

SITRA'S EVALUATION FRAMEWORK



Content

1 Introduction	3
2 The foundations of Sitra's evaluation activities	4
3 The principles guiding Sitra's evaluation	8
4 Strategic evaluation priorities	10
Sources	11
Appendix 1. The evolution of Sitra's evaluation activities and the changing operating environment	12

1 Introduction

Sitra renewed its strategy in June 2024. According to the strategy, the Finnish Innovation Fund Sitra is a Future Fund that helps Finland renew itself by anticipating the future and working with partners to find solutions to grand challenges. Sitra's core mission is to promote Finland's well-being and accelerate economic growth within the limits of nature's carrying capacity.

In line with the new operating model outlined in the strategy, Sitra identifies and anticipates societal challenges, experiments and develops solutions for positive societal impact. As a fund under the authority of the Parliament, our work is funded by investment income generated from the endowment capital we originally received from the State.

Sitra's statutory mission is to promote Finland's stable and balanced development, quantitative and qualitative economic growth, as well as international competitiveness and co-operation. We work responsibly and independently for the good of Finland. Our work aims to have a national and international impact, including in terms of our evaluation work.

Sitra has a long tradition of evaluation activities. The oldest external and independent evaluations by Sitra date back to the early 1970s. Over the decades, the development of Sitra's evaluation activities has closely followed the developments and debates surrounding national and international evaluation. Recently, Sitra's forward-looking evaluation has been internationally well recognized.

The mission of Sitra's evaluation has been and continues to be to provide reliable, high-quality and independent information on results and impact to both governing bodies and the wider public and to support Sitra's strategic management, operational development and learning.

2 The foundations of Sitra's evaluation activities

Evaluation should be transformative

Transformative evaluation refers to the potential of evaluation to understand and accelerate change and its implementation. Sitra's role as a catalyst for social change also requires evaluation to be transformative (see, e.g., IDEAS, 2021).

Sitra's impact must increasingly be evaluated through the transformation depth and scale and the direct effects of its contributions. In a complex world, transformative capacity challenges traditional backward-looking evaluation. Increasingly, future problems are rarely solved by relying only on past knowledge and lessons learned. Consequently, Sitra's evaluation aims to strike a balance between backward-looking and forward-looking evaluation. In addition, the complexity of the operating environment means a shift from linear theories of change and outcome models to more dynamic theories of systemic change (transformation) for planning activities and evaluations and measuring success. Systems change involves multiple theories of change, different actors and various levels of change.

As the challenges and operating environment become more complex, evaluations should also be increasingly collaborative, expand multi-stakeholder collaboration across public institutions, private enterprise, civic organizations, and diverse academic fields. This approach helps us to gain a more holistic understanding of actions and their results. As Sitra also aims to co-develop objectives with its partners, the evaluation must also aim to be collaborative.

