

Annex III

ELEMENTS FOR A DRAFT OUTLINE OF AN EVALUATION POLICY FOR THE MULTILATERAL FUND OF THE MONTREAL PROTOCOL (*)

DEFINITION OF EVALUATION

1. The Multilateral Fund subscribes to the definition of evaluation derived from the Norms and Standards for Evaluation of the United Nations Evaluation Group (UNEG)¹ and the Administrative Instruction of the United Nations Secretariat.²
2. An evaluation is an assessment, conducted as systematically and impartially as possible, of an activity, project, programme, strategy, policy, topic, theme, sector, operational area or institutional performance. It analyses the level of achievement of both expected and unexpected results by examining the results chain, processes, contextual factors and causality using appropriate criteria such as relevance, effectiveness, efficiency, impact and sustainability. An evaluation should provide credible, useful evidence-based information that enables the timely incorporation of its findings, recommendations and lessons into the decision-making processes of the organization and its stakeholders.
3. Evaluation is part of but distinct from a larger organizational oversight architecture for assessing programme performance which also includes Monitoring, Audit and Inspection.³
4. In the Multilateral Fund, the responsibility for Evaluation is with the Evaluation Unit headed by a Senior *[Monitoring and]* Evaluation Officer. Currently, the function is also responsible for one component of project monitoring, which is collecting the final reports upon completion (the Project Completion Reports (PCRs)). The remaining project-related monitoring aspects fall under the responsibility of other Senior Officers in the Fund Secretariat.

[Note: If Recommendation 1 of the Assessment to rename the Senior Monitoring and Evaluation Officer (SMEO) as a Senior Evaluation Officer (SEO) is accepted, then a revised job description for this post should accompany the draft Evaluation Policy for Executive Committee consideration which eliminates the collection of PCRs and the preparation of the related consolidated report by the Evaluation Unit.]

I. PURPOSES OF THE MULTILATERAL FUND EVALUATION FUNCTION

5. Evaluation at Multilateral Fund serves three main purposes:
 - (a) **Accountability:** Evaluation is an integral part of the accountability framework and constitutes an important source of evidence for understanding organizational performance. The transparent reporting of evaluation results enhances Executive Committee confidence in Multilateral Fund's ability to deliver on the mandates entrusted to it.
 - (b) **Evidence-based decision-making:** Evaluation supports better decision-making at all levels of the Multilateral Fund. It should inform planning, programming, budgeting, implementation and reporting and contribute to evidence-based policymaking and

¹ United Nations Evaluation Group (2016). Norms and Standards for Evaluation, New York, UNEG.

² ST/AI/2021/3. 6 August 2021 and related [Guidelines - Administrative Instruction on Evaluation in the United Nations Secretariat](#).

³ See section VII.

(*) This outline has referenced evaluation policies in similar organizations: UNEP, UNDP, UNIDO, GEF, the Adaptation Fund, and the United Nations ST/AI/2021/3.

organizational effectiveness. Evaluation and feedback on the implementation of evaluation recommendations are relevant contributions to effective results-based management.

- (c) **Learning:** A strong culture of evaluation is a prerequisite for a learning organization. Evaluation will help the organization to learn from experience and better understand why – and to what extent – intended and unintended results were achieved and to analyse the implications of the results. The compilation, analysis and dissemination of lessons learned can be the driver for innovation and continuous improvement.

II. RESPONSIBILITY FOR EVALUATION

The Executive Committee

- (a) The Executive Committee is the custodian of the evaluation policy.
- (b) It approves the Evaluation policy and approves the biennial work programme and budget for evaluation.
- (c) It endorses the appointment of the S[M]EO based on its consultations with the Chief Officer.
- (d) It considers all evaluation reports presented to it directly by the S[M]EO.
- (e) It endorses and approves recommendations in evaluation reports as well as associated management responses.
- (f) It considers regular updates on the actions undertaken in management responses.
- (g) It should periodically commission independent reviews of the evaluation policy and practice.

