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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-seventh Meeting  
Montreal, 30 March - 3 April 2009

**REPORT ON THE EXISTING TERMS OF REFERENCE AND HOW THE EVALUATION  
FUNCTIONS IN SIMILAR INSTITUTIONS ARE ORGANIZED AND IMPLEMENTED  
(Decision 56/8(d))**

1. At its 56<sup>th</sup> Meeting, the Executive Committee considered the draft monitoring and evaluation work programme for 2009 and decided “to request the Senior Monitoring and Evaluation Officer to prepare and submit a document to the 57<sup>th</sup> Meeting of the Executive Committee outlining existing terms of reference for the position and briefly summarizing how evaluation functions in other similar fund secretariats and financial institutions were organized and implemented.” (decision 56/8(d))
2. Subsequently, the then Senior Monitoring and Evaluation Officer prepared the terms of reference for this task to be performed by an independent consultant to ensure a fully objective analysis.
3. The report of the consultant is attached to this document and will be presented by the consultant at the 57<sup>th</sup> Meeting. The Executive Committee may wish to consider the suggestions made in the report.

**AN INQUIRY  
INTO  
THE EVALUATION AND MONITORING FUNCTIONS  
OF SELECTED INTERNATIONAL ORGANIZATIONS**

**PREPARED FOR:  
THE SECRETARIAT OF THE MULTILATERAL FUND  
FOR THE IMPLEMENTATION OF  
THE MONTREAL PROTOCOL**

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**February 2009**

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## ABBREVIATIONS

ADR	Assessment of Development Results
CO	Country Office (UNDP)
EO	Evaluation Office (UNDP)
GEF	Global Environmental Facility
IDB	InterAmerican Development Bank
IEG	Independent Evaluation Group (WB)
IFAD	International Fund for Agricultural Development
M&E	Monitoring and Evaluation
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
NGO	Non-governmental Organization
ODS	Ozone Depleting Substance
OE	Office of Evaluation (IFAD)
OIOS	Office of Internal Oversight Services
OVE	Office of Evaluation and Oversight (IDB)
SMEO	Senior Monitoring and Evaluation Officer
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNIFEM	United Nations Development Fund for Women
UNV	United Nations Volunteer Programme
WB	The World Bank

## EXECUTIVE SUMMARY

1. *This report is prepared upon the decision of the Executive Committee of the Multilateral Fund (MLF) that requested the Senior Monitoring and Evaluation Officer (SMEO) to compile information on the institutional procedures of monitoring and evaluation in relevant international funding institutions (decision 56/8(d)).*
2. *The report has been prepared by interviewing the persons who are in charge of monitoring and evaluation in the relevant institutions and reviewing the documents that refer to procedural matters and regulations that govern the evaluation and monitoring units in these institutions. Their modus operandi was then compared with that of the Multilateral Fund.*
3. *The review of the literature as well as of pertinent documents shows clearly that evaluation is not an end but a means to assist the organizations to carry out their mandate, providing them with:*
  - (a) *Greater accountability and transparency in the use of resources;*
  - (b) *A more informed basis for decision making;*
  - (c) *Lessons learned from past experience guiding future actions and interventions.*
4. *Evaluation is a time-bound exercise that attempts to assess systematically and objectively the relevance, performance and the degree of success of ongoing and/or completed projects and programmes.*
5. *Evaluations are to be carried out objectively and independently without any interference from any level of management of the organizations, implementers and stakeholders.*
6. *The weight of the evaluations is on the outcomes. In that sense they should indicate:*
  - (a) *The relevance of the projects and programmes;*
  - (b) *The efficacy of the projects and programmes;*
  - (c) *The efficiency of the projects and programmes.*
7. *The evaluation practices, the modus operandi and the internal flow of information of the evaluation units of five international organizations were compared with those of the Multilateral Fund (MLF). These institutions are World Bank (WB), Global Environmental Facility (GEF), International Fund for Agricultural Development (IFAD), United Nations Development Programme (UNDP) and Inter-American Development Bank (IDB). The emphasis is on:*
  - (a) *The role of the evaluation units;*
  - (b) *The responsibilities and attributes of these units;*
  - (c) *The modus operandi followed;*
  - (d) *The safeguards integrated in monitoring and evaluation systems to maintain independence and impartiality.*
8. *The comparison yielded clearly and unambiguously that all evaluation offices of the international organizations examined in this report are designed to be independent and transparent. Within the context*

*of independence and transparency, the modus operandi shows some variations. These can be described as follows:*

- (a) The modus operandi and the flow of information occupy a special place to maintain independence, impartiality and integrity in all evaluation offices. Some nuances and variations are observed with respect to appointments, reporting procedures and the role of the head of the organization.*
- (b) In the majority of organizations, the governing board appoints the director or officer in charge of the evaluation unit. In all cases they occupy high level positions in their organizations. The head of most evaluation units has a fixed-term appointment and at the completion of the term is obliged to leave the organization.*
- (c) All evaluation units discussed in the report, report directly to their respective boards. In the MLF, the SMEO presents evaluations to the Executive Committee as Secretariat documents, after having discussed them internally and with implementing agencies and national ozone units concerned.*
- (d) In all cases the evaluation reports are presented to the Boards as corporate products, even though they may be prepared by independent consultants who have no affiliation with the organization and have not participated in the design and implementation of the projects/programmes. All final reports are public domain. All organizations organize independent evaluations, though a staff member of the organization may head the evaluation missions. Some organizations, such as UNDP, may attach a staff member to the mission as a resource person whenever appropriate. The practice in MLF is that an independent consultant may lead the evaluation mission. If the SMEO of the Fund participates in a mission, he then heads it. Depending upon the nature of the evaluation, a staff member, who is well versed with the subject matter, may also accompany the mission as a resource person. It is not unusual to have a staff member from the implementing agencies to also join the mission as a resource person.*

*9. One important conclusion that emerges from this comparison is that the evaluation units are indeed essentially independent and occupy a special place within their respective organizations. Their heads are appointed mostly through a different procedure than normal staff appointments. But the head of the organization also reserves, even if the reports are submitted directly to the Boards without his/her interference, the right to express agreement or disagreement with the reports, since he/she is the one who is entrusted with the duty of overseeing the organization's functioning and carrying out its mandate as incorporated into the statutes. The final responsibility rests with the Board (or with the Executive Committee for the MLF) to accept/reject and implement any recommendation contained in the evaluation reports, which have an advisory function only.*

*10. The M&E function is best located in the Secretariat and should neither be delegated to another entity nor can it be outsourced. If outsourcing were done, it would be against the standards established by the United Nations Evaluation Group (UNEG) to which all United Nations agencies subscribe. As in all other institutions examined in this report, the responsibility for evaluation should be part of an independent unit within the Secretariat.*

*11. In contrast to most of the institutions analyzed, neither the budget nor the human resources of the office of SMEO have increased since its inception. When one considers the cost increases of the past ten years in consultant fees, travel expenses, etc., one cannot help but question the rationale of keeping the budget on nominal zero growth. Also the office would need additional manpower, if the suggestions made in this report regarding reporting on and evaluations of multi-year agreements are to be fully implemented by the SMEO.*

12. *The SMEO carries a great deal of responsibility not only within the Secretariat, but especially vis-à-vis the Executive Committee. The discussions with ozone units and high level representatives in Article 5 countries before and during evaluation missions require good knowledge of the Fund and diplomatic skills. The office, hence, must have a certain stature commensurate with its responsibility and its special status within the organization. Therefore, it should be headed by a highly qualified professional whose rank cannot be lower than P-5.*





## **1. INTRODUCTION**

### **1.1 Background**

13. At its 56<sup>th</sup> Meeting the Executive Committee of the Multilateral Fund (MLF) decided “to request the Senior Monitoring and Evaluation Officer to prepare and submit a document to the 57<sup>th</sup> Meeting of the Executive Committee outlining existing terms of reference for the position and briefly summarizing how evaluation functions in other similar fund secretariats and financial institutions were organized and implemented” (decision 56/8(d)). In order to assure a fully objective analysis, and also due to time constraints, this report is prepared by an independent consultant in response to the above-cited decision of the Executive Committee in accordance with the terms of reference (see Annex I) prepared by the SMEO. The report examines the evaluation functions of five international funding institutions and compares them with the MLF.

