

# **Policy Evaluation Implementation Guidelines**

December 16, 2005

Partially amended on May 28, 2010

Partially amended on March 27, 2012

Partially amended on April 1, 2015

Partially amended on March 31, 2023

Approved at the Interministerial Liaison Meeting on Policy Evaluation

Policy Evaluation Implementations Guidelines (hereinafter referred to as the “Guidelines”) have been developed considering the “Basic Guidelines for Implementing Policy Evaluation” (Cabinet decision of December 16, 2005; hereinafter referred to as the “Basic Guidelines”) as standard guidelines for the seamless and efficient implementation of policy evaluations based on the Government Policy Evaluations Act (Law No. 86 of 2001; hereinafter referred to as the “Act”) and in accordance with the results achieved to date. However, they are by no means meant to thwart individual administrative organs from making efforts according to their respective evaluation objectives, policy jurisdictions, etc. to fulfill their accountability and run citizens-first, results-oriented public administration.

In the future, this Guidelines shall be reviewed, as necessary, for further improvement and enhancement, based on the progress in policy evaluation efforts made by individual administrative organs and results of research and investigation into policy evaluation.

## **1. Structuring of Policies**

When understanding the effects of policies, it is important to clarify the relationship between the objectives and means of the policies targeted at the policy evaluation. Therefore, it is fundamental to clearly define the policy system in advance. When a policy within the jurisdiction of an administrative organ is linked to another policy (with a higher objective) involving multiple administrative organs, efforts shall be made to elucidate its relationship in advance between the targets of this policy involving multiple administrative organs and the means of that policy individual administrative organs have.

(1) Classification of Policies into “Policy” (in narrow sense), “Program”, and “Project”

Policies under the jurisdiction of an individual administrative organ fall into the categories of “Policy” (in narrow sense), “Program” and “Project”. To clarify the relationship between the policies targeted for policy evaluation and what objectives and means are to be used under, it is therefore necessary to conduct the evaluation after indicating in advance the policy system, such as “Policy” (narrow meaning), “Program”, and “Project”.

The most typical classification of “Policy”, “Program” and “Project” is following.

“Policy”:	A major set of administrative activities aimed at a major goal, by addressing one or more specific administrative issues.
“Program”:	A set of administrative activities aimed at a concrete objective based on the major goal mentioned above.
“Project”:	An individual administrative means geared towards implementing the above concrete initiatives or measures, as the basic unit of administrative activities.

However, the distinction between a “Policy” (narrow meaning), a “Program” and a “Project” is relative, and represents an idealized concept. In the real world, policies take such a variety of forms that it may be difficult to decisively classify them into three categories. For example, a “Program” may consist of multiple layers, and a “Project” may not be necessary. On the other hand, a “Program” or “Project” may relate to multiple policy systems.

(2) Clarification of Policy System

The policy system shall be clearly defined in advance, and it shall be the basic principle to disclose it when formulating basic plans or implementation plans. Furthermore, in the event of any changes or additions to the policy system, appropriate measures shall be taken.

(3) Strengthening of Coordination between Policy Evaluation, Budgeting and Auditing

The organizational unit in charge of policy evaluation and budgeting and the bureaus in charge of individual policies shall cooperate to clarify the policy structure (e.g. “Policy”-“Program”-“Project”) in a manner to make it conducive to the strengthening of coordination between policy evaluation, budgeting and auditing.

(4) Evaluation Relating to Important Policies

Policy evaluation shall be focused and streamlined, and individual administrative organ in charge of a policy that relates to any of important cabinet policies, such as those announced in the Prime Minister’s speeches, shall evaluate such policy in a timely and appropriate manner after developing a policy system that clearly shows its relationship with the important cabinet policy, such as its targets and direction.

In particular, for policies with achievement targets such as numerical goals set forth in policy speeches etc., their means shall be clearly provided, and the progress shall be evaluated to ensure the achievement status of the goals is made evident through monitoring progress and conducting necessary analysis.

The same shall apply to policies that individual administrative organ has focused on implementation.

