalized role within each department</li> <li>• Central management (guidance and oversight) of the function (Center of Excellence for Evaluation)</li> </ul>
Current emphasis on governance tools	<ul style="list-style-type: none"> <li>• Evaluation (program and policy)</li> <li>• Performance monitoring</li> <li>• Internal audit</li> <li>• Strategic reviews</li> </ul>

### 3. The Canadian M&E System: Organization and Key Players

#### 3.1 The Many Uses and Users of M&E Information

As noted above, the broad goal in investing in an M&E system has been to generate and use results information that supports the government's management agenda. This is based on the notion that M&E should inform both management/learning and accountability in the design and delivery of government policies, programs, and services and the use of public funds. With this dual perspective, performance reporting generally aims to tell a performance story rather than simply reporting on a limited set of indicators in the context of an accountability scorecard.

Furthermore, rather than expecting that decisions will rest solely on the results of an evaluation study, it is recognized that evaluation serves to *inform* decision-making. Acknowledging that government decision-making generally rests on a wide variety of inputs, the results of an objective evaluation should provide an important and credible input to decision-making, but not alone determine the decision.

Monitoring and evaluation in the Canadian system is therefore intended to provide results information that will serve a variety of needs and users at different levels throughout the system. At an **operational level** in departments, monitoring and evaluation would be expected to serve as learning tools to assist in program improvements and sound management practices.

At the **level of an individual department**, with the deputy head accountable for good governance and performance of the department, M&E represent key management and accountability tools available to the deputy head, as well as providing important inputs to strategic reviews that may be needed in making management decisions regarding program priorities and possible changes.

At a **government-wide level**, the central agency—the TBS—is an important player regarding the production of M&E information, as well as its use in informing funding decisions about certain

programs (grant-and-contribution programs subject to funding renewal) and government-wide expenditure management.

Finally, in a **legislative context**, M&E information about government programs and operations is reported directly to Parliament on an annual basis via Departmental Performance Reports (DPRs) and an overview performance report, *Canada's Performance*. The intent is to enhance the transparency and accountability of government operations with parliamentarians and citizens in general. In addition, more detailed discussion about the performance of government programs or government operations may take place in various parliamentary committees, which have the authority to seek additional information or clarification about program performance directly from the relevant departments.

### 3.2 Roles and Responsibilities of Key Players in Canada's M&E System

Within the Canadian M&E system, there are two key focal points for the delivery and use of M&E information—the individual government departments and the central agency, the TBS.

The TBS plays a strong and proactive role in both the practice of evaluation as well as performance monitoring within departments. Within the TBS resides the government's Evaluation Policy center, the Center of Excellence for Evaluation. This unit plays a variety of roles in support of the evaluation function across the whole system:

- ***Community development to assist in capacity building.*** In the past, this has included the development of competency profiles, a community development strategy, an internship program for evaluators as well as the development of tools and approaches to assist evaluators.
- ***Leadership and support to assist departments in the positioning/repositioning of evaluation.*** Playing a champion role for evaluation, the CEE has established evaluation networks across federal departments and established capabilities to monitor the health of evaluation government-wide (now being done on an annual basis). Additionally, extensive guidance is provided to managers and evaluators on a variety of subjects related to M&E practices.
- ***Providing operational oversight regarding standards and quality of evaluation practices.*** That is, the planning, conduct, and reporting on evaluation undertaken in individual departments, in effect, the evaluation products themselves.
- ***Supporting the integration of results information into decision-making at the center.*** This is done through analysis and advice to TBS program analysts.<sup>8</sup>

With the new 2009 Evaluation Policy, TBS now has the potential to direct the conduct of government-wide evaluation studies, through the establishment of a Government Program Evaluation Plan.<sup>9</sup>

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<sup>8</sup> The intent of TBS, through the 2009 Evaluation Policy, is to link evaluation more closely with program funding decisions and the broader Expenditure Management System.

<sup>9</sup> It should be noted that the government has allowed for a four-year transition period for the implementation of the 2009 Evaluation Policy, that is, with an expectation of full implementation by March 31, 2013. The result is that to date there is little/no experience with some elements of the policy, such as the introduction of centrally directed evaluations.

TBS also provides formal guidance and proactive support to departments to assist in the development of department- and program-level Performance Measurement Frameworks and ongoing performance monitoring systems. Additionally, TBS plays an oversight role regarding the annual (and mandatory) performance reporting to Parliament required by all federal departments and agencies. In this process, TBS reviews every Departmental Performance Report prior to its tabling in Parliament.

For individual government departments and agencies, deputy ministers (or deputy heads) are required to provide dedicated resources for establishing an evaluation capacity appropriate to the size and needs of their organization. While there is flexibility in the resourcing of the evaluation function, the central agency (TBS/CEE) monitors this, as well as ensures that each department puts into place the evaluation infrastructure required under the policy, including a senior-level Evaluation Committee; annual and multiyear planning for evaluation; a departmental Evaluation Policy reflective of the government's policy; and, the mechanisms needed for follow-through on delivery of credible evaluation products.<sup>10</sup>

Part of the evaluation infrastructure in any department is the evaluation unit, led by the "head of evaluation." This position plays a pivotal role in ensuring that the requirements of the government's policy as well as the priorities of the deputy head are reflected in the work of the departmental evaluation function. The position generally reports to the deputy head or, at least, to help ensure independence of the departmental evaluation function, has unencumbered access to the most senior official in the department.

Deputy heads of departments are also accountable for establishing a corporate performance framework (the so-called Management Resources and Results Structure, or MRRS) that links all programs of the department to the expected outcomes. This then serves as the basis for performance monitoring and reporting and its development is watched closely by TBS to ensure adherence to the MRRS policy of government. Performance monitoring is an ongoing responsibility of individual program managers, though development of the underlying program logic model and identification of appropriate performance indicators often comes about with the assistance of the evaluation specialists. In theory, ongoing performance monitoring will provide much of the needed data for the eventual evaluation of a program; in practice, though, this does not always happen.

The national audit office, the Auditor General of Canada, also plays an important role in providing oversight of the effectiveness of evaluation and performance reporting, that is, by examining the use of the function across the system and the quality of performance reporting. As an independent auditor, and by reporting directly to Parliament, the reports of the AG serve to raise the profile of M&E and its use in the public sector. Its reports generally receive public attention and provide constructive advice to individual departments as well as to the central agency. Historically, the AG has been a strong supporter of the central agency role as a champion and facilitator of departmental evaluation.<sup>11</sup>

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<sup>10</sup> Department-level evaluation infrastructure is described further in section 3.3.

<sup>11</sup> The current AG has stated that "the evaluation of effectiveness is absolutely critical to making good decisions about program spending so that we can know whether programs are actually getting the results

The other key group implicated by M&E is represented by elected officials. Parliamentarians may be exposed to M&E information in various ways: via the annual tabling of Departmental Performance Reports and the strategic-level report, *Canada's Performance*; through more detailed discussions that may take place in the context of a parliamentary committee; or via discussion among TBS ministers on programs seeking funding renewal or broader-based expenditure review exercises. Often, though, more public exposure is given (via the media) to results emanating from internal and external audits of government operations.