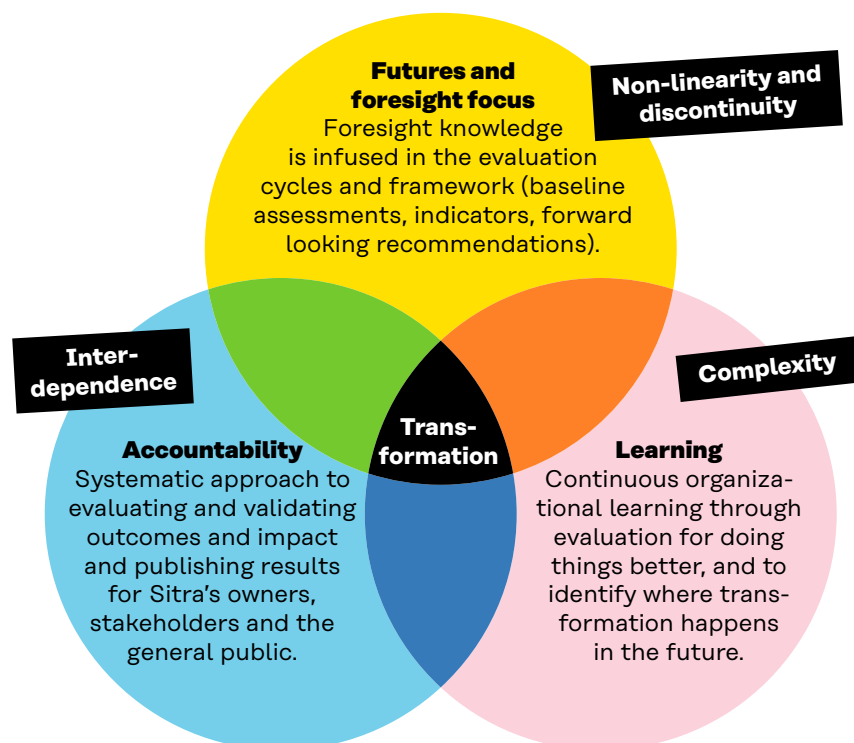


Figure 1: Elements of transformational evaluation at Sitra

Focus on the future: Evaluation must take into account the evolving and unpredictable nature of the operating environment and the systemic and interdependent nature of change in order to provide useful information for decision-making and management (cf. utilisation-focused evaluation). Sitra's evaluation work uses foresight information and a forward-looking orientation to provide contextual background and future-fit operational landscape analysis.

This foresight information also assists in developing a narrative for change, evaluation frameworks and, in particular, evaluation recommendations.

Sitra has long been a significant pioneer of forward-looking evaluation, also internationally. We participate in international evaluation development and discussions (e.g., Association of Professional Futurists Evaluation Task Force/Steering Committee 2021–2025) and increasingly integrate future-oriented thinking and foresight into transformative project planning, monitoring, evaluation and institutional learning processes. Over the last few years, Sitra has carried out several external evaluations using foresight methods.

Learning: Sitra's new strategy prioritizes agile responsiveness to evolving conditions while anticipating both predictable and unexpected challenges in order to optimise impact and effectiveness. This involves an iterative, learning-based approach to evaluation, with continuous feedback loops that support decision-making throughout project lifecycles. Vertical and horizontal learning strengthens Sitra as an institution, enabling it to stay responsive and flexible in rapidly changing environments.

In accordance with its strategy, Sitra contributes to Finland's economic growth and well-being by developing innovation capacity and producing significant social innovations. Innovation and experiments inherently involve failures and learning from them. The evaluation of our activities will include a more systematic analysis of what has not worked, why, and how doing things differently in the future can deliver more transformative results. This also involves developing an evaluation culture where learning from failures is a valued part of the operating model.

Accountability: The accountability and responsibility in Sitra's evaluation processes are based on transparent performance reporting to stakeholders and governing bodies, including both successes and failures. The evaluations will use third-party audits and independent evaluators to support and complement the collection of internal monitoring data.

Objectives and Key Results (OKR) is a well-established method of results management, which Sitra has also adopted in its new operating model (see Figure 2). OKR supports accountability and learning by setting clear, measurable targets and ensuring that evaluation data is generated through frequent monitoring. The OKR method links team tasks to organisational priorities, creating an open and coherent environment where accountability and responsibility are central.

Creating impact with results-based management

Sitra's strategy and the supporting IOOI model guide the evaluation frameworks and questions. The frequency of strategic evaluations (strategic positioning and impact) are planned together with the governing bodies, while outcome evaluations will be carried out (see Figure 2) where deemed appropriate.

Impact evaluation is based on Sitra's capability-driven impact goals. What we mean by this is goal-oriented action aimed at developing innovation and foresight capacity at the societal level. These changes are systemic and emerge over a long period of time, typically as a result of the interaction between various actors and measures. In order to assess Sitra's added value to and impact on society, it is essential to understand and verify which strategic choices Sitra has made to promote social change and what evidence there is of Sitra's contributions and significance to the bigger picture of change in the longer term.

Outcome evaluation focuses on the effects of our activities, especially through scaling up of programme activities. What kind of unintended, positive or negative impacts have been created? Framing these questions helps meet the requirements of accountability and learning for results.

