

Workstream IV: Monitoring and Evaluation

Background note: Overview of evaluation mechanisms in selected funds

I. Introduction

1. Decision 1/CP.16 requires that the Transitional Committee shall develop and recommend to the Conference of Parties for its approval at its seventeenth session operational documents that address, inter alia:

(a) A mechanism to ensure periodic independent evaluation of the Fund's performance (1/CP.16, Appendix 3, Para 1(g));

(b) Mechanisms to ensure financial accountability and to evaluate the performance of activities supported by the Fund, in order to ensure the application of environmental and social safeguards as well as internationally accepted fiduciary standards and sound financial management to the Fund's activities (1/CP.16, Appendix 3, Para 1(h));

(c) Mechanisms to ensure stakeholder input and participation (1/CP.16, Appendix 3, paragraph 1 (j)).¹

II. Overview of evaluation mechanisms in selected fund

2. This document has been prepared at the request of the Co-Facilitators of workstream IV and TC members. The scope of this background document is limited to a review of evaluation mechanisms in other relevant Funds. Further details of mechanisms to ensure financial accountability, and sound financial management of the Fund's operations and activities will be subject to further discussion by TC members.

3. The document provides an overview of evaluation mechanisms that have been established in three other Funds (the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Environment Facility, and the Multilateral Fund for the implementation of the Montreal Protocol). There are different approaches to establishing and managing an independent evaluation mechanism. The three approaches described in this background document, reflect some possible approaches. A review of existing evaluation mechanisms in the three Funds suggest that approaches to independent evaluation range from evaluations conducted by a unit within a Secretariat that has independent reporting lines from the areas/ line functions being evaluated, or through setting up a separate independent unit outside of the Secretariat, or a combination of an internal evaluation function complemented by an external independent function. In this background document the following approaches are presented:

(a) Internal evaluation function, complemented by an independent advisory group of experts. (eg the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund))

(b) Establishment of an Independent Evaluation Office with full-time staff (eg the GEF) has an independent evaluation office)

(c) Establish an M & E function/position within the Secretariat (eg the Multilateral Fund for the implementation of the Montreal Protocol)

¹ 1/CP.16, Annex 3, Paragraph 1(h).

Option (a)

Internal Evaluation Function complemented by Independent Advisory Group of Experts

(Example: GLOBAL FUND: Technical Evaluation Reference Group (TERG))

4. **Background:** In 2003 in discussions of the monitoring and evaluation functions of the Global Fund, the Board of the Global Fund requested the Monitoring, Evaluation, Finance and Audit Committee to discuss advantages and disadvantages of having an evaluation function external or internal to the Secretariat. The Board decided the Global Fund should have an internal evaluation function (carried out by the Secretariat), complemented and moderated by an independent group of experts – “protecting external evaluations from the political pressures exerted by the Board and Secretariat”.² The independent group of experts formally known as the Technical Evaluation Reference Group (TERG) became operational in September 2004.

5. **Mandate:** The main reason for establishing the TERG was to strengthen the independence of the internal evaluation function in the Global Fund – and to find a compromise between commissioning and managing evaluations internally and externally. The TERG’s mandate is to ensure independent evaluation of the Global Fund business model, investments and impact. The TERG provides independent assessment and advice to the Board on issues related to monitoring and evaluation of the Fund at all levels. The TERG is also mandated with providing advice to the Global Fund Secretariat on evaluation approaches and practices, reporting procedures and other technical and managerial aspects of monitoring and evaluation.

6. **Structure and composition:** The TERG consists of an independent group of experts in monitoring and evaluation who are institutionally independent of the Secretariat, Board, and Board committees. Membership of the TERG is drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient countries, and NGOs. The TERG has nine appointed members plus five ex officio members. Members of the TERG are appointed by the Board. Members serve for a term of three years, and cannot serve more than two consecutive terms. TERG members serve in their personal capacities, and meet twice a year. TERG members are paid an honorarium for each meeting.

7. **Functions:**³ The TERG supports the Global Fund Secretariat’s monitoring and evaluation work by providing independent assessments and advice on technical and managerial aspects of the monitoring and evaluation work of the Fund at all levels. Specific functions include:

(a) Design, commission and oversee independent evaluations, with administrative support from the Secretariat and within a budget approved by the Board;

(b) Independently assess and report on the monitoring and evaluation work conducted by the Secretariat and grant recipients;

(c) Provide independent advice to the Secretariat and to the Board and its Committees on monitoring and evaluation related matters and especially on systematic evaluation of Global Fund investments.⁴