### **1.2 Methodology**

14. The report was prepared in five steps:

- (a) Interviews conducted with persons who are in charge of monitoring and evaluation (M&E) in the following institutions: Global Environmental Facility (GEF), International Fund for Agricultural Development (IFAD), Inter-American Development Bank (IDB), United Nations Development Programme (UNDP) and World Bank (WB).
- (b) Review of documents of these institutions referring to procedural matters, chain of command, presentation of the evaluation reports to the governing bodies, staffing and resources. This review complemented and supplemented the information obtained from the interviews.
- (c) Comparison of the M&E procedures of these organizations with those of MLF. The similarities and differences are highlighted in Section 4.
- (d) Submission of draft versions of the report to the SMEO in order to have feedback with respect to any errors and omissions that may have occurred.
- (e) Revision of the report upon receipt of comments from the SMEO, and submission of the final version to the Executive Committee.

## **2. SOME CONCEPTUAL AND DEFINITIONAL ISSUES**

### **2.1 Purpose of monitoring and evaluation**

15. Monitoring and evaluation are essential management tools to organizations to provide:

- (a) Greater accountability in the use of resources;
- (b) A clearer basis for decision-making;
- (c) Lessons drawn from experience to guide future actions and interventions.

### **2.2 Monitoring**

16. Monitoring is a continuous function that primarily provides the management and the main stakeholders of an ongoing project/programme with early indications of progress, or the lack thereof, in

the achievement of project/programme objectives. The main tasks of project monitoring are to measure the progress of project activities and output production against established schedules and indicators of progress; to identify operational problems; and to recommend revisions or corrective actions. Monitoring also facilitates periodic reviews by generating relevant information.

17. There are several ways and means to carry out monitoring. The most common methods consist of desk review of work plans, reports and accounts received from the project management; visits to the project site; obtaining information through surveillance systems and sample surveys; regular communications with project management staff; and the preparation and/or processing of timely monitoring reports and recommendations for action. Since monitoring mainly concerns operations, the indicators (contained in the project document) should include dates for completion of key activities or outputs, the differences between actual and planned expenditures, description of actual activities and outputs in comparison to planned activities and outputs, and any other indicators of an operational nature.

### 2.3 Evaluation

18. Evaluation is a time-bound exercise that attempts to assess systematically and objectively the relevance, performance, outcome and success of ongoing and/or completed projects/programmes. The primary purpose of an evaluation during project implementation is to assess the project's performance to date, appraise the effectiveness of its strategy and design, identify operational problems, and make recommendations for revision or corrective action.

- (a) **Mid-term evaluation:** These evaluations can be carried out during the implementation process. They typically take place at the mid-point of the project implementation, or as needed. If an evaluation is scheduled during project implementation, it is especially important to verify that the project objectives have been stated in unequivocal and measurable terms and that the success indicators for the achievements of the objectives have been clearly established.
- (b) **Terminal evaluation:** The primary purpose of a terminal evaluation is to determine the extent to which project objectives have been achieved. Additional purposes for an evaluation at project termination may be to determine whether project results remain relevant, project implementation has been efficient, the project design has been effective, and project results are sustainable. The evaluation should also identify the measurable impact of the project to date and the lessons that have been learned. Terminal evaluation should be scheduled during the last months of the project, so that key project personnel may be available for interview and project operations may also be observed.

The results of a terminal evaluation should be used by the relevant decision makers in deciding about follow-up activities, other projects of the same type, or other projects with the same institutional partners. The lessons learned in the evaluation results should be shared with all interested institutions. The evaluation results should be articulated in such a way that they reflect the accountability of the agency which undertakes the evaluation.

Since an evaluation of a project/programme reflects the way and modality followed by the organization to fulfill its mandate, its very first rule is that it should be carried out objectively and independently in accordance with the terms of reference without any interference from any level of management of the organization or from the stakeholders. This is one reason why most evaluation offices are directly attached to the organization's highest executive authority. Evaluations are generally carried out by independent evaluators whose findings, conclusions and recommendations are presented to the representative of the stakeholders.

- (c) **Ex-post evaluation:** The primary purpose of ex-post evaluation is to determine the extent to which project results have been utilized, the impacts of such utilization and to assess the extent to which the utilization of project results has been sustainable. It also identifies the lessons learned. Ex-post evaluation is conducted after the completion of the project so that the effects or impacts can be properly appreciated. Results of the ex-post evaluation are used primarily for decision makers of new projects. They are usually reported to the governing bodies of the organization in fulfilment of their accountability requirements.

## 2.4 Preconditions for successful evaluations

19. For evaluation and/or monitoring to be effective and useful certain preconditions in the project preparation must be taken into account. Briefly these are:

- (a) Measurable objectives for the project and indicators are defined, covering output of goods and/or services generated by the project and their impact on beneficiaries (for the characteristics of good indicators see Annex III).
- (b) Provisions for collecting data and managing project records are in place so that the data required for indicators are compatible with existing statistical information and such statistics are available at a reasonable cost.
- (c) Institutional arrangements have been foreseen for ways in which the M&E findings are fed back to decision makers.

20. Failure of overlooking these preconditions is fraught with the danger that the M&E process would fall short of its objectives.

## 2.5 Audit

21. Audits examine, review and appraise the use of financial resources of the organization to ascertain the compliance of programme managers with the financial and administrative rules and regulations. Audits can be carried out internally as well as externally. In both cases the objective is the same, i.e., to improve the organization's risk management, control and governance processes.

22. Since the terms of reference of this report limits its scope to M&E, no further details about audit are called for. It is briefly mentioned here to call attention to the fact that monitoring, evaluation and audit are integral elements of transparent governance for all organizations analyzed where they are carried out by separate offices and/or external institutions.

## 3. MONITORING AND EVALUATION PRACTICES IN SELECTED MULTILATERAL ORGANIZATIONS

### 3.1 Introductory remarks

23. This section presents the evaluation practices followed by a number of international organizations. The analysis focuses on:

- (a) The mandate and the role of the evaluation units within the respective organizations;
- (b) The *modus operandi* the units follow;
- (c) The flow of information;

- (d) The safeguards integrated so that evaluations are carried out independently from the management of the organizations;
- (e) Staffing and financial resources.

24. All organizations selected are funding agencies that provide financial resources for the implementation of projects/programmes that are specified in their mandates. In that sense there is a strong similarity between them and the Multilateral Fund.

### **3.2 Global Environment Facility (GEF)**

25. GEF addresses global environmental issues while supporting national sustainable development initiatives. It does so through a partnership with 176 member countries, several implementing and executing agencies, recipient countries, non-governmental organizations (NGO) and the private sector. It is a financial mechanism for international cooperation that provides grants and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits for 6 focal areas:

- (a) Biological diversity;
- (b) Climate change;
- (c) International waters;
- (d) Desertification and deforestation;
- (e) Ozone layer depletion;
- (f) Organic pollutants in developing countries and countries in transition.