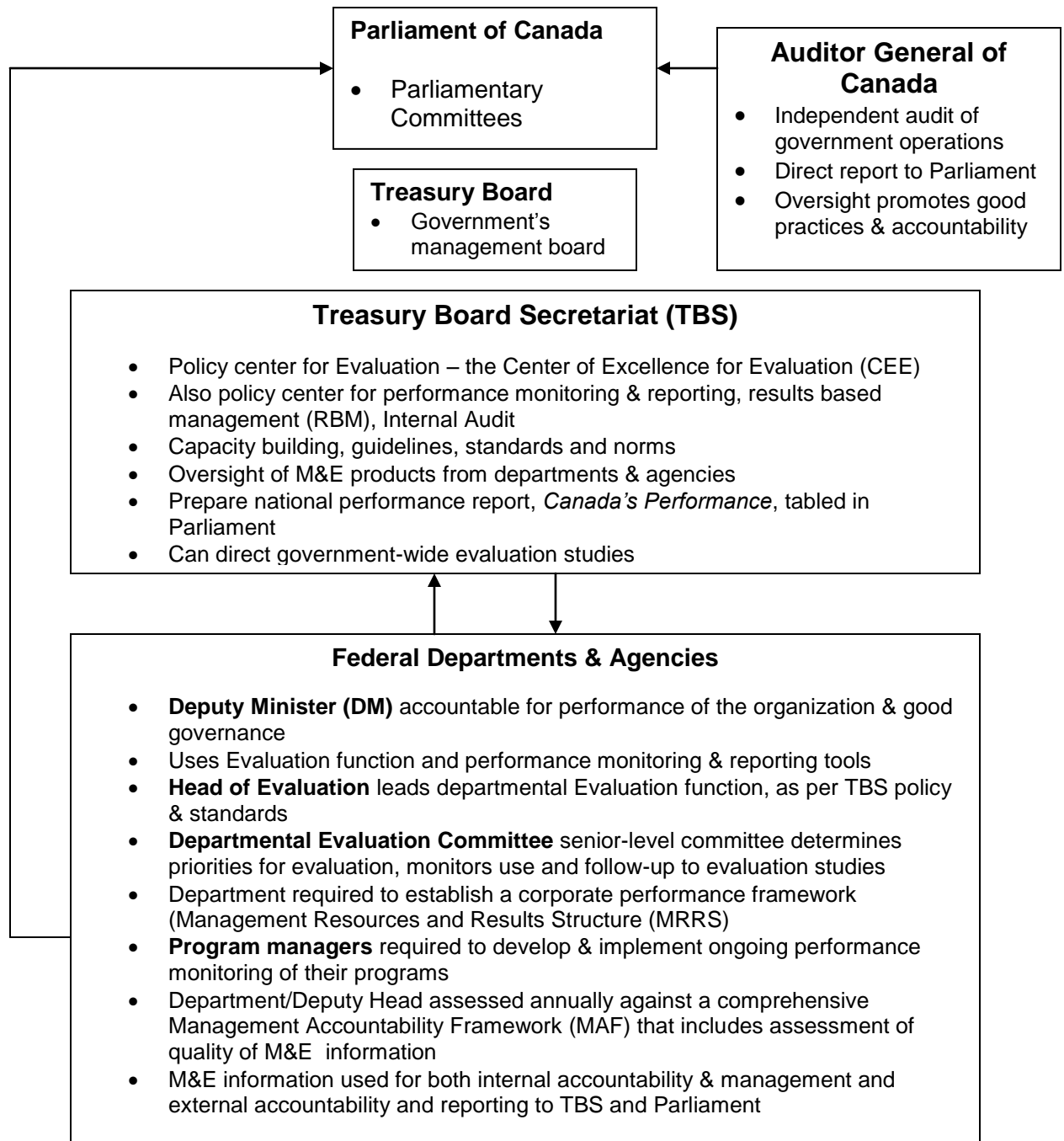
Over the past thirty-plus years, the major impact on the M&E system from elected officials has derived less from the demands of parliamentarians and more from the public sector reform agenda (including the pressures of fiscal restraint) of the government of the day. This has clearly had an impact on the direction and resourcing of evaluation and performance monitoring across the public sector.

Figure 1 provides an overview of the Canadian M&E system.

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that were intended . . . This is even more critical in the current economic times we are going through because government does have to make difficult choices, and it should be making those decisions based on good information. So when we look at the various areas we think are important in the management of government, we think that the evaluation function is really important" (May 4, 2010, appearance of Auditor General Sheila Fraser before the Standing Committee on Public Accounts).

**Figure 1. An Overview of the Canadian M&E System**



### 3.3 The Organization of M&E in a Government Department

As noted above, the model for the use of performance monitoring and evaluation in the Canadian system relies on both a strong central presence (in setting the policy, standards, and guidelines



for both monitoring and evaluation and overseeing their implementation in departments) and a significant investment in every government department<sup>12</sup> to build the capacity needed to deliver on those central requirements for credible M&E.

Performance monitoring provides managers with an ongoing assessment of how programs are performing, while evaluation provides a deeper understanding of performance and whether adjustments might be needed. Both serve to advise deputy heads on how well their departments are functioning and inform parliamentarians on the performance of government operations.

In effect, the responsibility for M&E in a government department falls on both technical staff (i.e., evaluators) and nontechnical officials (i.e., program and senior managers) in the department. The intent is that M&E becomes integrated into the decision-making of the department and serves as a key driver in moving the organization toward a results culture.

To make this happen, the administrative policies of government require that every department put in place the following in support of M&E.

*For ongoing performance monitoring:*

- A corporate performance framework that shows how all programs of the department link to departmental outcomes. In effect, a macro logic model; this so-called Management Resources and Results Structure (MRRS) serves as the basis for identifying relevant results-oriented indicators that ultimately represent the key elements of performance monitoring & reporting at the level of the department;
- At a program level, a Results-based Management and Accountability Framework (RMAF),<sup>13</sup> which serves to map out program theory or logic and, much like the MRRS, serves as the basis for performance monitoring at the level of the individual program.

*For evaluation:*

- Dedicated resources for creating a stand-alone evaluation unit within the department or agency, either reporting directly to or with access to the Deputy Minister;
- A requirement to establish a departmental Evaluation Policy that aligns with the government's Evaluation Policy, including requirements for making evaluation reports publicly accessible;

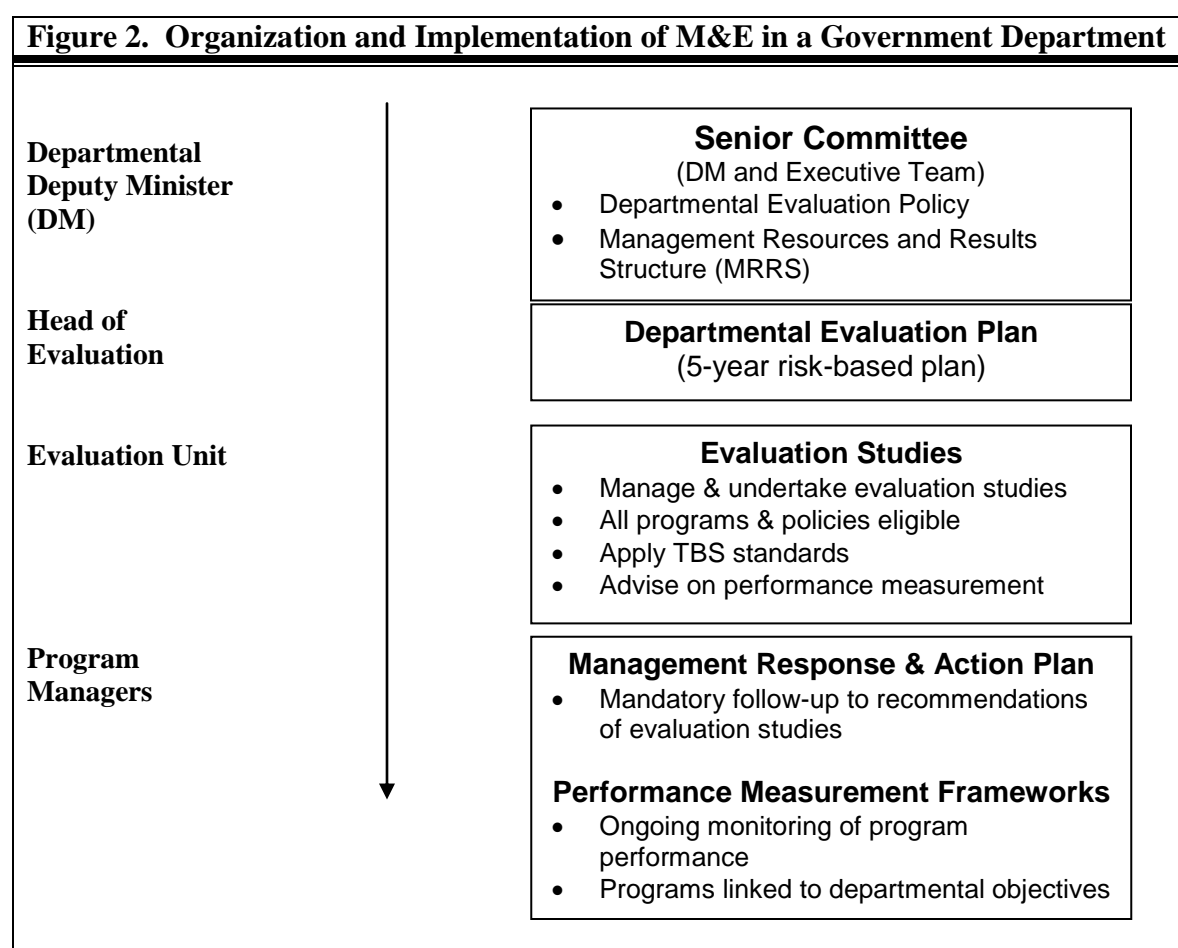
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<sup>12</sup> Canadian departments and agencies have flexibility in determining the level of investment that is needed and appropriate for their department so as to meet the requirements of the government's Evaluation Policy. This, of course, is monitored by the central agency through the annual MAF assessment of departmental performance. With the new 2009 Evaluation Policy, smaller departments and agencies have special provisions, although they still must meet the broad requirements of the government's policy.

<sup>13</sup> Also known as Performance Frameworks or Performance Management Frameworks, the common concept is to map program theory or logic to show how program activities eventually lead to the expected results (outputs and outcomes) envisaged by program planners.

- Establishment of appropriate mechanisms to develop annually a corporate Evaluation Plan and comprehensive Multi-Year Evaluation Plan, based on a five-year cycle and risk assessment to establish priorities for evaluation;<sup>14</sup> and,
- A requirement to establish a senior-level Evaluation Committee, chaired by the deputy minister or equivalent, to oversee the conduct of evaluation within the department and serve as a forum to review and approve Evaluation Plans, reports, and follow-up use of evaluation by managers. Specific roles and responsibilities of the Evaluation Committee are identified in the government's *Policy on Evaluation*.