## 2. Evaluation Methods

While referring to the three evaluation methods listed in the Basic Guidelines, “Project Evaluation Method”, “Performance Evaluation Method”, and “Comprehensive Evaluation Method”, the evaluation methods shall be constantly reviewed to obtain useful information for decision-making, including policy review and improvement, according to the characteristics of the policy, etc. In this regard, based on the Basic Guidelines, when introducing new policy evaluation methods or conducting trial efforts with these methods in the decision-making process, etc. during the trial application period, etc., individual administrative organ shall seek methods that take into account the purpose of the evaluation and the policies targeted for evaluation, etc., rather than being limited to the concepts, content, etc. set out in the Target Management-based Policy Evaluation Implementation Guidelines (December 20, 2013, Approved at the Interministerial Liaison Meeting on Policy Evaluation).

Concrete details of the three aforementioned evaluation methods and points to be considered when using them are as follows.

### (1) Project Evaluation Method

#### A Before Adoption of Policy

- (i) The validity of the objective of the policy targeted for evaluation considering the needs of the public and society and the higher objectives shall be examined, along with the necessity of intervention by an administrative organ in view of desirable administrative involvement.
- (ii) The prospect of obtaining the effects of policy commensurate with costs from the implementation of the policy targeted for evaluation shall be examined. Therefore, it is essential to estimate and measure the anticipated effects and the associated costs as accurately as possible, and then compare them. In this regard, effects shall be quantified to the extent possible by determining the reach of benefits and identifying beneficiaries as accurately as possible. Costs shall include incidental costs, such as social costs, the extent possible, in addition to direct expenditures arising from the implementation of the policy targeted for evaluation.
- (iii) The evaluation shall assess whether the effects necessary to achieve the higher-level objectives are attained, and specifically identify the state in which the desired effects are considered achieved, based on what effects have materialized.
- (iv) Methods and timing of evaluating and verifying the achievement of desired effects after the adoption of the policy shall be specified and clarified in advance.
- (v) Efforts shall be made to actively conduct an evaluation of policies to be newly launched or involving national subsidies even if they are not among those which mandatory ex-ante evaluation is imposed by Article 9 of the Act.

B After Adoption of Policy

- (i) Policies having been targeted to an ex-ante evaluation and existing policies having significant impacts on people's daily lives, the society and economy or involving substantial costs shall be evaluated and verified in terms of the effects of policy determined after adoption.
- (ii) Particular attention shall be paid to, among other things, whether initially expected effects have been achieved and, if not, what were the contributing factors, and the data and knowledge obtained from such consideration shall be utilized in later policy evaluations and policy planning and development processes.

(2) Performance Evaluation Method

- (1) Outcome-focused targets designed to show the public "what, how and by when" the policy aims to achieve (hereinafter referred to as "basic targets") shall be set in straight forward manner. In cases where setting outcome-focused targets is difficult or inappropriate, output-focused targets shall be set.
- (2) Regarding basic targets for which it is difficult to specify concrete levels of achievement, relevant measurable indicators shall be devised, and concrete targets designed to show the levels of achievement shall be set regarding those indicators (hereinafter referred to as "performance targets"). Performance targets shall show the levels of achievement in a concrete manner using qualitative or quantitative indicators conducive to objective measurement to the extent possible.
- (3) When setting such target, the level to be achieved shall be specified in a concrete manner, taking into consideration the results of research into overseas examples and the efforts made by individual administrative organs, with the time frame clearly set for the achievement of the target. One or more concrete judgment criteria to be used to assess the level of achievement shall also be clearly set in advance.

In cases where it is difficult to determine the level of achievement required, the use of a more suitable evaluation method considering the characteristics of the policy, shall be considered, particularly with the elements required in the evaluation taken into account.

- (4) Outcome-focused targets are not immune from the influence of external factors that are generally beyond the control of administrative organs, so that it is sometimes inappropriate to totally ascribe the results to an administrative organ. For this reason, when an outcome-focused target has been set, external factors that may affect its achievement shall be clarified to the extent possible. The same shall apply to output-focused targets.
- (5) Targets and indicators shall be appropriately set according to the characteristics of the policy after examining the method to obtain information and data to be used in the measurement of indicators so as to prevent the collection of information and data from imposing an excessive burden. The logic and basis behind the use of those targets and indicators shall be clarified in advance, along with the means to achieve the targets, associated costs, etc. When presenting these preliminary assumptions, it is important to make them user-friendly and easy to understand.