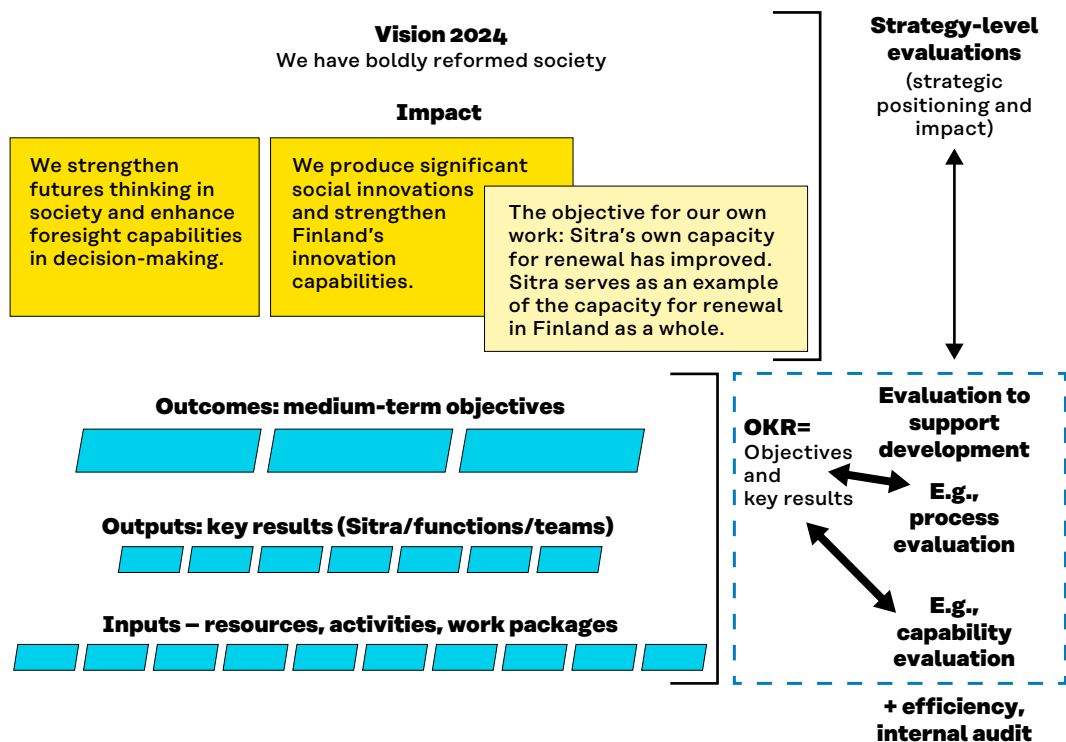


Figure 2: The IOOI model and objectives based on the 2024 strategy

In support of the impact model, tools (based on the OKR approach) for planning, target setting and monitoring will be introduced. The relationship between impact-oriented thinking, performance management and evaluation levels are shown in Figure 2 above. The OKR approach has been introduced as a tool alongside impact-oriented thinking, making it easier to verify whether objectives have been met through the setting of tangible targets and key results.

3 The principles guiding Sitra's evaluation

The norms and principles of Sitra's evaluation are based on internationally agreed good evaluation practices (e.g., OECD, UNEG, international evaluation associations), which cover ethical norms, principles, and quality standards. Sitra's forward-looking and experimental programming requires creativity and flexibility in applying these principles without compromising reliability, utility and the integrity of the evaluators. In addition, Sitra's evaluation is guided by:

The time span of the impact and the timeliness of the evaluation

Sitra's activities aim at long-term social change, but in accordance with the new strategy, the time span of the activities and operating environment will also be examined at different time horizons. In order to examine and validate the relevance of the organisation's activities, it is necessary to be able to assess the results in the present. The time span over which outcomes and impact emerge must be taken into account, both in terms of identifying the maturity of the change and the timeliness of the evaluation.

Openness and transparency

As a public organisation, Sitra is committed to openness and transparency in its evaluation methods and results, including dissemination and publication, while adhering to ethical principles. Sitra's activities promote the advancement of the evaluation sector in Finland, as well as the openness of scientific and research data and related good practices.

Methodological soundness and the development of methods for evaluating foresight and futures work

Evaluations must use appropriate and forward-looking methods that provide reliable answers to the evaluation questions (rigour). The evaluation approach and methods must be flexible enough to respond to changes in the activities and operating environment being evaluated. Methodological innovations that address evaluation needs (foresight evaluation and forward-looking evaluation) and cost-effectiveness (e.g. the use of privacy-protected AI-enabled data analytics) are also part of Sitra's work.