26. The governing Council of GEF consists of 32 members elected from all member countries. It provides strategic and policy directions in these 6 focal areas, taking into account guidance from the conferences of the Parties of the global environmental conventions, for which GEF serves as financial mechanism. Its mission in the global environment requires it to be innovative and experimental and puts the partnership in a position to assess global dimensions of environmental and development policies.

27. M&E play an important role in GEF, for it has to ensure that its programmes and projects are monitored and evaluated on a regular basis, and to maintain sufficient flexibility to respond to changing circumstances. The experiences it gains from M&E activities provide feedback to its decision-making processes at the policy, programme and project levels. This feedback allows GEF to track progress in fulfilling its mission of delivering global environmental benefits in the 6 focal areas mentioned above.

28. The M&E functions of GEF were established after its restructuring in 1994 when the GEF Council was entrusted with the responsibility for developing, adopting and evaluating the operational policies and programmes for its activities. A framework for M&E was approved in 1997 and revised in 2003, making the M&E Unit independent. Accordingly the Unit now reports directly to the GEF Council. Also, since 2004 it is called the Evaluation Office (EO) and is entrusted to carry out only and exclusively evaluations. Today monitoring is no longer the purview of the EO; that function is left to the implementing/executing agencies. But its evaluation function has expanded. At present, the EO has 12 professionals. It also employs long-term as well as short-term consultants on a need basis. During the last 5 years the number of its professionals increased and the resources at its disposal expanded. In 2004 it had only 6 professionals and a budget of US \$1.9 million. After 5 years the number of the professionals doubled and in 2008 its total approved budget stood at the level of US \$4.0 million.

29. EO has two objectives:

- (a) Promote accountability for the achievement of GEF objectives through the assessment of results, effectiveness, processes, and performance of the partners involved in GEF's activities. The results are to be evaluated for their contribution to global environmental benefits.
- (b) Promote learning, feedback, knowledge sharing of results and lessons learned among GEF partners as a basis for decision making on policies, strategies, programme management and projects, and to improve knowledge and performance.

30. For GEF, evaluation is a systematic and impartial assessment of an activity, project, programme, strategy, policy, sector, focal area, or any other related topic. It aims at determining the relevance, impact, effectiveness, efficiency, and sustainability of the interventions and contributions of the involved partners. It provides evidence-based information that is credible, reliable, and useful, enabling the timely incorporation of findings, recommendations, and lessons into the decision-making process. All projects are subject to terminal evaluation, of which 60 are conducted per year. The recourse to mid-term evaluations may be required only when projects encounter certain difficulties that may not be resolved by the implementing/executing agencies.

31. The function and the responsibility of the EO are to undertake independent evaluations that involve a set of projects from more than one implementing or executing agency. These evaluations are typically on a strategic level, on focal areas, or on crosscutting themes. The EO also undertakes institutional evaluations. In order to prevent duplication as well as to promote synergies, the EO collaborates in these evaluations with independent evaluation offices of these agencies.

32. All GEF evaluations are guided by a set of norms and principles that can be summarized as follows:

- (a) **Independence:** The members of the evaluation teams should be independent from both the policy-making process and the delivery and management of assistance.
- (b) **Impartiality:** Evaluations must give a comprehensive and balanced presentation of the strengths and weaknesses of the policy, programme, project or organizational unit being evaluated.
- (c) **Transparency:** There must be a clear communication concerning the purpose of the evaluation activity, the criteria applied and the intended use of the findings.
- (d) **Disclosure:** The lessons from evaluation shall be disseminated by establishing effective feedbacks to policy makers, operational staff, beneficiaries and the general public.
- (e) **Ethical:** Evaluations shall provide due regard to the welfare, beliefs and customs of those involved or affected, avoiding conflict of interest.
- (f) **Partnership:** The Evaluation Office shall actively explore the possibility of joint evaluations which would provide GEF with insights and feedbacks that may not be realized through stand alone evaluations.
- (g) **Competences and capacities:** Evaluations shall make the best use of local expertise at both the technical and evaluative level and stimulate evaluation capacity at the local level with a specific focus on environmental concerns.

- (h) **Credibility:** Evaluations shall be credible and based on reliable data or observations. They shall make use, as much as possible, of dynamic and pragmatic techniques and indicators for measurement of results and progress.
- (i) **Utility:** Evaluations will have to serve the information needs of intended users. They shall be both result and action oriented.

33. EO is independent from both the policy making process and the delivery and management of assistance to guarantee that data gathering and analysis and judgement on criteria, findings and recommendations will not be influenced by conflict of interest or undue interference by management at any level. The Secretariat, implementing and executing agencies and other affected parties may comment and respond to the draft and final reports, but they do not have the right to approve, hold back, request changes or otherwise modify the content of the reports. EO's Director transmits final evaluation reports directly to the GEF Council without prior clearance by GEF's CEO.

34. Further safeguards are in place to ensure the independence of the EO. These are:

- (a) Clear separation between monitoring and evaluation;
- (b) Appointment of the EO's Director by the Council;
- (c) Five-year tenure of the Director, renewable only once for an additional five-year term;
- (d) Non-employability of the Director in any capacity in GEF at the termination of the ten-year period;
- (e) The mandate of the Director to submit an annual performance report directly to the Council;
- (f) Non-affiliation of the employees of the EO or of the consultants contracted for evaluations, with the design and/or execution of the projects.

35. To ensure transparency, all evaluation reports, as well as the annual performance report, are made public by printing them as well as by disseminating them through internet.

### **3.3 Inter-American Development Bank (IDB)**

36. IDB was established in 1959 as a regional development bank to provide long-term developmental loans and grants to the countries in Latin America and the Caribbean. It has 47 stockholders, 21 of which are non-borrowing members. Among these are the United States of America, Canada, Japan, the United Kingdom of Great Britain and Northern Ireland and several other European countries. All regional stockholder countries are borrowers.

37. The evaluation arm of the Bank is the Office of Evaluation and Oversight (OVE). It is headed by a director and has a total of 25 employees, 19 of whom are professionals. It also employs consultants who are contracted according to need. There has been no change in the number of the staff during the last five years and the office's total budget has remained fairly constant at the level of US \$7 million per year.

38. OVE's specific mandate, derived from the decision of its Board of Directors, is to contribute to the consolidation of a result focus in the institution through both the conduct of specific evaluation studies and the oversight of the Bank's evaluation system as a whole. Four principles guide its overall work:

- (a) Evaluation, as a tool, must constantly scrutinize the Bank's activities to determine whether its performance is effective, continues to be relevant, or whether it needs to be sharpened or modified to accomplish its tasks more effectively.
- (b) Evaluation should focus on "institutional learning," which should be the standard applied to assess the relevance and effectiveness of the evaluation activity.
- (c) Evaluation must focus on assessing the "development effectiveness" of the Bank's activities. This mandates to focus on those activities which are directed toward contributing to the economic and social development of the borrowing member countries.
- (d) Evaluation must focus on the "results" of Bank-financed activities, since the Bank does not only look at its outputs (projects approved, funds lent), but also at the outcomes of its actions in the borrowing countries. In that sense evaluation work becomes an essential part of the process of moving the Bank toward a results-based operational style.