8. **Management and coordination of evaluations:** There is an internal evaluation function performed by the Secretariat and complemented by the assurance function performed by the Office of the Inspector General. The internal M&E functions of the Secretariat are performed by 3 Teams: Africa, EECA/LAC and Asia who report to the Director of the Monitoring and Evaluation Unit. The TERG reports on its work to the Board through the Policy and Strategy Committee (PSC). The Board, either directly or through its committees, may request the TERG to consider commissioning or overseeing independent evaluations in areas it identifies. The TERG shall report the findings on such evaluations directly to the relevant Board committee and, as appropriate, update the PSC on its work as part of its regular report. The PSC, other Board committees and the Secretariat shall not revise TERG recommendations nor prevent those recommendations from reaching the full Board. All

² <http://www.theglobalfund.org/documents/board/20/GF-BM20-17%20TERG%20Self-Assessment%20Attachment%201.pdf>

³ See the TERG: Terms of Reference (December 2010) for a detailed elaboration of mandate and functions

⁴ TERG: Terms of Reference (December 2010).

recommendations of the TERG are advisory and are not binding on the Board or any of its committees. The TERG has a support team in the Global Fund's Secretariat that provides operational, administrative, and logistic support to the TERG.

9. **Levels of evaluation:**

(a) Programme level: The global Fund has an M & E strategy that specifies the requirements for programme level evaluations, which should be addressed by country partners.

(b) Country-level evaluation: Principal Recipients of Global Fund grants are required to develop an M & E monitoring and evaluation plan (approved by the Global Fund) to monitor and evaluate implementation at the country-level.

(c) Global Level (includes a focus on organizational efficiency and effectiveness of the Global Fund): The five –year evaluation reports were conducted independently and the full set of reports were released in 2009.

10. **Accountability and independence:** Members of the TERG are appointed by the Board. The TERG Chair and Vice-Chair are elected by the TERG members. The Chair of the TERG reports to the Board. TERG members serve in their personal capacities

Option (b)

Establishment of an Independent Evaluation Office with full-time staff

(Example: GLOBAL ENVIRONMENT FACILITY (GEF): Independent Evaluation Office)

11. **Background:** The evaluation function in the GEF has evolved over the years. In 1996 an M&E Unit was established in the GEF Secretariat. A number of policy processes were put in place to de-link the M&E unit from the Secretariat structure, and in 2004 the GEF Council approved the establishment of an independent evaluation office.

12. **Mandate:** The independent evaluation office has the mandate to ensure the independent evaluation function within the GEF. The evaluation office also ensures oversight of the quality of monitoring and evaluation at program and project levels. The evaluation office also has a normative function - to set minimum monitoring and evaluation standards within the GEF.

13. **Structure and composition:** The evaluation office is headed by a full-time Director, and consists of 12 full-time staff. The Director is appointed by the GEF Council. The Director has a five-year tenure, renewable once for an additional five-year term.

14. **Functions:**

- (a) Sets minimum requirements for M&E;
- (b) Ensures oversight of the quality of M&E systems at program and project levels;
- (c) The Office is responsible for undertaking independent evaluations that involve a set of projects from more than one Implementing or Executing Agency;
- (d) Oversight of project and program evaluations;
- (e) Oversight of the relevance, performance, and overall quality of monitoring systems;
- (f) Set results frameworks at focal area and corporate level.

15. **Management and coordination of evaluations:** The GEF has an M&E policy that contains principles, norms, and standards for the work of the GEF Secretariat in monitoring, and for the work of the GEF Evaluation Office. The GEF policy also sets out minimum requirements on M&E for GEF-financed projects and programs. It also covers monitoring, evaluation, and reporting for

programmatic approaches. GEF implementing agencies are required to conduct terminal evaluations of projects/ programmes for which they are responsible, in accordance with guidelines issued by the GEF independent evaluation office. The GEF Secretariat monitors the overall GEF portfolio across implementing agencies and focal areas, and ensures monitoring of and reporting on progress and results at the consolidated portfolio level. The independent evaluation office has a separate budget and its own programme of work that is approved by the GEF Council.

16. **Levels of evaluation:**

(a) Project evaluation: At the end of the intervention (terminal evaluation), and after the project end (ex-post evaluation) or before project start (ex ante-quality at entry).

(b) Program evaluations: Of a set of interventions to attain specific global, regional, country, or sector objectives. These include evaluations or studies of the GEF focal area strategies, programmatic approaches and GEF Corporate Programs.

(c) Country level evaluations: Of one or more agencies' portfolio of projects and activities, in a partner country.

(d) Overall performance studies: Of the GEF, connected to the GEF replenishment and Assembly cycles. These address overriding issues such as the global impact and benefits of GEF programs, as well as GEF institutional arrangements, policies, strategies, programs, and priorities.

17. **Accountability and independence:** The Evaluation Office sits outside of the line functions that it is tasked to evaluate. The Evaluation Office reports directly to the GEF Council. According to the GEF Monitoring and Evaluation Policy⁵ "The GEF Evaluation Office is independent from both the policy-making process and the delivery and management of assistance to guarantee that data gathering and analysis and judgments on criteria, findings, and recommendations will not be influenced by conflicts of interest or undue interference by management at any level. The Secretariat, Agencies, and other affected parties may receive, comment, and respond to the draft and final reports, but do not have the right to approve, hold back, request changes, or otherwise modify such draft and final evaluation reports. The Director issues final evaluation reports directly and simultaneously to the GEF Council and the GEF CEO without any prior clearance from anyone."