Figure 2 gives an overview of the organizational arrangements for M&E within a government department.



<sup>14</sup> Risk assessment to determine priorities for evaluation is conducted within each department by the department's head of evaluation. Departments are given the latitude to determine the risk criteria relevant to their context. These could include such factors as: corporate risks the department faces in achieving its business objectives; size of the population that could be affected by nonperformance of a program; management assessment of operational risks faced by the individual program; materiality of the program; public exposure; date of last evaluation or review; formal requirements for evaluation; etc.

### 3.4 Incentives to Promote and Help Drive the M&E System

The current state of the M&E system is one that has evolved over time, as the central designers have recognized that the development and implementation of M&E is long-term and iterative. This puts emphasis on the process of implementation as an important mechanism in itself in developing an evaluation culture or results culture in an organization and across the full system.

A number of centrally driven administrative policies introduced over the 1990s and 2000s have served as key drivers for both monitoring and evaluation. Some, such as the government's renewed Evaluation Policy or the policy introducing program-specific Results-based Management and Accountability Frameworks (RMAFs) have had a direct impact on building M&E capacity in departments. Others, such as the government's Policy on Transfer Payments or the introduction of the DPR to inform parliamentarians, though serving broader needs, have also generated demand for systematic and credible performance information.

A listing of key government initiatives that have served to drive the development of M&E in Canada, in one way or another, over the last 15 years is given in table 2. Collectively, these do *not* represent a master plan for M&E. What they do reflect is the government's long-term and ongoing commitment to build a results orientation into public sector management. There is a recognition that, to make this happen, performance monitoring and evaluation would be critical tools for both departmental managers and the central agency.

An important point to note regarding the implementation of these various initiatives is that many have generally been phased in (i.e., piloted in select departments) so as to allow a period for learning and adjustment prior to their system-wide roll-out.

<b>Table 2. Government Initiatives That Have Served as Incentives to Drive the Use of M&amp;E</b>	
<b>Initiative (year introduced)</b>	<b>Impact on M&amp;E</b>
Government Management Agenda, <i>Results for Canadians</i> (2000)	<ul style="list-style-type: none"><li>• The management agenda is built on four priorities: citizen focus, public service values, managing for results, responsible spending</li><li>• M&amp;E identified as key tools to help departmental managers deliver on <i>Results for Canadians</i></li></ul>
Federal Accountability Act (2006)	<ul style="list-style-type: none"><li>• Legislation that increases scrutiny of program performance</li><li>• Requirement that all grant-and-contribution programs be reviewed over a five-year period<sup>15</sup></li></ul>
Management Resources and Results Structure (2005)	<ul style="list-style-type: none"><li>• Administrative policy requires all departments and agencies to establish a corporate performance framework that links all programs of the organization with expected outcomes of the department</li><li>• Serves as the basis for identification of relevant performance measures and development of a corporate-level monitoring system</li></ul>

<sup>15</sup> Over the last three years (until March 31, 2010), some 68 percent of all grants and contribution programs have been evaluated, suggesting that departments are on track to meet the 100 percent coverage requirement of the Federal Accountability Act.

Report on Plans and Priorities, and Departmental Performance Report (mid-1990s)	<ul style="list-style-type: none"> <li>• The basis for formally reporting to Parliament annually by each department</li> <li>• Raises the profile and transparency of departmental performance</li> <li>• Provides a common platform and incentive to improve the results-oriented monitoring and reporting system of the department</li> </ul>
Government's Evaluation Policy (1977; renewed – 1991, 2001, 2009)	<ul style="list-style-type: none"> <li>• Clarifies expectations, roles, and responsibilities regarding systematic and comprehensive evaluation across government</li> <li>• Provides high-level standards and norms for departments to replicate</li> <li>• A basis upon which to monitor conduct and use of evaluation in government departments</li> </ul>
Policy on Transfer Payments (2000; renewed in 2008)	<ul style="list-style-type: none"> <li>• Introduced a formal requirement to evaluate all grant-and-contribution programs seeking funding renewal</li> <li>• Formalized development of program performance frameworks</li> <li>• Implicated program managers as accountable for monitoring</li> </ul>
Results-based Management and Accountability Frameworks (2000)	<ul style="list-style-type: none"> <li>• Established expectations and understanding around performance and evaluation planning</li> <li>• Basis for M&amp;E capacity building</li> <li>• Provides the basis for derivation of results-oriented measures</li> </ul>
Strategic Expenditure Reviews (2007)	<ul style="list-style-type: none"> <li>• Central requirement for all departments to review the relevance and performance of all program spending every four years to identify low performers/priorities</li> <li>• Reliance on objective evidence-based information, including evaluation studies</li> </ul>
Expenditure Management System (2007)	<ul style="list-style-type: none"> <li>• Framework for identifying &amp; implementing government's spending plans in support of its priorities</li> <li>• Increases the focus on results and value-for-money to inform priority-setting and decision-making</li> </ul>
Management Accountability Framework (2003)	<ul style="list-style-type: none"> <li>• Identifies for all managers a comprehensive set of expectations regarding performance of their organization, including M&amp;E requirements</li> <li>• A tool to monitor departmental compliance with central M&amp;E requirements</li> <li>• Annual assessment engages deputy head of every department/agency</li> </ul>

It must be said that additional incentive helping to drive a well-performing M&E system is the ongoing *oversight* roles played by both the AG and the central agency.

The AG periodically conducts a system-wide audit of the implementation of the government's Evaluation Policy or the quality of results measurement and reporting. The results of these audits are reported directly to Parliament and generally receive high media coverage, particularly if the findings point to issues with the effectiveness of government policies and/or need for change. This high public profile raises an awareness of the importance and use of M&E in the public sector and also whether or not senior officials need to address deficiencies with any of the government's policies related to M&E.

A more indirect impact reinforcing the importance of M&E comes from the annual AG audits of various departmental operations. Individual departments and programs come under the scrutiny of the AG and, as above, serve to increase the transparency and accountability of government operations, ultimately promoting good governance and management practices in departments. The independence of the AG and its public reporting to Parliament are key elements for the external auditor.

The TBS also provides an operational-level oversight of M&E that is both system-wide and ongoing, and is an important component helping to drive/reinforce M&E across the system. Monitoring the implementation and use of evaluation in individual departments (conducted by the TBS Center of Excellence for Evaluation) and performance reporting in DPRs, all government departments come under the scrutiny of the central agency. The annual Management Accountability Framework (MAF) exercise, where, among other things, each department's M&E capacity is assessed against benchmarks, provides a vehicle for dialogue between the central agency and senior departmental officials, pointing to areas where improvements may be needed.

## 4. Key Features of the Canadian M&E Model

The eight elements that characterize the Canadian M&E model are listed in table 3.<sup>16</sup>

Table 3. Eight Key Features of the Canadian M&E Model
<ol style="list-style-type: none"> <li>1. An emphasis on <i>both</i> monitoring and evaluation;</li> <li>2. Internal evaluation units in most federal departments, with central leadership;</li> <li>3. A well-defined foundation to set the rules and expectations for evaluation—policy, standards, and guidelines;</li> <li>4. Checks and balances to support the independence/neutrality of the evaluator;</li> <li>5. Oversight mechanisms to reinforce credibility and provide quality control;</li> <li>6. Flexibility and a willingness to learn and adjust;</li> <li>7. Transparency as an underlying value of the system; and</li> <li>8. An ongoing commitment to capacity building.</li> </ol>

To better understand how the various parts of the Canadian M&E model fit and work together, each of these eight elements is discussed briefly below.

<sup>16</sup> While the practice of evaluation and the use of performance monitoring information in Canada can be described in different ways (particularly if one is making a distinction between different levels of government), the Canadian M&E model, as practiced at the federal level, can be characterized by these eight elements.

## 4.1 An Emphasis on *Both* Monitoring and Evaluation

The Canadian M&E system is notable for having a balanced emphasis on *both* ongoing performance monitoring *and* the conduct of planned evaluations.

Where deputy heads of government departments or agencies are accountable for high organizational performance and for delivering on expected results for their department, they do have some flexibility in the resourcing of these tools, appropriate to the size and needs of the organization.

There is an expectation, however, from the central agency that departments use both ongoing monitoring of their programs as well as evaluation studies (and internal audits) to support good governance and management practices.

Program managers are accountable for putting into place relevant results-based monitoring systems. Evaluation specialists within departments are accountable for the more probing evaluation studies. Most evaluation studies are carried out by evaluation units that are internal to departments, though the new 2009 Evaluation Policy allows for centrally driven and government-wide evaluations. Additionally, the more recent strategic reviews are not formal evaluations per se, but really represent a compilation of performance information and other intelligence from a wide variety of sources (one of which is the set of relevant evaluation studies).

Both evaluation and performance monitoring are seen by TBS as important inputs to the annual reporting exercises of departments to Parliament, and considerable time and effort has been expended by the central agency to provide appropriate guidance to both technical experts and program managers across government.

While performance monitoring is seen as the responsibility of program managers, increased emphasis has been placed on evaluators in departments to lend their technical expertise and work more closely with program managers to assist/facilitate the development of performance measurement and monitoring systems. In general, the goal is for ongoing performance monitoring to provide much of the data needed for the in-depth evaluations that are eventually carried out on a cyclical basis.

