

Evaluation Manual 2008 - 2012

1 Background

Evaluations commissioned by the FMO intend to assist donors and beneficiary states in learning from experience. Additionally the evaluations have a control function to assess the quality of the projects, programmes and block grants, and determine whether grants provided are corresponding to results achieved. Communicating results will be prioritized and be based on close links between the evaluation function and information work of donors and the FMO.

The donors will have a strong focus on the results of the EEA/NFM funding over the coming 2-3 years. In order to ensure proper documentation, special emphasis will be placed on the outcome level of the result chain, and on evaluating the effects of the EEA/NFM funding at an aggregated level within priority sectors and at a national level in beneficiary states.

Evaluations will be designed to be both formative (learning) and summative (serve purpose of accountability)¹.

Evaluation is a complement to monitoring and should be used selectively to address challenges that can not be adequately handled by the FMO's regular monitoring (see 4.2). The financial regulations of the donors require the frequency and scope of evaluations to match to the nature, risk and importance of the activity. The evaluation work of the FMO will follow international standards, with criteria and definitions accepted by EU, UNEG, IEG/WB and OECD-DAC.

The FMO will issue a call for tender in order to enter into frame agreements with qualified, independent evaluators. Detailed and structured ToRs will be developed in consultation with beneficiary states and donors for each evaluation. The ToRs will provide details of the tasks and expectations of the evaluation team, the FMO, beneficiary states and the donors. Multi-annual evaluation plans will be developed in consultation and co-ordination with donors and beneficiary states.

2 Main objectives by 2011

The main purpose of evaluations undertaken in period 2009-2012 is increased learning and to document results and outcomes of the support to the beneficiary states within the priority sectors.

The following will be promoted in the period:

¹ "When the cook tastes the soup, that's formative. When the guests tastes the soup, that's summative", Robert Stake, University of Illinois

- Quality assurance
- Focus on results
- Communication of evaluation results and improved learning

Quality assurance

Evaluation is an important, complementary, in-depth tool for quality assurance. The FMO will, in consultation with donors and beneficiary states, develop evaluation plans which ultimately cover the main areas of support in a more systematic manner

Evaluations will be commissioned by the FMO of the total support to a given country and total support to a given priority sector in a country or globally.

The FMO will assist in bringing an evaluation perspective and evaluation issues into the planning of future funding to sectors and countries. The involvement of donors and focal points will be important during evaluations (visits before commencing evaluation, etc., as well as co-ordinating the work in terms of what evaluations beneficiary states are planning to undertake themselves in order to avoid duplication.

Results

Emphasis on results demands a strong focus on intended and unintended impacts when planning evaluations. Results relate here to direct outputs, while impacts refers to the wider use of the outputs (for instance a new health clinic is a result/output, while improved access to a health facility for more users is an impact). Furthermore, the FMO will refer to results and impacts from other sources of funding and EU evaluation activities in a more systematic manner.

Results from and impacts of the grant mechanisms will be strongly emphasised in the annual reports from the beneficiary states and in the FMO Annual Status Report.

Learning

The FMO will seek to strengthen the learning aspect of EEA and NFM grants. This task demands high quality in the evaluation work and active communication of the results by:

- inviting staff and representatives of the donors to take part as observers during the evaluation, provided this does not conflict with the principle of neutrality and independence:
- engaging donors and recipients in the preparations and discussions of the results and follow-up of evaluation activities:
- facilitating active review of the evaluation results in the partner countries and in organisations where the evaluated activities are taking place.

3 Making evaluations relevant

In order to ensure relevance and usefulness of evaluations, the main areas of support and countries that receive a large portion of the grant will be given priority.

Stakeholders will be engaged in the planning and implementation of the evaluation.

The FMO will be in dialogue with the evaluation team throughout the evaluation to ensure adherence to intentions, purpose and ToR of the evaluation.

Evaluation results shall be presented in clear and concise messages and highlighted in the FMO Annual Status Report. In the follow-up of an evaluation, the FMO will focus on the relevance for future EEA/N financing.

4 Guidelines for Evaluation of EEA/NFM Grants

4.1 The purposes of evaluations

Evaluations shall seek to document the use of funds and the subsequent results, for decision makers and the general public. Furthermore, evaluations shall contribute to increased understanding of the funding mechanism's limitations and its potential to bring about social and economic development within the beneficiary states.

The main purpose of an evaluation will be four-fold: 1) Evaluate whether projects and programmes have performed as intended and/or whether the expected results have been achieved (control function, documentation), 2) assess impacts and sustainability of support (documentation), 3) produce knowledge of results and performance which can contribute to improved support in the future (learning function), and 4) assess how the funding over-lap with or complement other sources of funding for the sector(s) (particularly EU funding).

Evaluations will seek to establish the causes why an intervention was more or less successful, make an assessment of success according to objectives/purposes and place the interventions and its contributions into a broader context (sector and/or national).

The balance between the learning and the control/documentation/results aspects will vary from one evaluation to the next. Communication of knowledge to the relevant planners and decision makers is a key tool for improving future interventions and modalities of co-operation.

4.2 Evaluation terminology

By evaluation we mean an assessments of donor funded projects and programmes, (ongoing or concluded), carried out as systematically and objectively as possible. The assessments can include the design of the activity, its implementation and the results achieved. Its purpose can be to determine the activity's relevance, effectiveness, cost-effectiveness, impacts, and whether the intervention is sustainable.

One normally distinguishes between *formative* and *summative* evaluations, according to the purpose of the exercise. While the learning aspect is in focus in a formative evaluation, a summative evaluation is mainly undertaken for the purpose of

accountability (control). Evaluations commissioned by the FMO will have both summative and formative characteristics.