The Chief Officer

- (a) Safeguards the integrity of the evaluation function, ensuring its independence from operational management and monitoring activities.
- (b) Upon completion of a recruitment process, recommends the appointment of the S[M]EO to the Executive Director of UNEP.
- (c) Works with the S[M]EO on the evaluation work programme that is presented to the Executive Committee by the Senior Evaluation Officer for approval.
- (d) Supervises and facilitates the work of the Senior Evaluation Officer.
- (e) Ensures that Evaluation is a discrete agenda item in Multilateral Fund-related meetings, internal and external, as required.
- (f) Ensures that a management response is prepared for each evaluation report. Additionally, has the option including a ‘minority report’ in cases where s/he is not in agreement with the content of an evaluation report being presented to the Executive Committee.
- (g) Promotes the visibility and dissemination of evaluation products, including through the use of the corporate platforms, the newsletters and the knowledge management system.
- (h) Promotes collaboration and coordination with the Evaluation Offices of the Multilateral Fund implementing agencies.
- (i) Ensures the use of evaluation reports and lessons learned in the Secretariat’s project review work and encourages the implementing agencies to do so in preparing proposals and implementing the projects.

Senior [Monitoring and] Evaluation Officer

[Note: If Recommendation 1 is accepted, the monitoring part would not be included in the functions, and this should be reflected in a new job description for the post of Senior Evaluation Officer (SEO)]

- (a) Functions as the head of the Evaluation Unit and manages all aspects of the evaluation portfolio.
- (b) After consultation with the Chief Officer and relevant stakeholders, presents the *[biennial]* work programme for approval of the Executive Committee.
- (c) Ensures that all evaluation reports are of high quality and conform to UNEG norms and standards for evaluation and the UN/STAI/2021/3 on evaluation in the United Nations Secretariat.
- (d) Presents evaluation reports to the Executive Committee.
- (e) Coordinates with Evaluation Offices of the implementing agencies to explore options for joint evaluation and other such exercises.
- (f) Ensures that a management response mechanism is set in place to follow-up on evaluation recommendations and reports periodically on progress in the uptake of evaluation recommendations to the Executive Committee.
- (g) Supervises the staff and consultants of the Evaluation Unit.
- (h) Represents the Multilateral Fund evaluation function at the UNEG and other United Nations relevant communities, such as the evaluation communities of practice in the United Nations Secretariat.
- (i) Reports to the Executive Committee on measures that ensure that the Multilateral Fund evaluation function is aligned to the evolving requirements of evaluation function in the United Nations and in UNEP, and prepares updates to the evaluation policy and guidelines, as required by the Executive Committee.

III. EVALUATION PRINCIPLES, NORMS AND STANDARDS OF RELEVANCE TO MULTILATERAL FUND

Independence

6. Independence of evaluation is necessary for credibility; it influences the ways in which an evaluation is used and allows evaluators to be impartial and free from undue pressure throughout the evaluation process. Evaluators must have the ability to evaluate without undue influence by any party, and to conduct their evaluative work impartially, without the risk of negative effects on their career development and must be able to freely express their assessment. Independence also demands that the Multilateral Fund Evaluation Unit is independent from management functions, carries the responsibility of setting the evaluation agenda and is provided with adequate resources to conduct its work.

7. The Evaluation Unit should have full discretion to directly submit evaluation reports to the Executive Committee. In the event the Chief Officer disagrees with the evaluation reports or products, as the head of the organization s/he has the right to issue a ‘minority report’ setting forth the objections for Executive Committee decision.

Utility

8. Evaluations should be commissioned and conducted with the clear intention to use the resulting analysis, conclusions or recommendations to inform decisions and actions. Useful evaluations make relevant

and timely contributions to informed decision-making, organizational learning processes and accountability for results. Evaluations can contribute to knowledge generation and empowering stakeholders.

Credibility

9. Evaluations must be credible. Key elements of credibility include transparent evaluation processes, impartiality, inclusive approaches involving relevant stakeholders and robust quality assurance systems. Evaluation results and recommendations are derived from the use of the best available, objective, reliable and valid data and by accurate quantitative and qualitative analysis of evidence. Credibility requires that evaluations are ethically conducted and managed by evaluators that exhibit professional and cultural competencies.

Transparency

10. Transparency is an essential element of evaluation that establishes trust and builds confidence, enhances stakeholder ownership and increases public accountability. Evaluation products should be publicly accessible on-line and should be circulated as an integral component of Multilateral Fund's communication and knowledge management platforms.

IV. TYPES OF EVALUATION

11. Two types of evaluation products have been developed under the evaluation function at Multilateral Fund during the past decades:

- (a) **Independent Evaluations** which cover the following typologies of Multilateral Fund programming:
 - (i) Sectoral Evaluations
 - (ii) Investment Projects
 - (iii) Non-Investment Projects that cover training and institutional strengthening.