Figure 3 illustrates the dual elements of an M&E system within a Canadian government department.

**Figure 3. M&E Components within a Canadian Government Department**

**Performance Monitoring**

(Program managers)

**Departmental Performance Report (DPR)**

(External reporting on performance to TBS & Parliament)

**Management Resources and Results Structure (MRRS)**

- Key elements of the corporate architecture
- Programs linked to expected departmental outcomes
- Corporate measures of performance/success

**Program-specific performance frameworks**

- Program theory/logic(RMAFs)
- Monitoring program performance

**Evaluation**

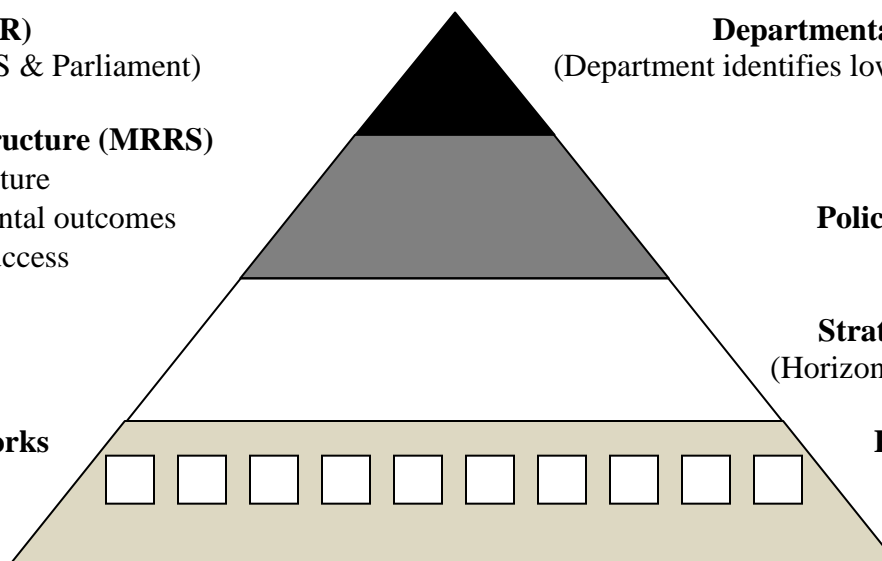
(Evaluators)

**Departmental Strategic Review**  
(Department identifies low performers/priorities)

**Policy Evaluation**

**Strategic Evaluation**  
(Horizontal or cross-program)

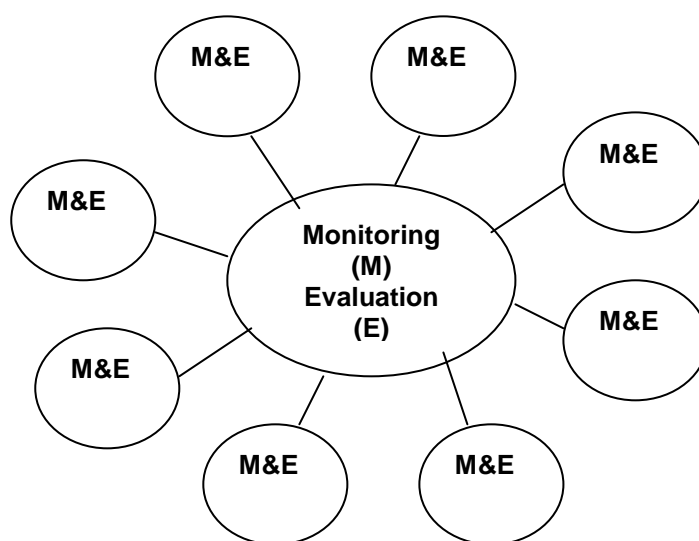
**Program evaluation**  
(5-year cycle)



## 4.2 Internal Evaluation Units in Most Federal Departments, with Central Leadership

A feature that makes the Canadian model stand out from many other countries is the structure of the model—internal evaluation units in most federal departments, with central leadership.

**Figure 4. M&E Model: Departmental Delivery – Central Leadership**



The model of departmental delivery – central leadership derives in large part from the dual notions of “letting the managers manage,” but also “making them accountable.” Both evaluation and monitoring are seen as key tools to help both management and accountability.

In this model, the rule-setting is done by the center, the TBS. To assist not only the rule-setting, but also the capacity-building needs and oversight responsibilities of the system, the TBS Center of Excellence for Evaluation serves as the policy center for evaluation across government, a unique feature when compared with many countries.

In addition, it was recognized in the 1990s, when performance monitoring was becoming increasingly popular, that formal guidance and leadership would be required for not only the monitoring, but also the reporting on performance to senior officials and parliamentarians. Policy areas were thus established in TBS to also provide guidance and oversight in these areas. Together with the CEE, all represent the central leadership, which guides the performance measurement and reporting aspects of results-based management and the results-orientation of government.



### 4.3 A Well-Defined Foundation to Set the Rules and Expectations for Evaluation

The formality of M&E requirements, embedded as they are in administrative policies, has represented one of the strengths of the Canadian model over time because there has been an ability to adjust and improve the policies and directives as more experience is gained with the M&E system. Additionally, this has allowed for clarity around the rules of accountability and the implementation and use of oversight mechanisms.

**Table 4. Government-wide Requirements for Performance Monitoring and Evaluation**

**How formal is the basis for the M&E requirements?**

- M&E requirements are largely based on administrative policies (allows more flexibility than legislation to modify and improve the policy as experience is gained over time)
- Identifies roles and responsibilities for all the key players and expectations for the system
- Current basis relies on several centrally administered policies and procedures: Evaluation Policy; annual requirement to report to Parliament through the DPR; Management Resources and Results Structure (MRRS) Policy requiring each department to develop a corporate performance framework and reporting structure; Policy on Transfer Payments (revised 2008); program & strategic-level Performance Frameworks (RMAFs); annual departmental assessment by TBS through the Management Accountability Framework (MAF) process; Cabinet Directive on Streamlining Regulation (2007) requiring the monitoring of performance and periodic evaluation of regulations.

### 4.4 Checks and Balances to Support the Independence/Neutrality of the Evaluator

All large and medium-sized federal departments in Canada have evaluation units that carry out or commission the evaluation studies of government. Historically, these evaluations have focused on *programs* of government (addressing such issues as their performance; their delivery; cost-effectiveness; areas for program improvement; continued need for the programs; etc.). Since 2001, higher-level *policy* or *strategic* evaluations have been included within the evaluation universe of all departments.<sup>17</sup>

To reinforce the independence of evaluators, so that they may “speak truth to power” and ensure that these internal evaluations are indeed credible and objective, the Canadian model has put into place certain infrastructure and oversight mechanisms. Some of these elements are instituted at the level of the individual department, others are instituted and enforced centrally. All are intended to reinforce the independence/neutrality of the evaluation process and the reporting on the findings, conclusions, and recommendations of the evaluation study.

<sup>17</sup> The new 2009 Evaluation Policy allows for centrally directed evaluation studies. It also rearticulates the core issues to be addressed in evaluations: (i) continued need for the program; (ii) alignment with government priorities; (iii) alignment with federal roles and responsibilities; (iv) achievement of expected outcomes; and (v) demonstration of efficiency and economy.

A listing of some of the main checks and balances that help reinforce and maintain the independence or neutrality of the evaluator is provided in table 5.

<b>Table 5. Checks and Balances to Support the Independence/Neutrality of the Internal Evaluation Unit</b>
<b>Elements instituted at the level of the department:</b>
The deputy head of a government department (per the requirements of the government's Evaluation Policy) is responsible for establishing an internal evaluation function that is both "robust" and "neutral" (see below for the definition of "neutral").
The policy requires that the evaluation function (and head of evaluation) has "direct and unencumbered access" to the deputy head of the individual department or agency, to help ensure independence/neutrality/impartiality in the conduct and use of evaluation results.
The government's "Directive on the Evaluation Function" outlines the principle that "heads of evaluation, as primary departmental experts in evaluation, have final decision-making authority on technical issues, subject to the decision-making authority of deputy heads."
Each department has a senior-level Departmental Evaluation Committee in place that plays a variety of roles regarding evaluation planning, conduct, and follow-up, including assessment of the performance of the internal evaluation function.
The head of evaluation is encouraged by the government's policy to make use of advisory committees, peer review, or external review panels (independent experts, for example), as appropriate, for the planning and conducting of individual evaluation studies.
<b>Elements instituted government-wide and enforced centrally:</b>
The government's Evaluation Policy stresses the neutrality of both the evaluation function and the evaluator ("impartiality in behavior and process"). This is specifically defined in the policy document.
Standards for evaluation identify four broad requirements intended to ensure that evaluations produce results that are credible, neutral, timely, and produced in a professional and ethical manner.
The government's central evaluation policy center, the TBS Center of Excellence for Evaluation, stresses neutrality in its communications and presentations on the implementation of the Evaluation Policy.
An operational-level oversight is provided through the ongoing monitoring of the evaluation function and departmental evaluation studies by the TBS/CEE.
An annual assessment of each department by TBS (through the Management Accountability Framework, or MAF process) includes an assessment of monitoring and evaluation in the department.
The office of the Auditor General of Canada (AG) carries out an oversight role through its periodic audits of the implementation of the government's Evaluation Policy and the quality of performance reporting. As an independent body reporting directly to Parliament, the AG reports represent a very public disclosure of information which reinforces both the independence of the function and transparency.

