

# Evidence-Informed Policy Making in Action

By Andrew Blazey



Author Andrew Blazey

Governments are under increased pressure to show that the use of public resources translates into the desired outcomes. The Covid-19 pandemic has highlighted the complexities governments face when developing and implementing public policy. The scarcity of public resources also adds to the importance of making well-informed decisions.

Evidence-Informed Policy Making (EIPM) and evaluation are not new, but the OECD's work is helping countries to increase the relevance, quality and impact of EIPM and evaluation to help improve the use of public resources. This article looks at good practices in EIPM across a selection of OECD countries including Belgium, Canada, Ireland, Japan, New Zealand, the Netherlands and the United States to illustrate the developments that have strengthened EIPM.

In this article, the OECD frames EIPM around three pillars: institutions, quality and impact. It looks at skills and competencies that are key enablers to build EIPM capacities, and it identifies three challenges that countries are tackling, specifically, the use of evidence, the availability of evidence, and the link between evaluation and budgeting. These challenges are areas of ongoing work and engagement by the OECD and the countries themselves.

## Introducing EIPM

EIPM is a core element of policy development in the majority of OECD countries. In recent years, its prominence has increased. The Covid-19 pandemic showed that governments are increasingly confronted with complex policy challenges that require them to be agile, responsive and informed by evidence when facing uncertainty and resource constraints.

At the same time, OECD countries are confronted with declining levels of trust in government and institutions, with wide-ranging impacts on the effectiveness of public policies – and on citizens themselves when issues of compliance are at play (OECD, 2021<sup>1</sup>). Governments are therefore under increased pressure to show that their use of public resources and the decisions they make translate into desired outcomes and into improved well-being for citizens. Tackling these challenges requires clear, trusted and legitimate decision-making processes informed by the best available evidence (OECD, 2021<sup>2</sup>).

While initiatives within member countries have sought to respond to these challenges by strengthening the supply and use of evidence for decision-making, the foundations of EIPM are well established.

The OECD has worked on EIPM and evaluation for over 20 years. In 1997, it prepared best practice guidelines for evaluation, which outlined key issues for countries to consider when seeking to use evaluations for decision-making. In 2020, an OECD comparative analysis report on “Improving Governance with Policy Evaluation” identified lessons from country experiences, including from 35 OECD countries, on the relevance of EIPM and the ways it has been implemented (OECD, 2020<sup>3</sup>). The work on “Mobilising evidence for good governance” has also highlighted standards to promote the quality of public policy evaluations (OECD, 2021<sup>2</sup>).

## Defining EIPM in Practice

EIPM can be defined as a process whereby multiple sources of information, such as performance data, evaluations, or even scientific research, inform public policies, programs or the delivery of public services (OECD, 2020<sup>4</sup>). It is most commonly applied through public policy evaluation, which refers to the structured and evidence-based assessment of the design, implementation or impacts of a planned, ongoing or completed public intervention, its design, implementation or results.

In some countries, evaluation can refer to the study of organizations, functions, procedures, policies, programs or projects. It is therefore sometimes used to refer to tools that can improve the performance of policies, such as monitoring reports and performance information. However, evaluation has a wider goal as it determines the relevance and fulfilment of a policy's objectives, coherence, efficiency, effectiveness, impact and/or sustainability. In this regard, public policy evaluation can refer to *ex post*, *ex ante* and *ex durante* (concurrent) evaluations carried out when implementing policies to reach the set policy objectives.

Evaluation is thus a core tool that helps governments in spending better. Policy evaluation also contributes to the quality of decision-making throughout the policy cycle by providing insights on how to improve links between policy formulation, implementation and outcomes. A crucial element is to connect the findings from policy evaluations to the decision-making processes that inform the allocation and use of public resources. The most important process on the allocation of resources across government is the budget. Public resources are scarce and face competing demands, and budgets can be a focal point for the use of EIPM. However, EIPM in government is not achieved automatically, and country experiences

can help to inform what works.

## Promoting EIPM Across Government: Looking at What Works

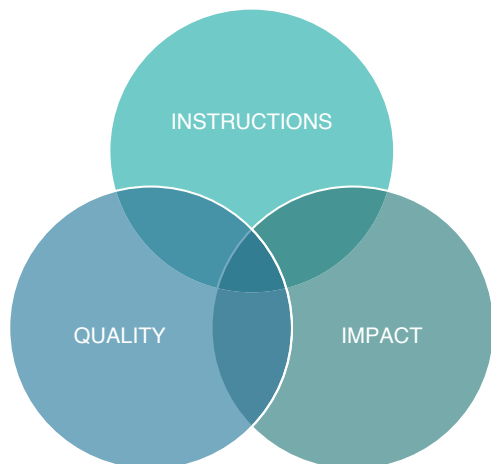
The OECD has identified three mutually reinforcing pillars of institutionalization, quality and impact to support governments as they add to their capacities for public policy evaluation (*Chart*):

- Evaluations that are **institutionalized from a whole-of-government perspective**, in such a way that they are conducted in a systematic manner and results are used across government.
- **Better quality evaluations** that generate robust and credible results that can be used with confidence.
- Evaluations that **achieve impact on decision-making**, which can be easily accessed and understood, and are incorporated into feedback loops.

