Systematization of the recommendations of the external evaluations to the Mexican federal programs

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This investigation focuses to explain the way in how the external evaluations of the subject federal programs to operation rules are made from 2006 in Mexico, and the treatment that occurs to the results of these evaluations. With the result of the analysis, a system model considers to improve this situation, to effect of which the hundreds of million weights that are reversed in the heading of the evaluation have one better utility. One concludes that, by means of an integrated information system, the dependencies and organizations can work of coordinated form to obtain a superior aim in the transparency and the surrender of accounts. For it, it is necessary to develop new instruments of control integrated of the resources for the external evaluations of the subject federal programs to operation rules that allow to improve the performance of these programs and to obtain a greater utility to the used money to evaluate their exercise and its results.

System Model, PS, LFPRH, PFSRO, THIRST.

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Introduction

External evaluation of the federal program subject to operation norms in Mexico.

Initially we’ll start with the established on the article 78 of the Budget and Fiscal Responsibility Federal Law (LFPRH for its acronym in Spanish), which establishes literally that: “ the sub-offices, or the entities through their respective sector coordinator sub-office, should do a result evaluation of the programs subject to operation norms, directed by academic and research institutions or specialized organisms, national or international, who have recognition and experience in the respective subjects of the program.”

A federal program subject to operation norms (PFSRO for its acronym in Spanish) is the one who integrates in his conceptualization a series if dispositions that allow him to secure an efficient, effective, opportune, equitable and transparent application of public resources. These dispositions are: objectives the program meant to achieve; general guidelines, coverage scope, definition of the target population, operation specific guidelines, required institutional coordination, program-budget reports; monitoring and control schemes; and gathering mechanisms of complaints and denunciations.

Who pays the external evaluation for each PFSRO? According to the established in the article 54 of the PEF-2006; in the article 26, fraction II, third paragraph of the PEF-2007; in the article 24, fraction IV of the PEF-2008, and in the article 27, fraction VII, of the PEF.2009, it is indicated that the sub-offices and entities must: “cover the cost of the evaluation of the program operated or coordinated by them with charge to their budget and according to the payment mechanism that is determined”.

It is worth mention that the Budget and Fiscal Responsibility Law was published on the Diario Oficial de la Federacion (Oficial Diary of the Federation) in march 30 2006 and, according to the first and second transitory articles, the new law entered into force in April 1th 2006 and the Federal Public Expenditure, Accounting and Budget Law and all the dispositions contrary to this law were respectively abrogated.

Afterwards, at the Official Diary of the Federation, in October 1 2007, the Budget and Fiscal Responsibility Law was published again with various modifications.

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10 Artículo 2, fracción XLV de la Ley Federal de Presupuesto y Responsabilidad Hacendaria, publicada en el DOF el 01 de octubre de 2007.

11 Decreto de Presupuesto de Egresos de la Federación para el Ejercicio Fiscal de 2006, publicado en el DOF el 22 de diciembre de 2005.

12 Decreto de Presupuesto de Egresos de la Federación para el Ejercicio Fiscal de 2007, publicado en el DOF el 28 de diciembre de 2006.


Among them the article 110 excelled preponderantly, this one incorporates the concept of *performance evaluation* that widened the evaluation scope, reaching now public policies, federal programs and the performance of the institutions responsible for carrying them out.\textsuperscript{15} Finally, the article 27 of the PEF-2009 already refers to the article 110 and 111 of the Budget and Fiscal Responsibility Federal Law\textsuperscript{16}, to do evaluations in a wider context.

This rough analysis from 2006 to 2009 shows the evolution suffered by the dispositions established on the Decrees of Expenditure Budget of the Federation to determine, first, the obligatory nature that the sub-offices and entities, who execute federal programs subject to operation norms, have to do result evaluations to those programs; second, the determination if using part of its budget to cover the cost of the evaluation on their federal programs; and third, since 2009 and according to the changes on the Budget Federal Law, the realization of performance evaluations to cover now public policies, the respective programs and the institution responsible of operating these federal programs.

Now we are going to focus on the fundamental aspect of this research, proposing the following question: on the LFPRH and/or the various decrees of the PEF, is it determined WHAT to do with the evaluation results, as well as WHO and HOW? Again, starting from the present LFPRH, the article 111 establish that:

\textsuperscript{15} Ley Federal de Presupuesto y Responsabilidad Hacendaria, publicada en el Diario Oficial de la Federación el 01 de agosto de 2007.

\textsuperscript{16} Ley Federal de Presupuesto y Responsabilidad Hacendaria, publicada en el Diario Oficial de la Federación el 31 de diciembre de 2008.