It should be noted that, in its 2009 revision to the Evaluation Policy, the Canadian government dropped the word “independence” and replaced it with “neutral,” defined as:

*. . . an attribute required of the evaluation function and evaluators that is characterized by impartiality in behavior and process. In carrying out their evaluation responsibilities evaluators do not allow official, professional, personal, or financial relationships or interests to influence or limit the scope of the evaluation or evaluation questions and the rigor of their methodology, limit disclosure, or weaken or bias findings. In addition, they will not allow preconceived ideas, prejudices, or social/political biases to affect their analysis; the development of evaluation findings, conclusions, recommendations; and the tone and content of an evaluation report.*<sup>18</sup>

The rationale for replacing the word “independence” and introducing “neutral” into the lexicon of government evaluators was partly to ensure that, in carrying out their business, evaluators would not operate at arm’s length from key stakeholders (as say an internal auditor might, so as to maintain independence).

It is formally recognized in the government’s Evaluation Policy that stakeholders, including managers whose programs are being evaluated, need to be implicated in the conduct of the evaluation, during both the design and implementation phases. Front-end consultation with program managers and stakeholders will help ensure appropriate scoping of an evaluation. Moreover, managers will benefit from the knowledge and learning generated from the evaluation process and likely be more comfortable in implementing recommendations stemming from an evaluation report if there is a sense of trust and fairness in the process. As the definition above suggests, the focus, however, is still on producing credible and objective results from the conduct of an evaluation, neither of which should be lost if an appropriate set of checks and balances has been put into place and into practice.

#### **4.5 A Strong Set of Oversight Mechanisms to Reinforce Credibility and Provide Quality Control**

Oversight mechanisms in the system serve as a challenge function and, in the process, provide quality control and help reinforce the credibility of the system.

Oversight in the Canadian model is implemented at three levels:

- (i) The level of an individual evaluation study,
- (ii) An organizational (department/agency) level, and
- (iii) A whole-of-government level.

In this regard, the two key players are the TBS Center of Excellence for Evaluation and the Auditor General of Canada.

At an operational level, the CEE monitors the planning and conduct of evaluation in all departments, including evaluation coverage and quality of individual evaluation studies. Performance monitoring, in general, is monitored by the Treasury Board Secretariat, both at the time of the development and approval of a department’s MRRS, the basis for its corporate performance reporting, and annually during the review of

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<sup>18</sup> Treasury Board of Canada Secretariat (2009), *Policy on Evaluation*.

Departmental Performance Reports, which are submitted to TBS by each department prior to their tabling in Parliament.

Additionally, since 2003, TBS assesses each department/deputy head annually against a number of criteria (including the use of results and performance information). This is the annual Management Accountability Framework or MAF process which is linked to compensation received by deputy heads.

Periodically, TBS monitors the health of the evaluation function across government, as it did prior to the introduction of the revised Evaluation Policies in 2001 and again in 2009. With the 2009 policy though, the TBS Center of Excellence for Evaluation is now tasked with monitoring and formally reporting on the health of the evaluation function on an annual basis.

At a whole-of-government level, the Auditor General of Canada conducts periodic performance audits that monitor the effectiveness of M&E implementation across the full system. This is important since the AG, as an Officer of Parliament, is independent and reports directly to Parliament.

The AG performance audit is also notable since such audits serve to raise the profile of the importance and role of M&E in public sector management and catch the attention of parliamentarians, both at the time of reporting and in follow-up discussions that may take place in the Public Accounts Committee.<sup>19</sup>

Additionally, as public documents, the media regularly reports on the results of AG audits, giving wide public attention, particularly if a critical issue has been raised in the AG report. This broad public disclosure and raised profile can be an important element to support the M&E system.

Table 6 identifies the years when the AG has carried out a performance audit of evaluation in government. It is evident that, in spite of progress being noted in the evaluation function at various points over the past thirty-plus years, the system can and indeed did suffer some setbacks, as was the case in the 1990s when fiscal restraint negatively impacted the function. The AG's report raised these issues in a very public way and helped trigger change to improve/strengthen the evaluation function.

<b>Table 6. AG Performance Audits of Evaluation in Government</b>	
<b>Year of AG audit</b>	<b>Nature of audit findings<sup>a</sup></b>
1978	One year after original Evaluation Policy implemented. Still early implementation. Few attempts at effectiveness evaluation in government.
1982	Improvement in effectiveness evaluation, but some problems arise with quality.

<sup>19</sup> For example, as follow-up to the 2009 report of the AG, the Standing Committee on Public Accounts brought together all the principals to discuss the AG's chapter on "Evaluating the Effectiveness of Programs." This provided the all-party committee the opportunity to question senior officials in the central agency and government departments (as well as the AG herself) about effectiveness evaluation and how the system is responding to the recommendations of the AG's report.

1986	Follow-up to the 1982 audit. Finding of some improvements.
1993	Expectations for evaluation only partly being met.
1996	Follow-up to the 1993 audit.
2000	Evaluation function had regressed due to funding cutbacks across government.
2009 <sup>a</sup>	Capacity improving, but more (human resources and central support) needed. Evaluation coverage (programs, policies) still too limited and issue of effectiveness not always addressed.

a. Audit findings are based on a sample of departments. For example, the 2009 audit by the Office of the Auditor General examined evaluation units in six departments and, in the process, reviewed 23 evaluation reports. More detailed findings are found in the original reports of the Auditor General of Canada. See [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca).

Table 7 provides summary information about the key oversight mechanisms, in place both centrally and in departments and agencies, that serve to provide a quality-control component to the M&E system.

<b>Table 7. Key Oversight Features That Reinforce Credibility and Quality of the M&amp;E System</b>
<p><b>What quality control and oversight mechanisms exist?</b></p> <ul style="list-style-type: none"> <li>• The TBS Center of Excellence for Evaluation monitors the planning and conduct of evaluation in all departments, including evaluation coverage and quality of individual evaluation studies.</li> <li>• Within individual departments, heads of evaluation units are responsible for reviewing and providing advice to program managers and senior officials on performance measurement frameworks and strategies at the level of individual programs as well as the organization's corporate performance framework embedded within the MRRS.</li> <li>• An annual report to senior officials on the state of performance reporting is also issued by the head of evaluation in each department (a new requirement of the 2009 Evaluation Policy).</li> <li>• TBS reviews annually the incoming performance reports from each department/agency prior to their tabling in Parliament.</li> <li>• Through the Management Accountability Framework (MAF) process, TBS assesses each department/deputy head annually against a number of criteria (including the health of the departmental evaluation function and the use of results and performance information by the department).</li> <li>• The Auditor General of Canada conducts periodic audits of how well the Evaluation Policy is being implemented across government, assesses the state of results-based performance, reporting, and issues public reports to Parliament on the findings and recommendations.</li> <li>• A formal requirement was introduced in 2009 to conduct an evaluation of the government's Evaluation Policy every five years.</li> </ul>

## 4.6 Flexibility and Willingness to Learn and Adjust

Flexibility (that is, avoiding a one-size-fits-all approach) has been a hallmark of the M&E model in Canada.

Traditionally, allowance has been made for the unique conditions of organizations in implementing the government's Evaluation Policy. As a result, departmental evaluation units range in staff size from one individual up to some 60 evaluators, with contract budgets for hiring external consultants ranging anywhere from zero to over \$8 million.<sup>20</sup>

Evaluation standards and directives also recognize that the scope and depth of evaluation studies can vary significantly depending on the risks, priorities, and nature of the program under study. For example, the time to carry out an evaluation will depend on, among other things, the complexity of methods and issues being assessed.<sup>21</sup>

Along with this flexibility has been recognition of the need to learn and adjust, as required—in other words, a willingness to pilot new requirements and adjust as needed, before the government-wide roll-out. This approach was used in introducing the concept of corporate performance reports, with several adjustments to the guidelines and directives being introduced through the late 1990s and early 2000s.

The fact that the government has had four versions of its Evaluation Policy over the past 34 years is also testament to a willingness to move away from the status quo. This has indeed been made easier by the fact that the government-wide requirements for evaluation are largely based on administrative policies, rather than embedded in legislation.

## 4.7 Transparency as an Underlying Value of the M&E System

To be effective, the use of M&E must evolve into the culture of organizations. For this to happen, there needs to be an enabling environment in organizations and, indeed, across the whole system. Part of this enabling environment rests with a willingness to carry out performance monitoring and evaluation of government programs in full public view.