39. As can be surmised from these four principles, that OVE is solely and exclusively mandated to carry out evaluations. The monitoring function is not in its purview; this function is left to implementers/executors.

40. To implement these principles OVE conducts a balanced programme of work which can be grouped under five thematic areas:

- (a) **Oversight studies:** These involve a systematic review of those bank systems and processes that have been designed to provide data on the results of the Bank's operations. The central questions are whether these processes generate meaningful information on results, and whether supervisory and control processes are adequate?
- (b) **County programme evaluations:** These are mandated by Board policy. OVE conducts country programme evaluations as part of the process of preparing each new country strategy document.
- (c) **Sector, thematic and ex-post evaluations:** The Bank sees its principal comparative advantage in working on similar issues across many countries, for which it needs a broad perspective on sectoral and thematic issues in the region. OVE carries out ex-post evaluations on completed projects, as well as on thematic areas and sectors, which allows the Bank to sharpen its focus on results across a given sector or theme.
- (d) **Policy and instrument evaluations:** Policies are explicit guidance aimed at defining the space within which Bank actions are possible. Policies are always subject to approval by the Board and OVE conducts evaluations as inputs for decisions on policies and instruments.
- (e) **Capacity development for evaluation:** The 1994 decision of the Bank's Governors urged the Bank to "promote and support in-country capacity building and facilitate cooperation in evaluation activities with other development agencies." OVE undertakes capacity development work both within the institution, providing comments on indicators and evaluation methodologies for the projects of the Bank and, in the region, providing support for emerging units and networks of evaluation professionals.

41. Several safeguards are in place to assure OVE's independence. These are:

- (a) Clear separation between monitoring and evaluation;

- (b) The chairman of the Steering Committee presents the final recommendation on the selection of OVE's director to the Board of Executive Directors;
- (c) Appropriate consultations with the President of the Bank to seek his views about the process of selection and its results;
- (d) Strictly consultative and advisory role of the President and his non-interference with the decision of the Board;
- (e) Five-year tenure of OVE's director, renewable only once for an additional five-year term;
- (f) Non-employability of the director in any capacity in the Bank at the termination of the ten-year period;
- (g) The Board's or the management's non-interference with the evaluation reports or making alterations and suggestions.

42. In order to assure transparency, all completed OVE evaluations are made available on OVE's internet web page.

### **3.4 United Nations Development Programme (UNDP)**

43. UNDP is United Nations' global development arm, an organization advocating change and connecting countries to knowledge, experience and resources to help people build a better life. In addition, it attracts and uses assistance from multilateral and bilateral donors. In all its activities, expansion and protection of human rights is an overarching concern.

44. UNDP has 166 Country Offices (COs) working and collaborating with the countries to assist them to find solutions to national and global development challenges. In each CO the UNDP Resident Representative also serves as the Resident Coordinator of development activities for the United Nations system as a whole, a coordination system that ensures the most effective use of United Nations' resources.

45. UNDP focuses primarily on five thematic areas.

- (a) Democratic governance;
- (b) Poverty reduction;
- (c) Crisis prevention and recovery;
- (d) Environment and energy;
- (e) HIV/AIDS.

46. The UNDP activities and interventions are subject to various types of evaluations. The purpose is to increase transparency, coherence and efficiency in generating and using evaluative knowledge for organizational learning and effective management for results and to support accountability. This overall policy applies to its associate funds and programmes as well, which are the United Nations Development Fund for Women (UNIFEM), the United Nations Volunteer Programme (UNV) and the United Nations Capital Development Fund (UNCDF).

47. UNDP's present evaluation policy is articulated in the General Assembly resolution (59/250) of 2004, which requires the systematic evaluation of United Nations' system of operational activities, by assessing their impact on poverty eradication, economic growth and sustainable development of



programme countries. The overall policy draws from and is aligned with the norms and standards for evaluation in the United Nations system, as developed and approved by the United Nations Evaluation Group (UNEG).

48. The Evaluation Office (EO) of UNDP has a staff of 26 professionals and is headed by a director at D-2 level who is appointed by the Executive Board for a term of five years which can be extended for another five years. At the completion of the term of appointment the director may continue to be employed by the United Nations, but not in UNDP. The EO makes use of independent consultants, provided that they have not been involved in the design and/or implementation of any project/programme to be evaluated. Its budget doubled since 2004 and reached US \$ 7 millions in 2008.

49. The Executive Board approves the evaluation policy, ensures the independence of the evaluation function, determines EO's annual work programme and also requires that UNDP management responds and follows up on recommendations made by the evaluations.

50. The guiding principles for evaluations can be summarized as follows:

- (a) **Human development and human rights:** Evaluation is guided by the people-centered approach of UNDP to development, which enhances capabilities, choices and rights for all men and women. Universally shared values of equity, justice, gender equality and respect for diversity are the key elements of this principle.
- (b) **United Nations system and global partnership:** Evaluations draw and contribute to collaboration within the United Nations system to improve effectiveness and reduce transaction costs for development cooperation.
- (c) **National ownership:** Evaluations are guided by national priorities and concerns. They are inclusive and take into account diverse national interests and values. They aim to strengthen partnerships with governments and key stakeholders.
- (d) **Managing for results:** Evaluations support UNDP to manage for results by assessing the extent to which UNDP's processes, products and services contribute effectively to development results affecting people's lives. Through the generation of evidence, evaluations enable more informed management and decision making for strategic planning and programming.

51. Eight distinct but interrelated norms determine the operational aspect of UNDP evaluations. These are identical to the norms set by UNEG.

- (a) **Independence:** The evaluation function is to be structurally independent from the operational management and decision-making functions in the organization so that it is free from undue influence in its objective and has full authority to submit reports directly to appropriate levels of decision making. Management cannot impose restrictions on the scope, contents and recommendations of the evaluation reports.
- (b) **Intentionality:** The rationale and the decisions for an evaluation are to be clear from the onset. The scope, design and plan of the evaluation are to generate relevant and timely products that meet the needs of intended users.
- (c) **Transparency:** Full information on evaluation design and methodology are to be shared throughout the process that builds confidence in the findings and understanding of their limitations.

- (d) **Ethics:** Evaluations should not reflect personal or sectoral interests. Evaluators must have professional integrity and respect the rights of institutions and individuals to provide information in confidence and to verify statements attributed to them.
- (e) **Impartiality:** Evaluations are to be free of biases with the possible maximum objectivity and must contribute to knowledge.
- (f) **Quality:** Evaluations are to meet the quality standards defined and set by the EO.
- (g) **Timeliness:** Evaluations are to be designed and completed in a timely fashion so as to address the specific purpose and objectives for which they are commissioned and ensure the usefulness of the findings and recommendations.
- (h) **Utility:** Evaluations are to provide information to be used for evidence-based decision making.

52. Within these policy principles the EO carries out a variety of evaluations. Monitoring is not its mandate; it is left to the management. But the systematic monitoring carried out by the management of projects and programmes serves as input to evaluations.

53. The EO conducts different kinds of evaluations. These are:

- (a) **Strategic evaluations:** These assess UNDP's performance in the areas that are critical to ensuring sustained contribution to development results in the context of emerging issues and changing priorities at the global and regional levels.
- (b) **Programmatic evaluations:** These assess the performance and achieved results of global, regional and south-south cooperation programmes.
- (c) **Assessment of development results (ADRs):** This assessment evaluates the attainment of intended and achieved results, as well as UNDP's contribution to development at the country level.
- (d) **Project evaluations at country level:** These assess the relevance and sustainability of outputs as contributions to medium-term and longer-term outcomes. These are the responsibility of COs.