The first pillar on institutions focuses on establishing public policy evaluation on a whole-of-government basis and ensuring that evaluations are carried out in a systematic manner, and that the results are used in policy and budgetary decision-making. An example is in the US where the 2018 Foundations for Evidence-Based Policymaking Act provides a legislative and bipartisan approach to EIPM in the federal government. The Office of Budget and Management oversees the implementation of the Act and supports it with guidance materials. The Act defines and assigns institutional responsibilities for conducting policy evaluations. These responsibilities include designated positions, referred to as Evaluation Officers, to co-ordinate evaluations and advise on

CHART

### OECD's 3 pillars to promote the use & quality of public policy evaluation



Source: OECD

#### Box 1. Policy Evaluation in Japan

To provide the policy evaluation system with a clear-cut framework and improve its effectiveness, Japan enacted the Government Policy Evaluations Act of 2001, which provides an overarching framework for policy evaluation and clarifies the role of each ministry in the evaluation of policies. It requires appropriate implementation of policy evaluations prior to the adoption of policies. Under the Act, the “Basic Guidelines for Implementing Policy Evaluation” offer guidelines for the development of basic plans by each ministry to develop an evaluation plan in order to promote a whole-of-government approach to evaluation. The ministries’ “Basic Plan for Policy Evaluation” cover a period of three to five years and incorporate policy evaluation into public management cycles such as “Plan, Do, Check, and Act”.

practices to promote their quality and use (Box 1).

The second pillar looks at promoting quality public policy evaluations. It considers ways to actively plan, design and manage evaluations so that they are timely and proportionate to the intended objectives, taking into account the needs of users. It recommends developing institutional skills and capacities to commission and conduct evaluations effectively. An example is provided by the Irish Government Economic and Evaluation Service (IGEES), which applies EIPM across the whole of government. IGEES has contributed to building capacities in all government departments in the areas of economics, statistics and evaluation practices. It aims to improve the design and targeting of policies and contribute to better outcomes for citizens. IGEES staff are integrated in each department; more than 160 IGEES staff work across all of the Irish Government’s departments at different hierarchical levels. They are either civil servants or staff directly recruited through an open and competitive process.

The emphasis on quality extends to establishing quality standards and mechanisms for evaluations to generate robust and credible evaluation results that can be trusted and used with confidence. This means the development guidelines to ensure that evaluation methods and data collection processes adhere to best practices. Examples of how this emphasis has been applied are evident in Australia with the Policy Hub initiative and in New Zealand with the Policy Project initiative (Box 2). In New Zealand, an objective of the Policy Project is to ensure that policy advice is developed based on the best available evidence and insights, including an understanding of “what works”.

### Box 2. Policy Methods Toolbox in New Zealand



In New Zealand, the government recognized there was a need to improve the quality of policy advice and use evidence in policy advice. The Project, which was launched in 2014, resulted

in the Policy Methods Toolbox. The Toolbox includes tools, guides and case studies, and is divided into four major themes: Start Right, Behavioral Insights, Design Thinking and Public Participation. The Toolbox provides methods and guidance that policy-makers can take to improve the policy-making process through making better use of research and science, using meta-data, feedback loops and input from frontline operational staff and various forms of evaluation (OECD, 2020<sup>4</sup>).

The third pillar is for public policy evaluations to achieve an impact on decision-making including through the policy-making and the budgetary process. This can be achieved by embedding evaluation into decision-making processes, both at the organizational level and across government, and to prioritize evaluation activities so they focus on where the analysis is most needed. An important feature is to make public the findings of evaluations so they are accessible for decision-making purposes. In Ireland, evaluation reports are available publicly and frequently include fiscal information that is relevant to decision-making in the budget process. However, in the Netherlands where evaluations were prescribed over a five-to-seven year period, the predictability of the information did not always align with the decision-making processes of the government. The government responded to this observation by introducing a Strategic Evaluation Agenda to improve the prioritization and timeliness of evaluations so they could have more impact on decision-making processes.

The relationships between the three pillars are an important consideration in the OECD's work, as they support trust in government through the robustness of institutional arrangements, the quality of the evaluations completed and the extent to which governments can show that evidence was a foundational element of decision-making processes. To this extent, the three pillars underpin legitimacy in the use of public resources, which in turn supports public accountability.