“The Secretariat and the Public Service, on the scope of their respective competences, will verify periodically, at least bimonthly, the collection and execution results of the program and budgets of the sub-offices and entities, based on the performance evaluation system, among others, to identify the efficiency, economy, effectiveness and quality of the Federal Public Management and the social impact of the exercise of public expenditure, as well as to apply the conducting measures. The sub-offices will have the same obligation and with the same objectives regarding their coordinated entities.

The performance evaluation system mentioned on the previous paragraph will be obligatory to the expenditure executors. This system will include indicator to evaluate the results presented in the bimonthly reports, broken down by month, highlighting the quality of public goods and services, the citizen satisfaction and the fulfillment of the criteria established in the second paragraph of the article 1 of this Law\textsuperscript{17}.

Within the PEF-2006, in the article 54, fraction IV, subparagraph b, it is indicated that the sub-offices and entities, through their sectorial coordinator, must:

“… Present the result evaluation of each program to the Budget and Public Account commission of the Chamber, to the Secretariat and to the Public Function, at the latest the last business day of September, in order that the results are considered in the process of review and approval of the Expenditure Budget of the Federation for the next fiscal year.”

\textsuperscript{17} Loc. cit.
The sub-offices and entities must elaborate a work plan to monitor the main results of the evaluations and integrate aspects that could be improved in the agreements of commitment to improving management for results if held.”

Finally, in the PEF.2009, the article 27 is very revealing. On it, the following key concepts are mentioned: indicators for programs results; monitoring progress on the goals of the indicators; indicators matrix for results; the concept of result-based budget is endorsed; the medium term program (MTP); the evaluation program 2007.2008 and 2009.

In this decree, it is indicated textually that: “the sub-offices and entities must elaborate a work program to monitor during 2009 the main results of the evaluations they have and integrate the aspects that could be improved in the public policies design and the corresponding programs. The commitments are formalized through specific tools; the progress and the results achieved will be reported through a performance evaluation system and will be published in the terms of the applicable dispositions.
The information obtained from monitoring the improvement commitments and assessments, corresponding to the fiscal exercises from 2007 to 2009, will be considered as part of a gradual and progressive process, during 2009 and for the budgetary processes of the fiscal exercise 2010 and subsequently.” Two fundamental aspects in the text of Article 27 can be determined.

On one hand, new mechanism and tools to define, in the short term, the Expenditure Budget of the Federation for 2010 with close guidance to results obtained from evaluations and that are reported as progress in the indicators goals defined in the results matrix.

On the other hand, the monitoring mechanism for the evaluation results are preserved, besides continuing the implementation of improvement commitments of 2007 to 2009.

However, nowadays, the missing elements are the HOW use the results of these external evaluations to obtain the maximum benefit of the resources invested implementing it, and the DIFFUSION of the control revision that demands the implementation of the HOW.

Besides the complexity of the system has arisen in the Performance Evaluation System (PES), with results to check in the short term.

The external evaluations of the federal programs subject to operation norms in the Social Development Secretariat

We will focus, first, on the treatment the Social Development Secretariat (SEDESOL for its acronym in Spanish) gives to the external evaluation of their Social Programs (SP) and, afterwards, will analyze how various sub-offices can be integrated to get the most benefit of the conclusions and finds reported by these external evaluations. Later, a comprehensive proposal for all those agencies of the Federal Government in charge of operating federal programs subject to operation norms will be described (APF for its acronym in Spanish)

The SEDESOL is used as a framework since it is the entity in charge directing the social policy of the country with more experience to evaluate the social programs. Therefore, inside its technical-administrative structure, the means to analyze the results of the external evaluation, obtained from each social program, were implemented.
These activities were designated to the Monitoring and Evaluation General Management Office, attached to Prospective, planning and Evaluation Sub-secretariat, which, among other functions, has the faculty to “norm, coordinate and supervise the monitoring and external evaluations of social programs, carried out by academic institutions and other specialized of the social type, in regard to the programs and actions financed with resources from the Expenditure Budget of the Federation of Administrative Field corresponding to Social Development.”

Nevertheless, since the publication of the Social Development General Law (SDGL) precise legal criteria regarding the evaluation of social program were defined.

In this law there is a whole chapter about the Evaluation of the Social Development Policy. The contributions given by the SEDESOL in a certain time to the Social Programs Evaluation, until then SDGL, generated various mechanisms to propose later, within the National Council for the Evaluation of Social Development Policy (CONEVAL for its acronym in Spanish), the principles of systematic evaluation of federal programs aimed at social policy. (In this point, it is worth mention that the harmonization of the concepts of federal programs subject to operation norms and social programs).