54. Several safeguards are in place to assure the EO's independence and eliminate conflicts of interest:

- (a) The appointment of the director by the Executive Board and its assurance of the independence of the evaluations.
- (b) The use of independent consultants not involved in the design and/or implementation of any project/programme.
- (c) Non-employability of the director in any capacity within UNDP after the termination of the ten-year period. However, he/she can be employed within the rest of the United Nations system.
- (d) Reporting of the director directly to the Executive Board with respect to all substantial matters.

55. In order to assure transparency, evaluation results are made available to the public through hard copies and/or web sites.

### **3.5 International Fund for Agricultural Development (IFAD)**

56. IFAD is a fund to assist poor rural populations in developing countries to eliminate poverty, hunger and malnutrition, raise productivity and incomes, and improve the quality of their lives. The Fund designs and implements projects in different natural, socio-economic and cultural environments. Most of the IFAD-supported programmes have been in remote areas and have targeted some of the poorest and most deprived segments of the rural population.

57. IFAD's objective and *raison d'être* are to fund rural development projects specifically aimed at assisting the poorest of the poor – small farmers, artisan fisherman, rural poor women, landless workers, rural artisans, nomadic herdsman and indigenous populations – to increase their food production, raise their incomes, improve their health, nutrition, education standards and general well-being on a sustainable basis. IFAD supports nine specific areas: These are:

- (a) Agricultural development;
- (b) Financial services;
- (c) Rural infrastructure;
- (d) Livestock;
- (e) Fisheries;
- (f) Capacity and institution building;
- (g) Storage, food processing, marketing;
- (h) Research, extension services, training;
- (i) Small and medium-scale enterprise development.

58. IFAD functions on two levels. It provides loans to its developing member states (115 countries and territories) on highly concessional, intermediate and ordinary terms for approved projects and programmes. Lending terms and conditions vary according to borrowers' per capita income. It also provides grants to institutions and organizations in support of activities to strengthen the technical and institutional capacities linked to agricultural and rural development. However, grants are limited to 10 per cent of the combined loan and grant programme.

59. The Office of Evaluation (OE) is responsible for evaluating IFAD's operations and policies. The main purpose is to promote accountability and learning and to improve the performance of the Fund's operations and policies. Evaluations provide accountability by assessing the impact of IFAD-funded activities through an accurate analysis of successes and shortcomings. At present the OE is composed of a director and 25 professionals. In 2008 its total budget was US \$5.5 million, an increase of 30 per cent over 2004.

60. Since 2003, the OE reports directly to the Executive Board, which has the following prerogatives:

- (a) Overseeing IFAD's evaluation work and assessing the overall quality and impact of IFAD's programmes and projects as documented in evaluation reports.

- (b) Approving the OE's annual work programme and budget.
  - (c) Approving policies aimed at enhancing the independence and effectiveness of the evaluations.
  - (d) Receiving directly from the OE all evaluation reports, including the annual report on the results and impact of IFAD operations.
  - (e) Endorsing the appointment, removal or renewal of service of the OE director.
61. The OE has several instruments at its disposal:
- (a) **Corporate level evaluations:** These are intended to assess the effectiveness and impact of IFAD policies, strategies and approaches to rural poverty alleviation.
  - (b) **Country programme evaluations:** These provide an assessment of the performance and impact of IFAD-supported activities in a given country.
  - (c) **Thematic evaluations:** These examine IFAD's impact and performance within a particular theme or issue. They are built on project evaluations and draw on a variety of external sources, including evaluation work done by other organizations and institutions on the same issue.
  - (d) Project evaluations of two types:
    - (i) **Interim evaluations:** These are made before starting a further project phase or launching a similar project in the same region. Findings and recommendations are used to assess the justification for a further phase in a given country and for improving the design and implementation of subsequent interventions.
    - (ii) **Completion evaluations:** These are conducted after the finalization of the project completion report prepared by the borrower, in collaboration with the cooperating institution (generally up to 18 months after the project has ended).
62. The monitoring functions are left to the implementers of the projects.
63. Several safeguards assure the independence of the OE.
- (a) The OE is independent of IFAD's management;
  - (b) The OE reports directly to the Executive Board;
  - (c) The director is nominated by the administration and endorsed by the Executive Board;
  - (d) The director's office term is five years and can be renewed for another five years. Upon the completion of tenure, the director is not eligible for further employment within IFAD;
  - (e) All consultants, who are hired for specific purposes, must have no previous involvement in the design or the execution of projects/programmes.
64. In order to ensure transparency, all reports of the OE are made available to the public.

### 3.6 The World Bank (WB)

65. WB is one of the Bretton Woods institutions set up, in 1944, as the International Bank for Reconstruction and Development (IBRD) to facilitate post-war reconstruction and development. It evolved into the World Bank group with an overall mandate of worldwide poverty alleviation. The Bank has 185 members who are shareholders represented by a Board of Governors. Since the Board meets only annually, its specific duties are delegated to 24 executive directors who form the Board of Executive Directors and work on site at the Bank. They normally meet at least twice a week to oversee the Bank's business, approving loans and grants, new policies, the administrative budget, country assistance strategies and borrowing, and financial decisions.

66. The Bank's activities are evaluated by the Independent Evaluation Group (IEG) that reports directly to the Bank's Board of Executive Directors. It is headed by a director general who has the rank of senior vice-president, and a staff of 106 professionals. They are supported by a number of long-term and short-term consultants (about 90 in 2008), who are strictly required to have no involvement in the design of the Bank's projects/programmes design and/or in their implementation. Its budget was US \$25.8 million in 2004 and US \$30.7 million in 2008. IEG's mandate is to conduct evaluations and provide an objective basis for assessing the results of the Bank's work and accountability in the achievement of its objectives. It also contributes to the Bank's activities by identifying and disseminating the lessons learned from experience and by presenting recommendations drawn from evaluation findings.

67. The WB uses an objectives-based approach to evaluation. This approach:

- (a) Enhances accountability by focusing attention on the extent to which objectives agreed upon with the Bank's Board of Executive Directors have in fact been achieved;
- (b) Promotes efficiency by relating the use of scarce resources to the accomplishment of specific outcomes;
- (c) Allows comparisons by applying a common measurement across the wide array of sectors and countries for which the Bank provides financing.

68. The IEG evaluates development interventions by assessing how their results compare against their own stated objectives. At the project level the methodology focuses on outcomes, sustainability and institutional development impact of Bank operations. This methodology is followed in country, corporate, sector, thematic and policy evaluations.

69. The IEG conducts five types of evaluations:

- (a) **Project evaluations:** These reviews are, in essence, performance assessments of completed projects. They are undertaken on a sample basis. One in four completed projects (or about 70 per year) is subject to such an assessment. As stated above, the focus is on relevance, efficacy, efficiency, sustainability and institutional development impact. Project evaluations are stand-alone products, as well as inputs for other kinds of evaluations.
- (b) **Country assessment evaluations:** The Bank examines its performance in a particular country, usually over the past four to five years, and reports on its conformity with the relevant Bank Country Assistance Strategy (CAS) and on the overall effectiveness of the specific CAS. The IEG carries out approximately ten evaluations of this nature per year.
- (c) **Sector and thematic reviews:** These examine the Bank's performance in a lending sector, such as agriculture, transport, or thematic area, such as poverty, gender, over five to ten years and report on their conformity with the Bank policy and good practice, as

well as on the development effectiveness of the Bank's activities. The IEG carries out approximately six reviews of this nature per year.