Evaluability

Evaluability refers to the extent to which an activity or project under evaluation can be analysed and measured. Evaluability requires a systematic knowledge base and monitoring data throughout the project life cycle, as well as clear evaluation practices. Also central to evaluability is the development of self-assessment tools and a culture of evaluative thinking and accountability in evaluation.

4 Strategic evaluation priorities

Evaluation of scaling and scalability

Evaluations will focus on the changes and impacts achieved by projects and programme partnerships through scaling activities. Scaling can refer to both horizontal (replication, dissemination, etc.) and vertical (depth and quality of the change, etc.) scaling.

In addition to testing new ideas, innovation activities also involve evaluating their potential for scaling up. This includes evaluating whether an innovation can be adapted and expanded to different contexts, regions or sectors. Scalability is examined as a critical measure of success for innovative experiments. The evaluation of scalability can be an internal evaluative exercise or, where appropriate, it can also rely on external evaluation.

Evaluating the development of capabilities

In accordance with its mission, Sitra's 2024 strategy focuses on strengthening society's capacity for change and renewal. The capabilities-driven strategy has two impact objectives:

- We strengthen future-oriented thinking in society and the capacity for foresight in decision-making.
- We produce significant societal innovations and strengthen Finland's capacity for innovation.

Verifying the success of the impact objectives through evaluation and monitoring data will guide Sitra's evaluation plan for the strategy period. The interface between the impact objectives will also be taken into account when preparing the evaluation plan. Foresight capabilities play a key role in developing and maintaining innovation capacities and capabilities in the public sector and with Sitra's strategic partners. Measuring the development of capabilities is an important, albeit methodologically challenging, part of Sitra's future evaluation work.

Achieving results requires maintaining Sitra's own dynamic capabilities and strengthening its capabilities for renewal, which are monitored through organisation-wide objectives.

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Appendix 1. The evolution of Sitra's evaluation activities and the changing operating environment

Sitra has evaluated its work and developed its evaluation function since the organisation was founded. After 2016, Sitra moved towards more systematic external and independent impact evaluation.

Until 2016, the main focus of evaluation was on programme and project evaluation, regular overall evaluations (2002; 2011), internal audits and self-evaluation. In 2016, we adopted a more systematic approach to evaluating societal impact in response to the growing discussion on the importance of measuring impact, the accountability of public organisations and evidence-based decision-making.

This approach was updated in 2021 to reflect changes in international evaluation, aligning Sitra's approach to evaluation with the OECD/DAC criteria updated in 2019, for example. In the same context, we took into account the impact of the coronavirus pandemic beginning in 2020, which also led to new perspectives on the role of evaluation. In particular, this resulted in an increased emphasis on the flexibility of evaluation methods, as well as a focus on complex operating environments, more strategic learning and a more forward-looking approach.

The 2021 update took a more holistic approach to impact evaluation based on the observation that we need systematic data and analysis of the entire impact chain (IOOI) – resources (Input), activities and outputs (Output), effects (Outcome) and long-term impact (Impact) – as a basis for impact management and evaluation. At the core of the 2021 update was the view that Sitra's evaluation could be more transformative if, in addition to the main pillars (accountability and learning), it had a stronger focus on foresight and futures.

Between 2016 and 2024, Sitra published seven external impact evaluations in key programming areas (i.e., impact objectives) and, in 2019, a comprehensive evaluation. This evaluation process proved useful for project planning and management, and the results and recommendations of the evaluations have been widely used in Sitra's strategic work and policy development. However, the methodology of the impact evaluations could only partially rely on systematic and long-term monitoring data, which is why the monitoring and evaluation of project results and effects did not yet optimally support the impact analysis. This prompted the need to further strengthen the *evaluability* of Sitra's projects and the work of its teams, and thus the methodological rigour of impact evaluation. In its 2019 opinion, the parliamentary working group also stressed the need for a systematic foundation for Sitra's evaluation.

The 2024 comprehensive evaluation was carried out as an **evaluation of Sitra's strategic positioning**. It examined the coherence of Sitra's internal and external activities and the fulfilment of its statutory mission. It contributed to the creation of the new strategy and operating method. At the same time, it paved the way for the necessary updates to the evaluation approach that are now underway.

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