In part, both are synonyms since a social program is subject to operation rules. Specifically, the federal programs are a subset of the federal program subject to operations norms.

When the program PROGRESA was put in action in 1997, the gradual strategy for planning its coverage strategy was seized in order to do an experimental impact evaluation.

Since 2000 the external evaluation is institutionalized as obligatory when the Operation Norms for federal programs are established within the Expenditure Budget of the Federation decree.

Between 2000 and 2006 exercises of external evaluation were carried out, which results were reported annually to the congress, among them, the Milk Supply Social Program (LICONSA for its acronym in Spanish) the Food Supply Program (DICONSA for its acronym in Spanish), Countervailing Actions to Reduce the Backwardness in Initial and Basic Education (CONAFE for its acronym in Spanish), Employment Support Program (STPS for its acronym in Spanish) the Health Protection System (Seguro Popular-Popular Insurance) and the Habitat Program (SEDESOL for its acronym in Spanish).

Before the creation of the CONEVAL, the SEDESOL had to fulfill the requirements established in the article 54 of the PEF.2006, applying their own criteria and methodology to do the evaluation of the social programs. Afterwards, it has to fulfill the pointed by the Fifth title of the SDGL and, mainly, the established in the articles 3, 4, and 5 of the Decree in which the National Council of Evaluation of the Social Development Policy. Which were the criteria and methodology to do the evaluation of the results of social programs?

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18 Reglamento Interior de la Secretaría de Desarrollo Social, publicado en el Diario Oficial de la Federación el 19 de julio de 2004.

19 Ley General de Desarrollo Social, publicada en el Diario Oficial de la Federación el 20 de enero de 2004.

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Basically, the results of the evaluations handed by external consultant were revised. Those consultants were hired in a direct way by each executor of the social program, (LICONSA, DICONSA, FONART, etc., on other words, each entity sectioned in Social Development, as well as decentralized, like OPORTUNIDADES).

From reviews on products, curious meetings were generated to determine some work commitments to meet those critical factors that were revealed in the evaluation.

Evaluations commonly involved tasks such as document review of the social program, specifically everything concerning normative documents; institutional publications; information about their information systems; internal regulations; laboral policies; organization handbooks, strategically plans, relationships with national and international institutions, such as CEPAL, World Bank, IDB, UNAM and others; and a review of its historical performance precedents.

Personal interviews with several public servants of the unit evaluated were held, mainly in the areas of planning, budgeting, management and operation; and field visits were made to make various surveys. With the information gathered, desk studies were developed to analyze and synthesize data, techniques as SWOT and evidence of operational failures that the social program had, were collected.

The innovative and important part of certain deliverables was a section where the evaluator specified some recommendations that, to his judgment, could improve the performance of the social program in various points, although without specifying if the implementation of the recommendation was located within the scope of the faculties defined for the responsible unit or within the sphere of competence of other sub-office or entity of the APF. A relevant fact was that the Section Coordinator sent a copy of the products delivered to the external evaluator to the Evaluation Division Federal Program of the SFP, which was only filed without incorporate benefit.

At this point, it is worth pose a new question. How expensive is it for the APF performing evaluations of Federal Programs Subject to Operation Norms? The CONEVAL specifies that the expenses on Social Development show a growing tendency in the last two decades, with an increase of the 276% in real terms, from 1990 to 2007. It went from 537 billion pesos in 1996 to 1,136,000,000 in 2007.

The following chart shows the evolution of expenditure on major functions in social development, based on the classification of the Expenditure Budget of the Federation (PEF for its acronym on Spanish) which shows that the largest growth has been in the education and health sectors, compared with provisions and social assistance.

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22 Loc. Cit.
Graphic 4 Social expenditure by functional classification in Mexico 1990-2007 (Billions of pesos of 2007)

Chart 1 also shows the set of federal social programs to which more than 159 billion pesos were assigned in the PEF-2007. 76 percent of the budget is focused on 85 programs conducted by SEDESOL, SSA and SAGARPA.

Of all programs, about 25 percent of programs are in the agricultural and livestock service, 14 percent of programs are directed to education, science and technology, 12 percent to the promotion of economic or productive activity and 7 percent to infrastructure. With these data, it can be made a rough estimate of the cost of the conduction of evaluations to PFSRO for the federation. If we consider that an evaluation has determined cost, which depends on the prestige of the provider or institution, on the evaluation’s duration and in the degree of depth and extent to be attained, then a range of external evaluations’ cost can be defined, according to the fraction it represents in regard to average budget assigned to each program, i.e.:

Chart 2 Empirical evaluation of the cost external evaluation would have

23 Note: Allocated budget refers to the year 2007. The budget of Opportunities and Temporary Employment Program (PET) is distributed among the various agencies that operate them, however, for purposes of the Inventory-CONEVAL 2007 were grouped into SEDESOL. Source: Inventory-CONEVAL 2007.