- (d) **Process reviews:** These examine ongoing activities, such as aid coordination or development grants, and report on their overall efficiency, consistency with stated objectives and effectiveness. Process evaluations are produced in response to a request by the Executive Board. The IEG carries out approximately two to three reviews of this nature per year.
- (e) **Impact evaluations:** These are directed at the systematic identification of the effects, positive or negative, intended or not, on individual households, institutions and the environment caused by a given development activity, such as a programme or a project. These evaluations are conducted as needed.

70. Several measures are in place to assure the independence of IEG:

- (a) It is completely independent from the Bank's management;
- (b) It is responsible to the Executive Board of Directors and its terms of reference are determined by the Committee of Development Effectiveness of the Board;
- (c) Its director is appointed by the Executive Board for a five-year term which is not renewable, also not in other Bank offices.

71. To assure transparency all of the reports of IEG are made available to the public.

### **3.7 Multilateral Fund for the Implementation of the Montreal Protocol (MLF)**

72. MLF started in 1991 with the sole purpose of eliminating production and consumption of ozone depleting substances (ODS) in developing countries operating under Article 5 of the Montreal Protocol. For this purpose it provides assistance to enable these countries to meet their commitments under the Montreal Protocol.

73. From the outset, MLF opted not to create its own project implementation infrastructure, but to use instead the capacities of implementing agencies, such as UNDP, UNEP, UNIDO, WB, and bilateral agencies. These agencies exercise the oversight over projects and programmes they are responsible for. After some years of operations the Executive Committee created the position of the Senior Monitoring and Evaluation Officer in the Fund Secretariat to monitor and evaluate on a continuous basis the projects that were being implemented.

74. The 22<sup>nd</sup> Meeting of the Executive Committee decided "that the modest strengthening of the Secretariat approved by the Executive Committee in Decision 21/36 should be sufficient to enable the Secretariat to perform monitoring and evaluation on a continuous basis, through the development of a monitoring and evaluation system and database, the coordination, supervision and carrying out of monitoring and evaluation studies and assignments and the establishment of a monitoring and evaluation post within the Secretariat whose incumbent would report directly to the Sub-Committee and/or the Executive Committee and be responsible for the coordination of all monitoring and evaluation activities." (Decision 22/19)

75. At its 23<sup>rd</sup> Meeting the Executive Committee approved the job description of the SMEO (see Annex V) and in 1998 an external consultant prepared a "Project Monitoring and Evaluation Manual". The SMEO position was created in 1998 and filled in 1999. The SMEO is supported by a secretary and a half-time data base assistant. This set up remained unchanged since its establishment. Its budget in 2008 was US \$326,000 (excluding salaries); this budget stayed at about the same level since 1999.

76. Monitoring is done on two levels. At the first level, implementing agencies are responsible to monitor their own activities and outputs/results. At the second level, the Fund Secretariat monitors the implementing agencies through their annual progress reports and project completion reports. These reports constitute inputs to the evaluations carried out by the SMEO.

77. The evaluations are conducted to provide information on the following:

- (a) The effectiveness of investment projects in particular sectors and of non-investment projects in contributing to the ODS phase-out;
- (b) Assessment of the strength and limitations of various types of projects;
- (c) The major causes of observed failures to reach targets and lessons learned in the implementation;
- (d) Recommendations for improving the Fund's performance;
- (e) Evaluations can be mid-term, i.e., evaluation during the life of the projects or phase-out agreements, or they can be ex-post evaluations, i.e., evaluations at some point after project completion.

78. The SMEO has the following tasks:

- (a) To prepare the annual M&E work plan and its budget for submission to the Executive Committee;
- (b) To identify and hire competent consultants;
- (c) To prepare terms of reference and work plans for individual evaluations and head field missions whenever necessary;
- (d) To 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.

79. The Executive Committee approves the annual M&E work programme. The SMEO has the responsibility to manage the evaluation programme as approved by the Executive Committee. He prepares the terms of reference, the budget, the samples of projects and countries to be visited and the schedules of the evaluation missions. In doing so he interacts with the staff of the Secretariat. The Chief Officer oversees financial and administrative matters, the contracting of consultants, and reviews their terms of reference. The consultants carry out the field work while Secretariat staff may participate in missions as resource persons. SMEO interacts with the consultant(s) and reviews the draft reports. Secretariat staff and the Chief Officer then comment on them to assure technical accuracy. The SMEO submits the reports to the Executive Committee as a document of the Secretariat. The consultants' names do not appear in the synthesis report; they appear only in the case studies.

80. Several provisions are in place to maintain the neutrality and transparency of the office.

- (a) The SMEO is selected by the Chief Officer and nominated by the Executive Director of UNEP.
- (b) The SMEO has a two-year contract which can be extended.
- (c) The SMEO reports to the Executive Committee in all substantive matters and to the Chief Officer in administrative matters.

- (d) The evaluation reports, their findings, conclusions and recommendations, are discussed internally prior to their submission to the Executive Committee.
- (e) The Chief Officer has the right to submit a minority report to the Executive Committee in cases where there is disagreement with the SMEO.
- (f) The Executive Committee determines the budget of the M&E work programme.
- (g) In order to obtain independent views, teams of consultants who are not directly linked to the preparation and/or implementation of projects and activities conduct the evaluations.

81. In order to ensure transparency, all final synthesis reports are available to the public via the MLF's web page; the case studies are available on the intranet.

## 4. CONCLUSIONS AND SUGGESTIONS

### 4.1 Conclusions

82. All evaluation offices analyzed are designed to carry out impartial, transparent and accountable work. Evaluations findings, conclusions and recommendations generated in the reports are not subject to undue control or interference from the management of the organizations. They are transparent in that findings and recommendations resulting from the evaluations are public domain. All organizations, without exception, hold the independent evaluation function as an essential element of their credibility and effectiveness, according to principles, sometimes known as three **Is: integrity, impartiality and independence**. It appears that the independence of the evaluation process depends not simply on the independence of the evaluator or of the evaluation unit, but on a range of complementary functions and responsibilities.

- (a) The most important component of *independence* is in the selection of those who will undertake the evaluation mission. Within the scope of the terms of reference, the evaluation mission has the obligation and competence to reach the conclusions and recommendations that it deems appropriate, and back up such conclusions and recommendations with facts, figures, and logic. The evaluation team is responsible to make a persuasive case of the conclusions and recommendations it puts forward.
- (b) The *management and coordination* of an evaluation is the responsibility of the organization's evaluation unit. It has professional latitude in designing and managing the evaluations. It sets the terms of reference, usually in consultation with other bureaus or departments of the organization, establishing what issues are to be assessed, what questions are to be answered and what work plan is to be followed. It also selects the evaluators according to their technical specialties, and establishes the budget and the time allocated to the evaluations. They review the drafts of the evaluation reports and assess their concordance with the terms of reference.
- (c) Although the evaluation process is managed and guided by an evaluation unit, the *recommendations* are directed to the organization as a whole. In many instances there may be some recommendations directed to different entities – governments, implementing agencies, etc. Each organization responds to the recommendations as it sees fit.
- (d) An independent evaluation is an *advisory function*. The organization may agree or not with the recommendations, and the decision making authority is not required to act on them in exactly the manner in which they are presented. The organization's governing



board makes the subsequent decisions, taking into account the evaluators' recommendations together with other elements of institutional experience, policies, budgetary constraints, priorities and the overall mandate of the organization.

