

Identify what resources are available for the evaluation and what will be needed

It is important to develop an estimate of the resources that are available for evaluation and what will be required to do the evaluation well.

The resources needed for an evaluation include:

- Existing data
- Funding to engage an external evaluator or evaluation team or pay for specific tasks to be undertaken and for materials and travel
- Time, expertise and willingness to be involved of staff, partners, technical experts and the wider community, whether as part of the evaluation team, the evaluation governance processes and/or key informants and data sources

When considering what data are already available, look carefully at the quality of existing data and what format it is in.

Also, clarify the skills and availability of any people who will need to be involved in the evaluation.

There are five main ways of developing an estimate of the budget for an external evaluation:

1. **Calculating a percentage of the program or project budget – sometimes 5%-10%.** This is a very crude rule of thumb. Large programs with simple evaluation might need a lot less; small programs with large evaluations – for example, detailed testing and documentation of an innovation – will need much more. It is also better to target evaluation resources across programs where they will be most useful.
2. **Developing an estimate of days needed and then multiplying by the average daily rate of an external evaluator.** This is only useful for simple evaluations, especially those using a small team and a standardised methodology such as a few days of document review, a brief field visit for interviews and then a short period for report write up.
3. **Using the average budget for evaluations of a similar type and scope.** This can be a useful starting point for budget allocation providing that the amounts have been shown to be adequate in the past – otherwise this will perpetuate the problems of underestimates.
4. **Developing a draft design and then costing it, including collection and analysis of primary data.** This can be done as a separate project before the actual evaluation is contracted.
5. **Consider the following options if ongoing evaluation input is needed such as for a Developmental Evaluation:** retainer fee contracts; stepwise funding; or, speculate and allow for contingencies.

- More information about these options can be found in this interview with Michael Quinn Patton:

- [Budgeting for Developmental Evaluation](#)

[PDF](#)

[98.49 KB](#)

Allow time to secure resources (for example, including them in an annual or project budget, or seeking someone with particular expertise). If the resources required for the evaluation are more than the resources available, additional resources will need to be found and/or strategies used to reduce the resources required, such as reducing the scope of the evaluation.

It may also be useful to consider ballpark figures for similar types of evaluations. For example, [a paper from the Coalition for Evidence-Based Policy](#) suggests it may be feasible to run a randomized controlled trial for an impact evaluation which largely draws on existing data for \$50,000 to \$300,000.

Possible products

The following items are potential outputs from this step. Where possible, it might be useful to research other deliverables that have also been shown to be effective.

- Estimated cost of an evaluation (ideally including in-kind, cash, internal and external costs)
- Justification for expenditure on evaluation
- Statement of available evaluation resources (including budget)

Method

- [Strategies to reduce costs](#)

Reducing costs is something to consider if evaluation costs outweigh the predicted benefits or available resources.

Resources

- [A checklist for developing and evaluating evaluation budgets](#)
[PDF](#)
[42.64 KB](#)

This checklist, developed by Jerry Horn as part of the Western Michigan University Evaluation Checklists project, provides useful prompts about items that might need to be included and how they might be estimated.

- [Evaluation budget guide](#)
[PDF](#)
[100.9 KB](#)

Blank evaluation budget from CARE Uganda listing many items that might be included.

- [Developing an evaluation budget estimate](#)

Evaluation budget templates in Excel from the National Institutes of Health with different versions for different situations in terms of labour costing (with or without fringe benefits) and travel.