24 Assessment Report of the Social Development Policy in Mexico 2008 Published by the National Council for the Evaluation of Social Development Policy.; pgs. 74-75. Mexico, D. F.
If the cost of an evaluation is around 240 thousand and less than 400 thousand pesos, it can be suspected that the results obtained from the evaluation would be poor compared to what it would be expected to obtain. A fair price would be above the 500 thousand pesos and less than one million 300 thousand pesos.

Beyond this limit, the price becomes prohibitive, even though the possibility of establishing an award to do an evaluation for 3, 4 or more million pesos.\textsuperscript{25} Assuming now an average price of one million pesos for evaluation, only for the programs presented in Chart 1, the total cost would be around 1279 million pesos, only for the fiscal year of 2007. Again, a new question can be proposed: What are the expected benefits for great costs in external evaluations? The CONEVAL, analyzed 85 reports of external evaluations, done in 2006, of equal number of programs, and elaborated a synthesis for each program and a general synthesis that pointed the main findings in the evaluations about federal programs. In the elaborated program, nine recommendations are shown:

- Elaborate operation rules (or applicable normativity) that reflect more clearly the objectives and logic and inner consistency of the program.

- Define clearly the target population.

- Ensure the existence of sufficient and trained staff for the operation and monitoring of the program.

- Encourage the observance of deadlines.

- Stimulate the effective coordination among institutions, federations and states and among programs to strengthen the benefits given.

- Improve the quality of goods and services given by the programs.

- Increase the diffusion and promotion of the programs.

- Implement effective mechanism of budgetary control.

- Generate and use evaluation and monitoring systems with information about useful and reliable results indicators.

The value of these recommendations is its effective implementation to align social programs to the fulfillment of its social goal, using the federal public resources budgeted based on legality, honesty, efficiency, effectiveness, economy, rationality, austerity, transparency, control, accountability and gender equity criteria. As described in the second paragraph of the article 1 of the LFPRH.

Proposal to take full advantage of the recommendations and findings reported in external evaluations

The scheme presented in graphic 4 can be redefined, so it is considered the inclusion of one more actor, the Internal Control Organ (ICO) attached to the unit responsible for operating the social program.

\textsuperscript{25} For the precise amounts of the costs that departments and agencies that have disbursed since 2000, will be necessary to concentrate and analyze hiring of studies and research conducted under heading 3308, also considering the conventions that are agreed without considering the Law Acquisitions, Leases and Services of the Public Sector.
By a definition of semaphores, the responsible qualify the progress of the actions (green, in time; yellow, with a non-significant delay; and red, critical action that requires special attention by the executors). The plan would be registered in the Information System SISEREE. The ICO, meanwhile, can monitor the PTRE in the Information System so it can schedule a series of Control Reviews only for the cases in which various activities are in red status.

In this way, it is not necessary to Project working sessions to check the progress, except for those where it is necessary to support the Work Program with some feedback. The conclusion of working cycle occurs when, on the one hand, managers qualify all their actions with a green status, to indicate their conclusion; while, on the other hand, the ICO validates the status proceeding to give closure to each action effectively terminated. It can be seen that the work plan is not static but is updated with new recommendations that report the following external evaluations and with the actions that are culminated. From a procedural and control point of view, performing these actions is consistent and solves the HOW; but, in order to achieve an effective incorporation of these actions within the Federal Public Management, is required to analyze the implications of inter-institutional coordination and, overall, modifications to the regulations in force to incorporate the necessary policies of information exchange, verification and DIFFUSION. These possibilities are described in the following paragraphs.

Incorporating the OIC is proposed in order to be the reviewer element of the work plan generated from the recommendations of external evaluation, besides it serves as a feedback and monitoring element. The systemic model of recommendation monitoring of the external evaluations, schematized in the graphic 6, has the virtue of being easy to implement without assigning more staff to the current organizational structures. From the systemic model proposed, an integrator information system (SISEREE, acronym for Sistema de Seguimiento a las Recomendaciones de las Evaluaciones Externas) to electronically manage the interrelationships between the various actors can be developed.
On the one hand, external evaluators can incorporate to the information system, through internet, the recommendations that, in his opinion, are the most pertinent to make more efficient the social program. Then, using a scheme of dynamic evaluator-institution feedback, the responsible for operating the social programs validate these proposals and analyze the feasibility of its implementation, considering the normativity, time, and existent resources. Some proposal will be rejected in this stage for different considerations, even though they are also registered to serve as feedback for future evaluations. The accepted ones will be aligned to the institutional goals of the Unit and PND. This two steps generate a Recommendations Database (RDB), which will contain feasible, non-feasible, attended and in progress of implementation recommendations.