In Canada, transparency is a critical dimension underlying the government's M&E system. The 2009 Evaluation Policy, for instance, makes officials accountable for “ensuring that complete, approved evaluation reports along with management responses and action plans are made easily available to Canadians in a timely manner while ensuring that the sharing of reports respects the Access to Information Act, the Privacy Act, and the Government Security Policy.”<sup>22</sup>

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<sup>20</sup> As an average of all federal departments, the salary for internal evaluators represents some 25 percent of all funds spent on evaluation in a department. Source: Center of Excellence for Evaluation, February 2006.

<sup>21</sup> Most recent figures show just over one-half of all evaluations being completed in one year or less, and just under one-half taking more than a year to complete. Source: Center of Excellence for Evaluation, January 2007.

<sup>22</sup> Treasury Board of Canada Secretariat (2009), *Policy on Evaluation*.

Public disclosure laws have played an important role in increasing the accessibility of M&E studies to the general public, including the media. Additionally, reports of the AG have increased public focus on performance/results of government programs. Added to this is the increasing access to and use of departmental and central agency websites where M&E information is made accessible to the general public. These and other factors, identified in table 8, have played an important role in increasing transparency in the Canadian model.

**Table 8. How Transparent Is the M&E Information?**

- Government Evaluation Policy stresses the importance of transparency. Formal requirement to post all evaluation reports on the departmental website.
- Annual Departmental Performance Reports, tabled in Parliament, are public documents.
- Parliamentary committees and other parties can access any evaluation report, providing committees with information allowing for open debate on the performance and utility of specific government programs.
- Annual reports of the Auditor General are very public and generally receive wide attention in the media.
- Access to Information (ATI) legislation requires compliance with all external requests (general public, media, etc.) for public disclosure of government documents (some exceptions). Each federal department and agency has a formal ATI unit that is required to respond in a timely fashion to all information requests.
- Over time, the media has made increasing use of this access to publicize certain findings of particular audit or evaluation studies. Nongovernment researchers often access and use evaluation and performance information.
- A separate federal organization, the Information Commissioner of Canada, which is independent and reports directly to Parliament, exists to “ensure that individuals' rights to information under the Access to Information Act (ATIA) are respected and that government operates within a culture of transparency and fairness,” serving as “an impartial intermediary between complaints and federal institutions.” The Information Commissioner issues an annual public report on information access. See [www.infocom.gc.ca](http://www.infocom.gc.ca).

## 4.8 An Ongoing Commitment to Capacity Building

Evaluation studies in the Canadian government are typically conducted by the evaluation units internal to specific departments. Ongoing performance monitoring and reporting is generally the responsibility of program managers, though the roll-up (for instance, into an annual Departmental Performance Report) may rest with a corporate function in the organization. This implies that within organizations, there are typically three broad groups needing some level of familiarity with M&E and, over time, a requirement for some level of M&E training/orientation:

1. *Evaluators* need the most in-depth technical training, which often involves social science research methods, survey research, and other specialized training. “Growing” evaluators typically represents a long-term training

commitment and substantial on-the-job experience to gain the skills set and needed experience.

2. **Program managers** responsible for developing and putting in place ongoing performance monitoring systems do not require the same depth of training as an evaluator, but they do need some level of instruction regarding the development of performance frameworks and the derivation of performance indicators. Since the Canadian system is based on a results-based approach to performance measurement, the development of program logic models and results chains represents a key component of this training.
3. **Senior officials** need substantially less M&E training, but do need some orientation about the concepts and practices of M&E and an understanding of the potential benefits and commitment (in time and investment) required to develop and implement a sustainable M&E system.

Over the years, the Canadian system has relied on several sources for training, starting with centrally led training/workshops offered by the TBS. With the reactivation of the CEE in 2001, a considerable focus has been put on community development, resulting in a variety of initiatives, many of them aimed at entry and mid-level training (for example, the establishment of an entry-level internship program; and, ongoing workshops aimed at both technical practitioners and nontechnical managers to orient officials to the development of results-based performance frameworks).

The Canadian M&E model though is based on having in place a large number of evaluators. Currently, there are over 500 individuals<sup>23</sup> working in internal evaluation units (and in designated evaluator positions) across government. In spite of this number, it is generally the case in most departments that the internal evaluation units are employing the services of external evaluators from the private sector to assist (in whole or in part) the conduct of evaluation studies. Oversight to ensure that the standards and norms of evaluation are being adhered to thus becomes an important role for the CEE.

The private sector and the professional associations (Canadian Evaluation Society, or CES and the Performance and Planning Exchange, or PPX) play an important role in offering valuable training and development opportunities for M&E development. The professional associations also play an important role in terms of establishing professional networks that represent cost-effective mechanisms for learning from the experience of others through the sharing of lessons learned. Recently, a network of universities across Canada started offering evaluation certificate programs, with a focus on specialized and more in-depth training needed to work as an evaluation practitioner.

Substantial efforts have been made over the last three years to establish a recognized set of competencies for evaluators, and with this, an accreditation program. Both the professional association (the Canadian Evaluation Society) as well as the government's

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<sup>23</sup> Source: Statement by the Secretary of the Treasury Board of Canada to the Standing Committee on Public Accounts, May 4, 2010.



CEE have worked to address the issue of further professionalizing evaluation. These efforts continue.<sup>24</sup>

Table 9 highlights some of the considerations and the many capacity-building efforts that have been undertaken by various players in the Canadian M&E system in recent years.

<b>Table 9. M&amp;E Capacity-Building Efforts</b>
<b>Who conducts evaluation studies?</b>
<ul style="list-style-type: none"> <li>• Internal evaluation units within government departments and agencies</li> <li>• New Evaluation Policy (2009) recognizes resource constraints for smaller departments and agencies – there are some special considerations, though evaluation is still a requirement</li> <li>• Central agency (TBS) may dictate a department to undertake a specific evaluation or initiate a government-wide evaluation – a new requirement in 2009</li> <li>• Individual studies may be conducted through use of internal evaluators, private sector external consultants, or a combination</li> </ul>
<b>What capacity-building efforts exist?</b>
<ul style="list-style-type: none"> <li>• Proactive M&amp;E capacity-building efforts from the central agency – a long-term investment in training/orienting and raising awareness</li> <li>• Expectation that deputy heads will resource M&amp;E to the level appropriate to their department/agency – the central agency provides both guidance as well as monitoring/oversight</li> <li>• For evaluation, creation of the CEE has provided a system-wide champion to lead various capacity-building efforts (formalized training &amp; workshops, a network/forum for heads of evaluation, etc.)</li> <li>• Professional association (Canadian Evaluation Society, or CES) actively leads or sponsors training and development locally and nationally</li> <li>• An initiative to identify competencies for evaluators, led by the professional association, has led to a program for accreditation of Credentialed Evaluators (CE), launched in May 2010</li> <li>• An increasing role being defined for universities in offering an evaluation certificate program</li> <li>• For performance monitoring and reporting, TBS has issued and updated guidelines over the years, initially working with pilot departments and phasing in the introduction of reporting requirements for departments. The strategy and intent has been to implement in pilots, learn, adjust (as required), and reissue guidelines on a broader basis.</li> </ul>

<sup>24</sup> The government's 2009 Evaluation Policy indicates that "Heads of Evaluation are required to meet competency requirements, as specified by the Treasury Board of Canada Secretariat." Implementation of this requirement is still under development though. In May 2010, the Canadian Evaluation Society (CES) introduced a professional designation for a "credentialed evaluator." This is just now being introduced across the full spectrum of public and private sector professional evaluators. See [www.evaluationcanada.ca](http://www.evaluationcanada.ca).

## 5. Performance of the Canadian M&E System

With thirty-plus years of experience, one could rightly ask how well the M&E system is functioning in the public sector in Canada, and whether the model described in section 4 above worked to increase use of M&E information across the public sector.

### 5.1 Volume of Activity: The Investment in Evaluation

The commitment to evaluation across the Canadian federal system is significant and, in response to more formal requirements of the government's Evaluation Policy, has been increasing over the past decade.

Looking at the level of funding for evaluation across the federal government, figures for fiscal year 2005–06 show actual spending on evaluation at \$32 million. While this was still below the estimated resource need of \$55 million, it had risen substantially over the 2000s.<sup>25</sup> Additionally, when figures for 2010 become available, they will likely show a sharp rise in actual investment, largely in response to the greater demands put on departments by the 2009 *Policy on Evaluation*.<sup>26</sup>

As noted earlier, senior officials in departments have the authority to determine an appropriate size and level of investment for the evaluation function within their department (though this is monitored annually by the central authorities). This has resulted in a broad range of investment in evaluation across departments, with data from 2005 showing estimates of departmental spending on evaluation as a percentage of total departmental expenditures, by government sector, at: Economic, 0.10 percent; Government Operations and International, 0.11 percent; and Social, 0.18 percent. More recent figures would likely show a rise in these percentages, largely in response to the requirement for increased program coverage by the evaluation function.<sup>27</sup>

Funding of the evaluation function could come from various sources, though departments are encouraged to establish reasonable A-base budgets for their departmental evaluation function. Figures on funding of evaluation across all federal departments for 2004–05 show that nearly two-thirds of funding for evaluation was derived from departmental evaluation units' A-base budget, and approximately one-quarter of funds came from the program areas being evaluated. The remainder represented cost-shared arrangements, with funding from both A-base and program areas.