- (6) Regarding the targets, it is important to regularly and continuously measure the achievements and, as necessary, make improvements or revisions to the relevant policies or the targets themselves. At the end of the target period, overall results, including efforts made and targets achieved, shall be summed up, and the degree of achievement of the targets shall be evaluated, with the policy and the way of target-setting for the next target period reviewed as necessary.
  - (7) In the case of policies or measures where the objectives are not achieved or issues arise, it is necessary to conduct in-depth analysis and verification down to the individual administrative operations that constitute the policies using methods such as Program Evaluation Methods or Comprehensive Evaluation Methods. This includes scrutinizing the manifestation of policy effects from various perspectives to identify the problems related to the policy, analyze and verify the causes.
  - (8) To efficiently conduct an evaluation using the Performance Evaluation Method, a flexible approach may be taken depending on workload, urgency, etc. An example of such cases includes the measurement of the degree of achievement of targets set in advance in each fiscal year, with an overall evaluation undertaken after the passage of a certain period.
  - (9) The evaluation report shall be prepared in a user-friendly and straightforward manner.
  - (10) The above-mentioned items from (i) to (ix) shall also apply to ex-post evaluations, which include assessing the degree of achievement of pre-set objectives.
- (3) Comprehensive Evaluation Method
- (1) The manifestation of the effects of the evaluated policy shall be clearly and specifically elucidated from various perspectives. In doing so, an in-depth analysis shall be conducted on the direct effects of the policy, causality, and, where necessary, the influence of external factors. Furthermore, an analysis shall be conducted on the occurrence of ripple effects (secondary effects) as well as the process of their occurrence, as needed.
  - (2) Problems associated with the policy shall be identified, with their causes analyzed.
  - (3) The evaluation shall assess whether the objectives of the evaluated policy remain valid. Additionally, as necessary, an examination shall be conducted on the need for administrative involvement from the perspective of how the administration shall be involved.
  - (4) Where necessary, the effects of policy and associated costs (including negative effects and indirect costs) shall be comparatively studied. In addition, whether there is an alternative that is more efficient and of greater quality for the public shall be examined.
  - (5) An assessment shall be conducted to ensure the coherence between the evaluated policy and related policies.
  - (6) In some cases, it is necessary to consider whether the evaluated policy needs to be implemented with priority over other policies.

- (7) The subject of evaluation shall be flexibly defined according to the evaluation theme adopted. For example, where the theme that affects the very nature of the policy in question has been chosen, the policy (in a narrow sense) and its programs (if necessary, its projects are included.) shall be evaluated. If, on the other hand, the theme focuses on a program as a concrete means to attain the purpose of a policy (in a narrow sense), the evaluation shall mainly target the program, with projects also covered, as necessary. It is also possible to conduct an evaluation of multiple programs by setting a cross-sectoral theme.
  - (8) In the case of a major policy review that may lead to an institutional change etc., the use of the comprehensive evaluation method shall be considered.
  - (9) An evaluation based on the comprehensive evaluation method can be undertaken in combination with other based on the project evaluation method. For example, it may be possible to use the results of an ex-ante evaluation or ex-post verification and evaluation based on the project evaluation method in another evaluation based on the comprehensive evaluation method. It may be also possible to conduct an ex-ante evaluation or ex-post verification and evaluation based on the project evaluation method in another evaluation based on the comprehensive evaluation method.
  - (10) A policy may be evaluated using the comprehensive evaluation method prior to its implementation if necessary. In this event, the results of a similar evaluation based on the comprehensive evaluation method, the information and data accumulated through evaluations conducted using other evaluation methods shall be referenced and utilized.
- (4) Other
- (1) Without being limited to the evaluation methods listed in (1) to (3), evaluation-related work such as council reports, white papers, and follow-up for plans that include the results of evaluations conducted at the time of planning, as well as review of administrative program review sheets used in the budget formulation process (those created in the course of a review of administrative programs based on the “Implementation of Review of Administrative Programs, etc.” (Cabinet Decision of April 5, 2013)) may also provide useful information for decision-making, and it is also conceivable that the information obtained from this evaluation-related work may overlap with or be usable in policy evaluation results and content. In enhancing evaluation from the standpoint of effectiveness and focusing on the implementation of evaluation that provides useful information for decision-making, it is also necessary to organize how evaluation-related work and information obtained from policy evaluation shall be utilized, and to conduct evaluation in an efficient manner. Therefore, if there are duplications or items that can be utilized, it is recommended that those prepared in evaluation-related work be substituted or utilized as the evaluation report.
  - (2) It is important to ensure that evaluation reports clearly present the results of the evaluation by describing the content concisely. If the evaluation report is already concise and easy to understand, it may also be positioned as summary of the report.