83. In all organizations reviewed in this report, evaluation offices, their *modus operandi* and the flow of information occupy a special place to maintain their independence, impartiality and integrity. The intention is the same for all; however, some nuances exist in appointments, reporting procedures and the role of the heads of the organizations.

84. With respect to *appointments*: in most cases the heads of the evaluation offices are either directly appointed by their respective boards or nominated by the management and approved by the boards. High level professional accomplishment is one of the requirements for the appointment.<sup>1</sup> They all carry high rank commensurate with the responsibility they assume. In the MLF the Executive Director of UNEP, upon the recommendation of the Chief Officer, appoints the evaluation officer. His/her tenure of office is not time bound (renewable fixed-term contracts of two years).

85. With respect to the *reporting* procedure: in all cases, evaluations are directly reported to the boards of the organizations. In the case of the MLF, the SMEO is the one who presents the reports to the Executive Committee.

86. In all cases, the reports presented to the Boards are *corporate products*, even though they may be the work of consultants. The reports of the Secretariat of the MLF are submitted to the Executive Committee also as a corporate product without the name(s) of the consultant(s).

87. In the presentation of the reports to the Boards, the *role of the CEO of the organization* varies. In the WB, since the reports are transmitted from the evaluation office directly to the Board, the President is at liberty to express his agreement/disagreement or reservations only in the Board meeting. The practice in GEF is that its CEO reviews the reports, but does not have the faculty to alter them. He/she has the duty to transmit them to the Board and the right to express his/her opinion with respect to conclusions and recommendations. In IFAD the President, again, is at liberty to express his/her views, as he/she deems appropriate. The Administrator of UNDP, who reports to the Board, reviews the reports beforehand. In the MLF Secretariat it is the SMEO who presents the evaluation reports to the Executive Committee after discussing the drafts with the Chief Officer.

88. The heads of the organizations reserve, even if the reports are submitted directly to the Boards without his/her interference, the right to express disagreement with the reports. The final responsibility for accepting/rejecting any of the recommendations contained in these reports rests with the governing bodies. In the final analysis these reports are only advisory.

#### **4.2 Suggestions for future M&E activities in the MLF**

89. As can be surmised from the previous pages, there is a great deal of similarity between the M&E *modus operandi* of the MLF and that of the other international organizations. This is hardly surprising, since they all adhere to certain standards articulated by the United Nations Evaluation Group (UNEG) and the Evaluation Cooperation Group of Multilateral Development Banks.

90. M&E is most effective as an independent function within the Secretariat. It should neither be delegated to other staff in the Secretariat nor can it be outsourced. It is part of multiple checks and balances and quality assurance measures designed to provide validated information to the Executive Committee so that it can exercise its oversight function. If outsourcing of the function were done, it would

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<sup>1</sup> E.g., the Director General of the Evaluation Office at WB is an accomplished economist (Ph.D.), previously a professor in prestigious universities; in IFAD the Director is a well known diplomat; the Director of EO/UNDP has a long career in the organization (D-2) and the deputy is a Ph.D. economist (D-1).

be against UNEG principles to which all United Nations agencies must adhere. It would also lose the advantage of easy access to information and frequent informal discussions between the SMEO and Secretariat staff, which contribute greatly to the quality of evaluations from the terms of reference to the final reports. Moreover, the follow-up on evaluation recommendations during project review depends to a large extent on such discussions. Otherwise this would need a more formalized system.

91. The SMEO carries a great deal of responsibility not only within the Secretariat, but especially vis-à-vis the Executive Committee. The discussions with ozone units and high level representatives in Article 5 countries before and during evaluation missions require good knowledge of the Fund and diplomatic skills. The office, hence, must have a certain stature commensurate with its responsibility and its special status within the organization. Therefore, it should be headed by a highly qualified professional whose rank cannot be lower than P-5.

92. Most multi-year agreements (MYAs) contain provisions with regard to periodic mid-term evaluations by the SMEO as a monitoring tool, based on field evidence in contrast to relying only on the annual implementation reports from the implementing agencies that often give an unclear and too positive picture. This should be done more regularly than in the past focussing on those countries with likely risks for complying with the phase-out schedules, in order to assess that the planned total phase-out has indeed taken place as scheduled. Such studies would also allow the monitoring of the progress of HPMP preparations and their possible links with national CFC phase-out plans, which are currently being completed. For completed phase-out plans completion reports have to be prepared, combined with selected terminal evaluations to check whether the reported phase-out has indeed occurred and to generate lessons learned for the HPMPs. Once the HPMPs have made some progress, periodic mid-term evaluations should also be done for them. The web based MYA overview tables will facilitate improved monitoring of such agreements but cannot fully replace information collected during field visits in sample countries. Evaluations are also advisable for sectors which are soon to be finalized, such as chillers, MDI, TCA, and MB.

93. After 10 years of continuous evaluation activities and related decisions of the Executive Committee, it is advisable to screen all of them to see to what extent they have been followed, whether there are some overlaps and some outdated ones and to streamline them, in particular with regard to their application to HPMPs and to reporting requirements. Furthermore the numerous lessons learned reported should also be summarized and related to future work of the Fund.

94. Neither the budget nor the human resources of the office of SMEO have changed since its inception. When one considers the cost increases of the past ten years in consultant fees, travel expenses, etc., one cannot help but question the rationale of keeping the budget on nominal zero growth. Also the office would need additional manpower, if the suggestions made in this report regarding reporting on, and evaluations of, multi-year agreements are to be fully implemented by the SMEO.

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**Annex I**

**DRAFT TERMS OF REFERENCE FOR COMPILING INFORMATION ON EVALUATION OFFICES OF SOME INTERNATIONAL FUNDING INSTITUTIONS AND COMPARING THEM WITH THE MULTILATERAL FUND**

1. As per decision 56/8(d) the 56<sup>th</sup> Meeting of the Executive Committee decided:  
  
“To request the Senior Monitoring and Evaluation Officer to prepare and submit a document to the 57<sup>th</sup> Meeting of the Executive Committee outlining existing terms of reference for the position and briefly summarizing how evaluation functions in other similar fund secretariats and financial institutions were organized and implemented.”
2. In order to obtain a rapid and neutral analysis, a consultant will prepare a draft report covering the following:
  - (a) Compilation of information on the mandate, terms of reference, scope of work and institutional procedures, budget, staffing, and reporting lines of monitoring and evaluation offices of the following fund secretariats and financial institutions, taking into account the resolutions of the United Nations General Assembly and reports of the Joint Inspection Unit (JIU) on strengthening of oversight mechanisms:
    - (i) Global Environment Facility (GEF);
    - (ii) International Fund for Agriculture Development (IFAD);
    - (iii) World Bank Group (WB);
    - (iv) Inter-American Development Bank;
    - (v) United Nations Development Programme (UNDP).
  - (b) The information should focus on:
    - (i) Terms of reference and scope of work of the evaluation and monitoring offices/functions; this includes describing what role ex-post evaluations and mid-term evaluations play, how lessons learned are integrated into future project preparations and approvals, how recommendations are followed up, how monitoring by routine reporting and ad-hoc data collection functions and feeds data collection for evaluation, what role the implementing agencies play and what the relations are with audits, management reviews and external overall evaluations;
    - (ii) Management structure and *modus operandi* of the evaluation units/functions, including lines of reporting, ease of access to information, level of communication with staff of the Secretariat needed for carrying out balanced and well informed evaluations, and options for outsourcing part of the evaluation work;
    - (iii) Budget, staffing and development of resources since 2004 and discussions in the governing bodies about their development.
3. The consultant will compare the procedures followed by the institutions named above with those of the Multilateral Fund.