For various evaluations, this database allows identifying those recurrent recommendations and serves as historical support for new evaluators. Once defined the feasible recommendations, we proceed to determine the work plan in order to meet the recommendations of the recommendation of the External Evaluations (PTRE for its acronym in Spanish). This plan will contain the areas and the responsible to attend the implementation stages of the recommendations; the start and end dates: the actions to develop, and the progress status.

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### Extrapolation of the recommendation-monitoring model of the external evaluations in different agencies of the APF

The main operative necessity that is presented id the standardized definition of the Information System SISEREE, the realization of which would be carried out by the SFP, in such a way that, in a first phase, the system would be applied only by the entity. Nevertheless, the long-term solution is the creation of a centralized system in the SFP.
As well as the SHCP has its Applicative Portal (PASH), it is necessary that the SFP defines and centralize the monitoring programs. From this plan also emerges the proposal that the progress in the fulfilment of the indicator goals must arise from a system like the suggested one.

A complementary element to this schema is the definition, also by the SFP, of the Control Review to the recommendation-monitoring model, which must include the Monitoring bonds, instructions for filling and labor policies. With these materials the ICO, s can plan various Control Reviews on the Annual Operating Plan. Nevertheless, the fundamental part of the proposal lies on the changes of the normativity that must be projected, i.e. on one hand, the article 7, fraction VI of the Transparency and Access to Governmental Public Information Federal Law. Which indicates that the goals and objectives of the management units must be published according to their operative programs; however, none of the fractions defined in this Article 7 states that the obligated parties must publish the results of external evaluations of their operational programs. Therefore, it is worth to express some questions. In which of all the fractions is the obligatorily of publishing the results of external evaluations established?

What do you do with these results? And, more importantly, what treatment does these findings receive by the audit institutions, such as internal organizations of Control, Public Commissioners, the SFP and the Superior Audit of the Federation?

A fraction similar to the X of the mentioned article should exist within the Transparence Federal Law; but giving it an orientation to the results of external evaluations.

If the Transparence and Access to the Governmental Public Information Law is revised now. It can be determined that there is no dispositions of the mandatory publications of the results of external evaluations for the programs subject to operation norms. Therefore, an article similar to the 17th of the Regulations of the Federal Law of Transparency, but directed to the treatment given to the results of external evaluations that are practiced to federal programs subject to operation norms.

The article 7, fraction XIII, indicates that the following items must be published: “All contracts that have taken place in terms of applicable legislation, detailing each contract:

- The public Works acquired or leased goods and hired services; in the case of studies or researches the specific topic must be pointed out…”

Moreover, the fraction XV of the same article 7 indicates that the following items must be published: “the reports that, legally, the obligated subjects generate”. On the other hand, the article 21 of the Regulations of the Federal Law of Transparency and Access to governmental public information says that: “the sub-offices and entities must publish on their websites, the information relative to the contracts celebrated in matter of acquisitions, leasing, services, public works and other services related to these ones.”


These articles must be modified to give more weight to the DIFFUSION of the evaluation results, whose costs justify its review by the audit institutions and society in general.

Finally, as a complement, the SHCP, the CONEVAL and the SHCP are working in a coordinated way to analyze the evaluations adding elements such as: the justification of strategic goals, their alignment with the Development National Plan, with the strategy of “Living Well”, and with the sectored programs; with the identifications of goals and indicators; with its framing within the established norms; its linking with budgetary programs, and complementarities and overlaps. It is pertinent to enrich this work with the gradual evolution of the performance of sub-offices and entities through the evaluations required annually by the law in force.

**Conclusions**

- The field of external evaluations of federal programs is new in Mexico, which opens up a field for systemic applied research, by the diversity of the areas involved: macroeconomy, systems engineering, mathematics, econometry, politics, multivariate analysis, statistics and others.

- The standarization of the external evaluation processes are required so the costs involved in its implementation are unified.

- The standarization implies that the evaluations must contemplate mechanism for the comparation of their results through time.

- Social policy must be accompanied of comprehensive solutions to take advantage of the information generated in the exercise of social programs.

- The most important conclusion is the necessity of using Information Systems that integrate information generated by the different sub-offices and entities of the Federal public management, in order to create unified databases with the more relevant information from recommendations and findings of the Federal Programs.

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