### **3. Evaluation Techniques**

Individual administrative organs shall conduct policy evaluations using applicable and rational evaluation techniques according to the objective of evaluation, the characteristics of the evaluation target, etc., considering costs to be incurred in the evaluation etc. In this regard, the following points shall be considered:

- (1) When implementing policy evaluation, efforts shall be made to first develop a quantitative evaluation technique and then use such evaluation technique on the basis of concrete numerical indicators to the extent possible.
- (2) Where the application of a quantitative information technique is difficult, would not ensure objectivity, a qualitative evaluation technique shall be adopted, based on the objective information, data, and facts to the extent possible and make use of experts with relevant knowledge and experience.
- (3) Some evaluation require incur enormous costs and workload in the collection of information and data, and the implementation of an evaluation. While certain costs and workload are unavoidable to the extent that policy evaluation is conducted, it is not efficient to consistently apply a high-cost evaluation technique even if its analysis is of high accuracy. Since some evaluation techniques have technical limits in terms of analytical accuracy, applicable scope, etc., it shall be considered that insisting on a quantitative evaluation technique for the sole objective of obtaining high analytical accuracy sometimes leads to inefficiency.

For this reason, a suitable evaluation technique shall be selected by examining various factors in advance, including the following: (A) what kind of information the evaluation is required to produce, (B) to what extent analytical accuracy is required, and (C) to what extent time and cost shall be used.

- (4) When selecting an evaluation technique, attention shall be given to matters such as the verifiability of evaluation results after the adoption of the policy.

### **4. Utilizing the Insights of Experts with Relevant Knowledge and Experience**

In utilizing the insight of experts with relevant knowledge and experience, for example, for matters that cover overall evaluation activities such as plan development, meetings on policy evaluation made up of experts shall be used, and the opinions of experts with specialized knowledge in individual policy fields on an individual and concrete basis, etc. shall also be heard in detail, while taking into account the characteristics of the policies targeted for evaluation, the content of the evaluation, the efficiency of the evaluation work, etc. Also, taking into account the start of use of various statistical data and bearing in mind the use of analysis methods that have become newly available due to the progress of digital technology, etc., shall also consider the perspective of strengthening the ability to study and acquire the effects of policy and to promote the use of information obtained from evaluation-related work such as policy evaluation in the decision-making process and review of administrative programs.

The views of experts with relevant knowledge and experience that have been sought and incorporated into evaluation results shall be duly publicized through, for example, inclusion in the evaluation report in a concrete manner.

To enable the policy evaluation Commission and committees on policy evaluation consisting of experts with relevant knowledge and experience that have been formed by individual administrative organs to exchange information on policy evaluation efforts at individual administrative organs and other matters as required, the Ministry of Internal Affairs and Communications shall take the necessary action.

## **5. Reflection of Evaluation Results in Policy Planning and Development**

It is important to reflect results of the evaluation in the relevant policies, and individual administrative organs shall make efforts as specified below.

- A An evaluation report shall be swiftly prepared and released to ensure that policy evaluation results are appropriately reflected in policy planning and development, including the compilation of a budget request, as an important information.
- B To ensure that policy evaluation results are appropriately reflected in the relevant policies, cooperation between the organizational unit in charge of policy evaluation and the departments in charge of developing policies, including budgets, shall be strengthened: discussions shall be based on the evaluation results as much as possible when important policy decisions are made at ministry meetings, and joint hearing shall be held between the organization in charge of policy evaluation and the department in charge of budget compilation, when making requests for budget estimates.

The Ministry of Internal Affairs and Communications shall summarize and release the status of the reflection of evaluation results in budget requests, etc. with the cooperation of individual administrative organs. In this instance, the outcomes of the incorporation of evaluation results, including the abolition, scaling down, targeting for priority implementation, of policies, shall be specified in a concrete manner.

## **6. Infrastructure for Policy Evaluation**

To help develop an evaluation infrastructure with a view to facilitating the implementation of policy evaluations by individual administrative organs, the Ministry of Internal Affairs and Communications shall engage in activities as listed below through liaison conferences based on the Basic Guidelines. Individual administrative organs shall also make necessary efforts.

- A Implementation of research, study, etc. and supply of results
- B Implementation of training, including practical training
- C Supply/exchange of guidebooks and information useful for implementation of Policy Evaluations
- D Public Relations activities relating to Policy Evaluation

## **Supplementary Provisions**

This Guidelines shall be enforced from April 1, 2023.