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<sup>25</sup> Source: TBS, Center of Excellence for Evaluation.

<sup>26</sup> An example of one department that was included in the 2009 AG audit of evaluation is the Department of Citizenship and Immigration (CIC) where, over a five-year period (2004–09), the size of the evaluation unit increased from 3 staff and \$650,000 to 13 staff and \$2,000,000. The target for the CIC evaluation unit is to have 20 staff by the end of this year along with a non-salary budget of \$1.5 million (to increase to \$2 million by next year). Source: Evidence before the Standing Committee on Public Accounts, May 4, 2010.

<sup>27</sup> The 2009 TBS *Policy on Evaluation* requires 100 percent evaluation coverage every five years, of all programs represented by Direct Program Spending, that is, that fraction (some 43 percent) voted on annually by Parliament and subject to performance measurement and review. This new requirement of the policy, in effect, extends the basic principle of a 5-year cycle, which had previously been applied only to grant and contribution (G&C) programs.

## 5.2 Volume of Activity: Evaluation Coverage

One of the key drivers of the 2009 Evaluation Policy was to increase evaluation coverage so that 100 percent of the government's direct program spending (some \$112.3 billion in 2010–11) would be evaluated over a 5-year period.

In the mid-2000s, government-wide evaluation coverage every year totaled about 10 percent of all direct program spending. This measure increased to 15 percent in 2009–10.<sup>28</sup> The government, with its new policy, is targeting annual evaluation coverage of 20 percent, still a significant increase and challenge for departments to meet.

For the past 10 years, however, formal requirements have existed to evaluate all programs that are considered grants and contributions (G&C), which represent about 40 percent of all government direct program spending, or some \$43.8 billion. For these programs, evaluation coverage has risen dramatically over the 2000s, to the point where total cumulative coverage over the past three years has reached 68 percent.<sup>29</sup> Departments would thus appear to be on track to meet the 100 percent evaluation coverage for G&C programs, primarily as a result of the formal requirement to evaluate all G&C programs prior to funding renewal.

In terms of actual reports being produced, estimates are that about 230 evaluations are completed each year across the federal system. Such a figure must be treated with caution however, because it does not include other types of research-oriented studies that may be undertaken in the public sector which, taken together, would inflate this figure significantly.<sup>30</sup>

The level of coverage, of course, also needs to reference the scope of the evaluation and the nature of the issues being addressed. The government's Evaluation Policy has always given clear direction on the key issues for evaluation, historically covering a range of issues that are considered either management and program implementation issues for a *formative* evaluation, or the higher-level performance issues (program effectiveness or impact) associated with a *summative* evaluation. And, the scope of any given evaluation has generally been associated with the needs and priorities of the department/ deputy minister, as determined by the departmental head of evaluation during the evaluation scoping phase.

With implementation of the 2009 *Policy on Evaluation*, evaluations are now required to address “value for money” by addressing issues of program relevance and performance, that is, effectiveness, efficiency and economy. This, of course, will require some modification in the planning and conduct (and likely resourcing) of evaluations in departments, because it imposes a broader coverage on departmental evaluation units than seen in the past.

Drawing from the most recent sample analysis of evaluation studies conducted across government, program improvement has tended to be the primary focus of the majority

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<sup>28</sup> Evidence before the Standing Committee on Public Accounts, May 4, 2010.

<sup>29</sup> CEE, Presentation to the 2010 PPX Symposium, May 19, 2010.

<sup>30</sup> For example, data from 2006 shows some 250 reviews being undertaken across the system. This, of course, does not include policy-oriented research or other management-directed studies. Source: CEE.

of evaluations conducted. In terms of issues covered, a sample of 200 evaluation reports showed that about 89 percent of studies addressed program improvement; about 80 percent addressed program relevance; and, about 40 percent addressed cost-effectiveness.<sup>31</sup>

### 5.3 Use of M&E Information in the Canadian Public Sector

Section 3.1 above discussed the multiple uses and users of M&E information across the federal public service—at an operational or program level, at the level of an individual department, at a government-wide level, and in a legislative context.

When the *driver* for the collection and eventual use of M&E information is at the center (TBS), the *delivery* arm is very much at the level of departments. The expectation is that departments will follow through on M&E collection and use to satisfy the needs of both their own department as well as the needs and direction of the center.

Various initiatives imposed by the government, described earlier in table 2, have served as key incentives to drive the use of M&E in various ways.

For an individual department, M&E information is used to serve both management needs (that is, the individual program manager as well as the deputy minister and senior management committee) and accountability and reporting needs.

And so, performance monitoring information (captured on a regular basis by program managers) and the results of individual evaluation studies (conducted by the department's evaluation unit) are relied upon as input to:

- Treasury Board submissions;
- Memoranda to the Cabinet;
- The department's annual Report on Plans and Priorities (tabled in Parliament every spring);
- The Departmental Performance Report (tabled in Parliament every fall); and
- Expenditure and strategic reviews of all departmental programs and spending (in recent years).

Use has been hampered in some cases by slow implementation of results-based performance monitoring by a department (for example, a corporate performance framework gets established but implementation of the monitoring system is slow to develop). In other cases, as stated in reports of the AG, there is simply too little evaluation focusing on the effectiveness of programs.

As noted above, a good proportion of evaluation studies have historically been focused on and used to implement improvements to individual programs. This is valid for both management and accountability purposes, and usually reflects the needs of the individual department.<sup>32</sup>

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<sup>31</sup> Source: TBS Center of Excellence for Evaluation presentation, January 23, 2007.

<sup>32</sup> As an example of evaluation use, the Deputy Minister of the Department of Citizenship and Immigration, reporting to the Public Accounts Committee (May 4, 2010) noted a recently completed evaluation of the CIC language programming, which is provided throughout

What the 2009 *Policy on Evaluation* attempts to address though is ensuring that there is more comprehensive and systematic information on program relevance and performance available to support decision-making at the level of both the department and the central agency.

## 5.4 Linking M&E Information to Funding Decisions

The evaluation function has indeed been used over the last decade to assist in decisions regarding funding, but largely related to funding renewal decisions of G&C programs.<sup>33</sup> The formal requirement to table an effectiveness evaluation at the time of discussions around funding renewal has helped institutionalize and link evaluation to G&C funding decisions. And, as mentioned above, departments seem to be well on their way in meeting the requirement to evaluate all G&C programs over a five-year cycle.

Grant and contribution programs however only represent about 40 percent of the government's direct program spending. What the 2009 *Policy on Evaluation* is aimed at doing is forcing the evaluation function in a department to expand evaluation coverage to 100 percent coverage of direct program spending over a five-year cycle and, in the process, place an increased focus on value for money. The intent is to bring a stronger evaluation information base as part of the government's renewed EMS. The vehicle to do so would be the strategic reviews which currently require departments to comprehensively assess all of their programs, every four years, to ensure value for money, effectiveness, efficiency, and alignment with government roles and priorities. Departments would present these findings as input to budget planning, to change, improve, or replace programs. The view is that evaluation can feed into the EMS process as part of the strategic review exercise, providing credible information about the performance of departmental programs.

The AG, in her 2009 report acknowledged the pressure that this agenda creates for the M&E system, in general, and evaluation, in particular. The report also recognizes that the federal evaluation function in Canada is a shared responsibility—the responsibility for conducting evaluations rests with individual departments and agencies, and the TBS (and, in particular, the TBS Center of Excellence for Evaluation) plays a critical functional leadership role that supports capacity building, development of guidance, and operational oversight of the function.

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Canada, stating that it has “led us to rethink how we do some of our language assessment, both overseas for new immigrants but also the programming we have here in Canada. So it's an example where a specific program evaluation ended up having broader impacts in terms of our service delivery system.”

<sup>33</sup> The government's *Policy on Transfer Payments*, introduced in 2000 and updated in 2008, required mandatory evaluation for funding renewal decisions of all grant and contribution programs. The intent is that the results of an evaluation would help inform the decision-making process, recognizing that many variables generally influence decisions around program continuity.

## **6. Some Lessons Learned from 30 Years of M&E Development in Canada**

There are many lessons that could be drawn from the thirty-plus years of Canada's experience with M&E. To help in drawing the broad implications, a set of lessons learned have been organized under three key headings below:

- Drivers for M&E,
- Implementing the M&E system, and
- Key elements of capacity building.

### **6.1 Lessons Learned: Drivers for M&E**

Developing M&E in an organization or a country requires a significant investment in time, resources (both human resources and money), and energy. To be successful, there ought to be a real need for M&E information. In Canada, much of this need has been driven by various public sector reform exercises and, most recently, the government's management agenda, *Results for Canadians*, as well as its efforts surrounding renewal of the EMS.

There is sometimes a tendency to adopt unrealistic expectations when considering what evaluation and performance monitoring can deliver on, for example, in satisfying a political need. While M&E should serve an important place in public sector management, the expectations about how and when M&E can be used and what it can actually deliver on need to be tempered by reality, and generally remain modest.

Some lessons relating to the drivers for M&E from the Canadian experience are provided in table 10.