Annex II

SUMMARY TABLE

	<b>Appointment of head of evaluation office (EO)</b>	<b>Terms of appointment</b>	<b>EO reports to</b>	<b>Evaluation budget (million US \$)</b>	<b>Professional staff in EO</b>
WB	President nominates, Board approves	Fixed term of 5 years; non-renewable	The Board	2004 = 25.8 2008 = 30.7 (+19 %)	99 106 (+7 %)
GEF	The Council	Fixed term of 5 years; renewable once	The council	2004 = 1.9 2008 = 4.0 (+110 %)	6 12 (+100 %)
IFAD	Nominated by Head, approved by Board	Fixed term of 5 years; renewable once	The Board	2004 = 3.5 2008 = 5.5 (+58 %)	14 25 (+79 %)
UNDP	Staff appointment by Executive Board	Fixed term of 5 years; renewable once	Substantive to Executive Board; administrative to Administrator	2004 = 4.0 2008 = 7.0 (+75 %)	14 25 (+78 %)
IDB	By the Board	Fixed term of 5 years; renewable once	Board	2004 = 7.0 2008 = 7.0 (no change)	25 25 (no change)
MLF	Chief Officer selects; UNEP's Executive Director appoints	Fixed term of 2 years; renewable	Executive Committee	1999 = 0.3 2008 = 0.3 (no change)	1 1 (no change)

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### Annex III

#### CHARACTERISTICS OF GOOD INDICATORS

1. Indicators are critical components of any programme/project. They are indispensable instruments both for project/programme implementation and evaluation. They are observable signs that indicate the changes in certain conditions or the results from specific conditions. In other words, they are observable signals of status change. They should be selected during the formulation stage of a programme/project when objectives or goals are being established. Indicators will have to be compared with respect to baselines when monitoring is carried out and will have to be utilized when an evaluation takes place. The absence of good indicators may render an evaluation that falls short of its objectives.

2. There are clear criteria for determining the characteristics of good indicators. One is the **SMART** indicators<sup>2</sup>, developed by UNDP and used many United Nations agencies. SMART stands for:

**S** Specific  
**M** Measurable  
**A** Attainable  
**R** Relevant  
**T** Tractable

3. The World Bank also developed a set of criterion for good indicators abbreviated as **CREAM**<sup>3</sup>.

**C** Clear = precise, unambiguous  
**R** Relevant = appropriate to subject  
**E** Economic = available at reasonable cost  
**A** Adequate = sufficient basis to assess  
**M** Monitorable = amenable to independent valuation

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<sup>2</sup> UNDP/EO, *Results-oriented Monitoring and Evaluations*. New York, 1997

<sup>3</sup> WB, *Ten Steps to a Results-based Monitoring and Evaluation System*. Wash. DC, 2004





## Annex IV

### ACKNOWLEDGEMENTS AND SOURCES

1. This report is prepared on three sets of information: personal interviews, publications of the organizations studied and the web pages of the same. Both the publications and WebPages are public domain. In order to keep fluidity of the text, no references and footnotes are given.

- **Interviews:** The consultant wishes to acknowledge gratefully the assistance extended to him by Robert van den Berg (GEF), Pierre Kingbo(WB), Luigiani Lavizzari and Khalid Elharizi (IFAD), Juha Uitto and Nurul Alam (UNDP), Stephen Quick (IDB), Gurpur Kumar (OIOS), and Yee Woo Guo (OIOS). They all gave their valuable time and discussed freely the pertinent aspects of evaluation and monitoring in their respective organizations. Ansgar Eussner (former SMEO) closely cooperated with the consultant throughout the preparation of the report and Andrew Reed (MLF) supplied valuable information. Heartfelt thanks to all of them.

- **Publications/WebPages:**

World Bank

<http://web.worldbank.org/external/default/main>

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS>

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IFAD

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[http://www.multilateralfund.org/evaluation\\_document\\_library\\_htm](http://www.multilateralfund.org/evaluation_document_library_htm)

<http://www.multilateralfund.org/evaluation.htm>

[http://www.multilateralfund.org/results\\_impact.htm](http://www.multilateralfund.org/results_impact.htm)

[http://www.multilateralfund.org/overview\\_results\\_and\\_impact.htm](http://www.multilateralfund.org/overview_results_and_impact.htm)

<http://www.multilaterafund.org>

UNEG

*Evaluation in the System*

<http://www.uneval.org/index.cfm?module=1Library&page>

OIOS

Internal Oversight

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**Annex V**

**REVISED JOB DESCRIPTION AND QUALIFICATIONS FOR MONITORING AND  
EVALUATION OFFICER  
(UNEP/OzL.Pro/ExCom/23/4, Annex II)**

**JOB DESCRIPTION**

Under the general supervision of the Chief Officer, the incumbent will be responsible to:

1. Draft the work programme and work plan for monitoring and evaluation *for Sub-Committee/Executive Committee review and approval.*
2. Work with the implementing agencies, bilateral and other agencies to explore ways of ensuring effective monitoring and evaluation of projects supported by the Fund *consistent with Executive Committee requirements.*
3. Coordinate monitoring and evaluation functions *required by the Executive Committee* with those of implementing and bilateral agencies, financial intermediaries and recipient countries
4. *Following any Executive Committee request and/or guidance, and* in cooperation with implementing agencies, prepare and update standard monitoring and evaluation guidelines for the content of project proposals, progress reports and completion reports for Fund-supported activities *for Sub-Committee review and Executive Committee approval.*
5. Verify that *Executive Committee approved* monitoring and evaluation standards are being applied to all facets of the development and implementation of approved projects.
6. Develop monitoring and evaluation systems and databases *consistent with the need to generate data requested by the Executive Committee* with which to describe and analyze activities supported by the Fund.
7. Manage special evaluation studies, including the preparation of terms of references *for Executive Committee approval*, selecting *diverse* evaluators *consistent with any applicable bidding requirements*, and overseeing the implementation of evaluations.
8. Aggregate information on the performance of the Fund in meeting Fund and project objectives *consistent with information requested by the Executive Committee.*
9. Report to the Monitoring, Evaluation, and Finance Sub-Committee *and the* Executive Committee on the performance of and lessons learned from projects approved under the Multilateral Fund at all stages of implementation based on experience from bilateral and other agencies through periodic reports in relation to Executive Committee policies and guidelines.
10. Report to the Monitoring, Evaluation, and Finance Sub-Committee *and the* Executive Committee on the process of monitoring and evaluation being used and suggest changes as necessary.
11. Follow-up on the decisions and directives of the Executive Committee within the field of monitoring and evaluation.

12. *Prepare, and after Executive Committee approval, disseminate* information on best practices and successful results.
13. Undertake missions, as required to carry out the above functions.

## **QUALIFICATIONS**

1. At least 10 years of experience, in the areas of monitoring, evaluation, and research.
2. Advanced university degree in a relevant field of the social sciences, engineering, or equivalent qualifications and/or experience in monitoring and evaluation.
3. Experience with respect to both programming and programme implementation would be an advantage.
4. Demonstrated abilities in assessment techniques and good skills in interpersonal communication.
5. Fluency in English and preferably other UN languages.
6. Knowledge of office automation systems and related software are essential.
7. Good analytic writing, communications, and administrative skills.

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