Option (c)

Establish an M & E Function/Position within the Secretariat

(Example: MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL)

18. **Background:** In 1998 the Executive Committee of the Multilateral Fund (of the Montreal Protocol) created a monitoring and evaluation function in the Secretariat, and appointed a Senior Monitoring and Evaluation Officer in the Fund Secretariat to monitor and evaluate on a continuous basis the projects that were being implemented. In March 1999 the Executive Committee approved the first annual monitoring and evaluation work programme.

19. **Mandate:** The monitoring and evaluation function in the Secretariat is responsible for the co-ordination of all monitoring and evaluation activities.

20. **Structure and composition:** The monitoring and evaluation function in the Secretariat is comprised of a senior monitoring and evaluation officer and 3 support staff. The senior monitoring and evaluation officer reports to the Executive Committee in all substantive matters and to the Chief Officer in administrative matters.

21. **Functions:** The monitoring and evaluation function in the Secretariat is responsible for the co-ordination of all monitoring and evaluation activities. The senior monitoring and evaluation officer has the following tasks:

⁵ The GEF Monitoring and Evaluation Policy (2010).
www.thegef.org/gef/sites/thegef.org/files/documents/ME_Policy_2010.pdf

- (a) Prepare the annual M&E work plan and its budget for submission to the Executive Committee;
- (b) Identify and hire competent consultants;
- (c) Prepare terms of reference and work plans for individual evaluations and head field missions whenever necessary;
- (d) Review the draft evaluation reports prepared by independent consultants to ensure that they meet the requirements of the terms of reference and have adequate technical quality.

22. ***Management and coordination of evaluations:*** The Executive Committee approves an annual M&E work programme. The senior monitoring and evaluation officer has the responsibility to manage the evaluation programme as approved by the Executive Committee. Monitoring is done on two levels. At the first level, implementing agencies (UNDP, UNEP, UNIDO, WB, and bilateral agencies), are responsible to monitor their activities and outputs/results, based on a standard format for progress reporting. At the second level, the Fund Secretariat monitors the implementing agencies through their annual progress reports and project completion reports. Evaluation reports are prepared by the Monitoring and Evaluation Officer of the Secretariat based on studies submitted by consultants. These reports evaluate, by sector, the entire project cycle from project preparation to implementation to completion and assess whether results were achieved in terms of phase-out and cost. Annual monitoring and evaluation work programmes are prepared by the Secretariat. And approved by the Executive Committee. External evaluations of the MLF itself are also conducted by independent external consultants.

23. ***Levels of evaluation:***

- (a) Project level: Implementing agencies (UNDP, UNEP, UNIDO, WB, and bilateral agencies), are responsible to monitor their activities and outputs/results, based on a standard format;
- (b) Sectoral Level: Sectoral evaluations are undertaken by the MLF Secretariat. These include aerosol sector, foam sector, refrigeration, amongst others;
- (c) Fund level/ Evaluation of the Financial Mechanism of the Montreal Protocol. Periodic external evaluations of the Financial Mechanism are conducted by independent external consultants. Key areas covered in the evaluation include: i) Executive Committee decision-making process; ii) Multilateral Fund Secretariat activities; iii) Activities implemented by multilateral and bilateral implementing agencies; iv) Fund management; and v) additional matters.

24. ***Accountability and independence:*** The senior monitoring and evaluation officer is selected by the Chief Officer. The senior monitoring and evaluation officer has a two-year contract which can be extended. The senior monitoring and evaluation officer reports to the Executive Committee in all substantive matters and to the Chief Officer in administrative matters. The evaluation reports, their findings, conclusions and recommendations, are discussed internally prior to their submission to the Executive Committee. The Chief Officer has the right to submit a minority report to the Executive Committee in cases where there is disagreement with the senior monitoring and evaluation officer.

Annex

I. Definitions

A. What is Evaluation?

“An assessment, as systematic and objective as possible of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors”. (Development Assistance Committee (DAC), 1991)

B. Independent Evaluation

The Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) specifies that an evaluation is independent when it is “carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention”.

II. Evaluation Criteria

Many multilateral and bilateral agencies have adopted the following set of criteria developed by the OECD/DAC:

- **Relevance:** The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirement, country needs, global priorities and partners’ and donors’ policies.
- **Efficiency:** A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
- **Effectiveness:** The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.
- **Impacts:** The positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
- **Sustainability:** The continuation of benefits from a development intervention after major development assistance has been completed. The probability of long-term benefits. The resilience to risk of the net benefit flows over time.