### Developing Capacities: Building Skills & Competencies in Evaluation

EIPM requires specialized skills across a range of technical competencies, including social sciences, data analysis, and modelling. The OECD has found that most mechanisms to promote skills and competencies are aimed at evaluators and managers,

rather than to improve the capacity of policy-makers and decision makers to use evidence. Co-ordination mechanisms such as commissions, networks, communities of practice and cross-departmental services, when they exist, can help strengthen evaluation systems, for example in terms of staffing and capabilities. The OECD supports skills development for a high-performing public service and looks at ways governments can enhance the recruitment, deployment, training and retention of employees, including for skill-sets that can be applied across government, such as in EIPM (OECD, 2017<sup>5</sup>).

Competency management is a process requiring the identification, the mapping and the development of the skills necessary to efficient service-delivery. A first step to initiate this process is to identify correctly the necessary skills, usually through central competency frameworks. More than two-thirds of OECD countries use central competency frameworks, whether for all public servants or specifically for senior-level public servants (OECD, 2020<sup>6</sup>). Such tools allow administrations to understand and coordinate with stakeholders on the nature of the skills at-hand and the ones that are needed. A central competency framework, with some flexibility to reflect the specificities of individual jobs, introduces a common language, and enables job attractiveness and development strategies to be developed. In Belgium, for instance, the “5+1” central competency framework is organized around five generic competencies and one technical expertise, which is at the heart of a comprehensive skills strategy. The framework helps to embed competencies throughout recruitment processes, personnel development, and career management. The Belgian approach illustrates a way to integrate a competency framework into human resource processes to support recruitment and performance management for skill-sets such as those in EIPM.

The competency frameworks can vary to reflect national circumstances, but the OECD has reported on six core skills for EIPM within competency frameworks (*Table*). These core skills refer to: (1) understanding EIPM; (2) obtaining the evidence for EIPM, (3) interrogating and assessing the evidence; (4) using and applying

TABLE

### Core skills for Evidence-Informed Policy Making

UNDERSTANDING	OBTAINING	INTERROGATING & ASSESSING
USING & APPLYING	ENGAGING WITH STAKEHOLDERS	EVALUATING

Source: OECD, 2020<sup>4</sup>

EIPM; (5) engaging with stakeholders; and (6) evaluating the results from EIPM. These core skills help to identify the aspects that contribute to high quality and impactful evaluations.

Other measures, in addition to competency frameworks that have proven effective, include training, co-ordination and leadership mechanisms within ministries and across government to share experiences:

- In Canada, policy evaluation capacity is developed and improved mainly through training. Presentations of the findings from evaluations that have been conducted by government departments are shared via a Results Portal. Guidelines are shared and departments conduct workshops.
- In the United Kingdom, several bodies support the co-ordination of practices on policy evaluation. For instance, the Government Economic and Social Research Team is a professional unit based in the Treasury that provides support to government departments, co-ordinates learning and development activities, develops profession standards, and provides mechanisms for developing standards for evaluation of policy and social research. The team is responsible for the Cross-Government Evaluation Group, a network of evaluators that share good practices and common challenges.
- In Australia, New Zealand and the UK, key positions such as a chief science advisor, help to establish the fundamental value of evidence in policymaking and to support cross-governmental co-ordination on the use of evaluation in policy making.

These interventions are focused on improving policy-makers' ability to *obtain* evidence. Evaluations of such initiatives show that whilst they are unlikely to be effective in isolation, they are effective when the intervention strategy simultaneously tries to enhance decision makers' opportunity and motivation to use evidence.

## Understanding the Challenges to Inform Ongoing Work

Generally, countries show a strong commitment to policy evaluation. Around two-thirds of OECD countries have developed a legal framework for policy evaluation and support it with guidance. However, despite the progress achieved, in many countries the quality and use of evaluations in EIPM remains challenging. Three challenges that countries are tackling relate to the use of evidence; the availability of evidence; and the link between evaluation and budget resources.

- On the use of evidence, the connection between evaluation and the use of public resources is not transparent. For example, estimates in the US show that between 2009-2017 only 1% of funding by the federal government was informed by evidence (OECD, 2019<sup>7</sup>). With insufficient use of evaluations, the rationale for conducting evaluations is weakened. The US has responded

to this situation with the 2018 Foundations for Evidence-Based Policymaking Act. Other OECD countries are taking action by establishing, for example, a co-ordination platform across government to promote the use of EIPM.

- The availability of the findings from evaluations is increasing but could be improved. The link between the availability of information and trust in government is recognised increasingly. The public availability of evaluation findings by IGEES in Ireland is an example of a best practice. However, in many countries, such information is only available upon request or within governmental agencies.
- The link between evaluation and budgeting is getting stronger. In countries where budget decisions are informed by performance information, the channels to include findings from evaluation are greater than where performance information is used to only present information in budget reports. A challenge that many countries experience is for the findings from evaluations to be available in a timely manner relative to budget decisions.

These matters are of key interest to OECD countries and are the subject of ongoing work as governments seek to strengthen evidence-informed policy making.

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Andrew Blazey is deputy head of the Public Management and Budgeting Division, OECD, Paris.