These Evaluations are designed to focus on a collection of projects in a sector, regionally or cross-regionally, or may focus on a single large scale investment project. There is also potential to undertake evaluation of a portfolio of projects in single country.

- (b) **Desk Studies** are self-contained reports that respond to specific issues and areas of interest and concern.

These studies mainly rely on documentation produced by the Multilateral Fund and other sources. They do not typically involve country visits but can use surveys and interviews as required.

12. It is proposed to add two new types of evaluation:

- (a) **Semi-independent evaluation:** Conducted by an evaluation team comprised of a combination of independent evaluator and personnel from within the Multilateral Fund Secretariat and/or the implementing agencies, where applicable, as well as other relevant stakeholders. The Secretariat staff members would act as resource persons for the evaluation exercise and not be considered as evaluation experts as such and will follow the Multilateral Fund evaluation policy's principles and criteria.
- (b) **Joint Evaluation with Implementing Agencies' Evaluation Units:** The evaluation units of the implementing agencies and the evaluation unit of the Multilateral Fund could establish a mechanism of information exchange and cooperation, on a regular basis, to foster

synergies and avoid duplication of efforts in evaluating issues and themes of common interest related to projects funded by the Multilateral Fund.

13. The Evaluation Unit may also prepare internal working papers to contribute to the strengthening of evaluation relevance and its use by the relevant stakeholders.

V. DISSEMINATION, OUTREACH AND PUBLIC DISCLOSURE

14. Evaluation reports should be disseminated to all evaluation stakeholders and made publicly available, with a formal management response, on the Multilateral Fund website. Highlights of key findings, lessons learned, and recommendations should be posted on the evaluation web page and be highlighted in the knowledge management system, as part of the communication strategy of the Fund.

VI. ROLL OUT AND IMPLEMENTATION OF THE MULTILATERAL FUND EVALUATION POLICY

15. On approval of the policy, roll-out activities will be supported by communication and capacity-building products for embedding an understanding of the policy's purpose and objectives and of evaluation roles and accountabilities in Multilateral Fund. Evaluation guidelines will detail the standards and practices required for enhanced evaluation reports, management responses and reporting to the Executive Committee.

VII. OTHER OVERSIGHT FUNCTIONS AND PROCESSES RELATED TO EVALUATION

16. Evaluation is distinct from monitoring, audit and inspection. However, evaluations are informed by robust monitoring, audit and operate in a complementary manner.

MONITORING

17. Monitoring is a management task conducted by those closely involved in the design and implementation of programmes and does not presuppose independence of the monitoring agent. It involves continuous examination of any progress achieved during the implementation of an undertaking to track its compliance with the plan and to take necessary decisions to improve performance.

18. In the Multilateral Fund, monitoring responsibilities are distributed among different Senior officers, as defined in the 2009 version of the Terms of Reference (TORs) for the SMEO:⁴

- (a) Monitoring of expenditures and balances is done by the Senior Administrative and Fund Management Officer.
- (b) Monitoring of implementing agency performance is done by a Senior Programme Management Officer.
- (c) Monitoring of project delays is done by a Senior Project Management Officer.
- (d) Monitoring of country level compliance is done by a Senior Programme Management Officer.
- (e) Monitoring of annual progress reports from the implementing agencies is done by a Senior Programme Management Officer.
- (f) Monitoring of annual implementation report for Multi-Year Agreements (MYAs) is done by all Senior Programme Management Officers.

⁴ UNEP/OzL.Pro/ExCom/58/7.

[The responsibilities related to PCRs should also fall under the Multilateral Fund Secretariat, if the Evaluation function is released from the monitoring component]. If so, an additional item would be added under monitoring as follows:

- (g) Monitoring of PCRs and preparation of the consolidated PCR to be done by Project Review Officer(s).

AUDIT

19. Audit is an assessment of the adequacy of management controls and the effectiveness of governance to ensure: the economical and efficient use of resources; the safeguarding of assets; the reliability of financial and other information; the compliance with regulations, rules and established policies; the effectiveness of risk management; and the adequacy of organizational structures, systems and processes.

20. Internal Audit of Multilateral Fund is undertaken by the United Nations's Office for Internal Oversight Services. Multilateral Fund's Audit Focal Point is to be designated by the Chief Officer.

INSPECTION

21. Inspection is an examination of an organizational unit, issue or practice to determine the extent to which that unit, issue or practice adhere to prescribed standards, good practices and other criteria.