**Table 10. Lessons Learned on Drivers for M&E**

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| (i) Building and using M&E capacity requires more than resources and technical skills—it requires a political will and sustained commitment. Central leadership and a plan are very important.   |
| (ii) It is important from the outset to think in terms of years, not months, in getting to a mature M&E system.  |
| (iii) M&E information is not an end in itself; it needs to be linked to particular management and decision-making roles, particularly in the context of public sector reforms or government agendas.   |
| (iv) Clarify the distinction between monitoring and evaluation and what each contributes to results-based management, and what each requires regarding capacity building.  |
| (v) To be effective, it is important to build both the capacity “to do” evaluation (and gather performance information), <i>plus</i> the capacity “to use” M&E information within organizations and across the system. A supply of good evaluations is not enough to maintain a robust evaluation function. There also needs to be a realistic demand for evaluation.  |
| (vi) The capacity to use M&E information relies on the nature of the <i>incentives</i> in the system for managers to demand such information and actually use it as part of their normal operations. Incentives can take many forms, both sanctions for not complying, as well as rewards for meeting requirements.  |
| (vii) Formal requirements to build M&E infrastructure within individual departments and agencies has brought the concept of M&E to the level of program managers, and has put it in the context of both management and accountability.   |
| (viii) Internal infrastructure on its own is likely insufficient to drive the successful and sustainable implementation of M&E. A number of formal requirements associated with its use—at both a departmental and central level, and in the context of both management and accountability—will force program and senior managers to take the time and effort to invest in M&E development.  |
| (ix) It is important to manage the expectations for evaluation and not create unrealistic expectations about its role. While evaluation can and should inform decision-making, it is generally one of many sources of relevant information. Questions about the performance of government programs generally do not have simple “yes/no” answers. Evaluations can and should provide useful information to <i>inform</i> debates about programs, their performance and future direction. |

## 6.2 Lessons Learned: Implementing the M&E System

Implementation of M&E is long-term and iterative; neither is it costless. As such, commitment and champions at both senior and operational levels are important to ensure sustainability through the long period of development and implementation. Over time, as M&E “fatigue” appears, as it surely will in some parts of the system, there need to be reminders of why M&E is important.

Eventually, the goal is to move M&E beyond the point of being a special project, to a point where it is a normal part of doing business and of the management practices of the organization. Table 11 offers some lessons from the Canadian experience on implementing the M&E system.

**Table 11. Lessons Learned on Implementing the M&E System**

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| (i) There needs to be sufficient communication (and forums for information sharing) across organizations about the role of M&E and how it can help management, so as to link the demand and supply of M&E information, that is, to ensure that what gets produced is what is needed, <i>and</i> delivered in a timely way.   |
| (ii) A formal policy document is a useful basis for clarifying roles, responsibilities, and accountabilities of key players—deputy heads, evaluation specialists, program managers, central agency officials.  |
| (iii) A central agency champion for the evaluation function in government can play a key role in the M&E system. In Canada, the CEE serves as the policy center for evaluation, provides guidance, leads and promotes capacity development, and provides oversight to help ensure quality control.   |
| (iv) In developing and implementing the M&E system in Canada, a number of requirements have been phased in by the central agency, under the general philosophy of “try, adapt, learn, and adjust.” This lengthens the overall period of building the M&E system but allows for a period of learning and an ease of adjustment, when needed, without a major investment in reorienting the whole system. An acceptance that it is long term and iterative helps to manage expectations. |
| (v) In establishing internal evaluation units in departments and agencies, allowance for some flexibility is important, to take account of the unique circumstances associated with each organization. Recognizing that one size <i>does not</i> fit all, deputy heads in Canada are given some flexibility in implementing the government’s Evaluation Policy, though all are equally accountable for the performance of their individual organization.                               |
| (vi) Oversight by the national audit office is important in giving broad and public exposure of how well the M&E system is being implemented and whether adjustments are needed.   |



### 6.3 Lessons Learned: Key Elements of Capacity Building

A critical element associated with the sustainability of an M&E system relates to the adequacy of staff with the needed skill sets. Human resources capacity development has and continues to be an ongoing issue addressed by the Canadian system.

Capacity building is aided by the existence of well-developed professional networks. In Canada there are two such networks for the evaluation function: (i) within government, where heads of evaluation in departments meet on a regular basis; and (ii) across the professional spectrum, with the Canadian Evaluation Society (CES) serving as a very active professional association, representing evaluators from the public, private, and nonprofit sectors, including academia. A third association, the Performance and Planning Exchange (PPX) brings evaluators and managers together on issues of results-based management practices. While these networks provide part of the enabling environment for professional development, it is equally important that time and resources are set aside to allow for the necessary training and development of professionals.

For its part, the TBS Center of Excellence for Evaluation has a capacity-building component as part of its mandate. This has resulted in the development of tools, guidelines, and an “evergreen” website. Additionally, the CEE has sponsored capacity-building workshops and local and national learning events, and has spearheaded national training programs for new evaluators.

The professional association of evaluators in Canada, the CES, recently introduced the Credentialed Evaluator designation, as a means to “define, recognize, and promote the practice of ethical, high-quality, and competent evaluation in Canada.” Based on identified competencies for evaluators, the designation will mean that the holder has provided evidence of education and experience required to be a competent evaluator.<sup>34</sup>

Table 12 identifies a number of lessons from the Canadian experience that relate to building M&E capacity. It should be noted that, when considering training needs, it is also important to reflect on the M&E training and orientation required for nontechnical officials (i.e., the *users* of M&E information).

Additionally, building capacity needs to address an often-ignored area—data development and establishing credible databases. The national statistics office (Statistics Canada) can and should play a central role in data development, data warehousing, as well as oversight and quality control associated with data capture and public surveying.

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<sup>34</sup> The “credentialed evaluator” designation, just introduced in May 2010, is not at this point a formal requirement for employment as an evaluator in the federal government. As a separate exercise, the TBS Center of Excellence for Evaluation is currently engaged in defining competencies required for departmental heads of evaluation.

**Table 12. Lessons Learned on Building M&E Capacity**

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| (i) Building an adequate supply of human resource capacity is critical for the sustainability of the M&E system, and is generally an ongoing issue. It needs to be recognized though that “growing” evaluators requires far more technically oriented M&E training and development than can usually be obtained through one or two workshops.  |
| (ii) Both formal training and on-the-job experience are important in developing evaluators. Two key competencies for evaluators have been determined to be: cognitive capacity and communication skills.   |
| (iii) Developing the communication skills of evaluators is a critical area but one that is often overlooked in their training and development. Evaluators need to both “speak truth to power” and navigate the political landscape. In so doing they need to communicate well the message of evaluation in ways that resonate with their stakeholders. For most individuals, this requires training and skill development.   |
| (iv) Program and senior managers are important audiences for less technical training on M&E and results-based management. They need to have enough understanding to trust and use M&E information. This type of broad training/orientation is critically important in building a results culture within organizations.   |
| (v) There are no quick fixes in building an M&E system—investment in training and systems development is long-term. Various delivery options for training and development include formal training given by the public sector, private sector, universities and/or professional associations. Additionally, job assignment and mentoring programs offer cost-effective training/development opportunities.  |
| (vi) In introducing an M&E system, there need to be champions and advocates to sustain the commitment needed over the long term. Identifying good practices and learning from others can help avoid the fatigue that typically accompanies any change process as enthusiasm starts to wane over time.  |
| (vii) Evaluation professionals possess the necessary skill set to play a key role in providing functional advice and guidance to departmental/agency managers about the design and development of appropriate results-based performance monitoring systems. While managers should be responsible for performance measurement/monitoring per se, a recognized role for evaluators should be in providing such assistance and oversight on results measurement/monitoring.   |
| (viii) Ongoing performance monitoring and the conducting of periodic evaluation studies should be positioned so as to be complementary functions which support one another. Within organizations, this would mean that the measurement plans and strategies to put in place ongoing monitoring systems would be implemented so that sufficient performance information is available to effectively support the evaluation of programs. In so doing, organizations would make best use of the limited resources typically available for their measurement and accountability tools. |
| (ix) Data quality is critical for the credibility of an M&E system but it is an area that is often not adequately addressed. A data development strategy (at an organizational level or a national level) should be considered as part of the long-term strategy of building a credible M&E system. Within an organization, officials responsible for IM/IT should be part of this discussion. Additionally, the national statistics office can be an important player in assisting data development.  |

(x) Performance reporting is often required at different levels, that is, providing information about a particular program, sector, department or agency, or at the national-level. It is important to recognize the various audiences for performance reporting and their different needs, as well as to tailor the level and breadth of reporting appropriate to the different levels.

## **6.4 Conclusion**

“Getting it right” is a goal of every country that is engaged in implementing an M&E system to serve and support their public sector. While each country has its own unique circumstances, the lessons from any one country can still be instructive in helping identify the approach and process best suited to another country.

In this regard, two broad conclusions emerge from the experience of Canada with M&E: first is that the road to “getting it right” is a long one; and, second, the journey toward that goal is, in itself, important for the learning that comes with it and is gained along the way.

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