Evaluations are primarily backward-looking (*ex-post*) and focus on our experience with a type of activities that have been concluded, but may also be performed for ongoing activities. The learning function suggests we give priority to experience that will be useful also in the future. Evaluations are distinguished from reviews and systematic monitoring of ongoing or completed interventions in the sense that more thorough standards of methodology, sources, and independence apply. While the FMO monitoring is continuous and quantitative, using one data source; evaluations are episodic and use multiple data sources and quantitative and qualitative methods. The external monitoring of the FMO focuses on the level of an individual project according to pre-agreed indicators and project plans, while an evaluation covers a number of projects within a priority sector.

Evaluations are also distinguished from the Project Completion Report, which is a formal conclusion of a project. The Project Completion Report seeks only to *summarise* results, relevant experiences, and the beneficiary's adherence to the reporting requirements.

An evaluation of high quality shall be based on facts, which is to say reliable data or observations. For the sake of transparency, the results must be publicly accessible, not least to enable others to check facts and soundness of the analysis. The responsible authorities, partner country and target groups in donor countries, internationally or in the partner country, must be consulted in connection with the facilitation of an evaluation and its implementation, including in the formulation of the Terms of Reference and discussion of the Draft Report.

Evaluations shall be impartial and provide a balanced view of strengths and weaknesses. In so far as different parties have conflicting views, the evaluation report should reflect and acknowledge these.

To ensure the greatest possible objectivity the FMO requires evaluations to be undertaken by independent professionals with no personal interest in the results; they must be thorough and their recommendations should be based on systematic collection and presentation of data. This implies that members of the evaluation team must not have been personally involved in the activities which are being evaluated, or have any personal interest in the conclusions. The consultants conducting the evaluation shall not have been involved in the planning or implementation of the intervention being evaluated.

4.3 Formulating evaluation questions

Defining the purpose of the evaluation is the most important task in the evaluation process. A clear purpose will assist in the formulation of evaluation questions and

increase relevance. The evaluation purpose should be formulated in a way that specifies how the information from the evaluation is to be used².

There is a high degree of international consensus with respect to criteria and quality standards to be applied in evaluations. They reflect more or less the same quality requirements.

Each evaluation shall shed light on:

- Effectiveness: The extent to which the objectives of the projects/programmes were achieved, or are expected to be achieved.
- Sustainability: Will the benefits produced by the intervention be maintained after the cessation of external support?
- Efficiency: Can the cost of the intervention be justified by the results?
- Impact: Positive and negative long-term impact of the interventions, direct and indirect, intended or unintended.
- Relevance: Is the project/programme relevant in relation to donors' goals, strategies and policies? Is the intervention relevant in relation to the beneficiary states' needs and priorities? Is it relevant in relation to the development issue it seeks to address?

If any of the above criteria are not included in the evaluation this is explained in the Terms of Reference and report. The same applies if one or more supplementary criteria have been used.

4.4 Selection of evaluation object/coverage

The frequency and scope of evaluations shall be determined on the basis of the intervention's character, risk and significance.

In addition to the above criteria the decision to undertake an evaluation should be based on an assessment of cost-benefit. By this we mean that the evaluation under consideration should be relevant to donors plans, and priorities, and to the public and partners in donor countries, EC and in beneficiary states. The need for and benefits from an evaluation must clearly exceed its costs.

Questions to be asked include: Who will use the findings and recommendations from the proposed evaluation? Will it be possible to make use of the evaluation findings and results within reasonable time?

4.5 Preparing for evaluations

² An example of a purpose: "Provide insight into EEA/N support to energy saving with the aim of assessing relevance, efficiency, effectiveness, results and sustainability and give input to the future direction of support to this sector"

The FMO will be responsible for presenting an evaluation program, which is based on co-ordination and consultations with beneficiary states, with the aim of documenting the results in relation to the above criteria. Basically, this entails looking at:

- Completed programs/projects
- Priority sectors – completed and on-going projects, funds.
- Cross-cutting issues – completed and on-going projects, funds
- Total support to countries

When an evaluation is started and its Terms of Reference is drawn up, the following issues need to be decided:

-> What will be the object of evaluation?

A description of the evaluation object, the background and context, as well as the scope of EEA/NFM contribution, parties directly affected in partner country, relative importance etc.

-> Why do we want to evaluate?

What the intended use of the evaluation? Who will use the evaluation?
When do we want to have the results available?

-> What to focus on?

Do we want to concentrate on special themes or issues? Is the main focus on the process, or on results?

-> What limits should be fixed relative to the object of evaluation?

Are there special factors that decide the choice of time period, geography, or level?

As part of the planning process it is an advantage to develop a knowledge status (*state-of-the-art*) to document the experiences acquired from previous evaluations, review reports, other technical papers, and experience-based knowledge held by resource persons.

Based on the above the Terms of Reference is drawn up, including a timetable. This forms the basis for selecting the consultants which is undertaken according to public procurement rules and regulations.

4.6 Implementation of evaluation

Evaluations are normally carried out in two phases. During the first phase the Evaluation Team, based on document studies and interviews in the FMO, donor countries and in beneficiary states, draws up an Inception Report. Here issues, feasibility, and challenges are discussed, hypotheses are presented, and choice of methodologies are justified.

A plan for the further work is also included. It should cover data collection, method, design, field studies, analysis and structure of the report.

For larger evaluations, the FMO may propose to establish a reference group composing of representatives from the donor countries, the FMO and the BS/Focal Point/intermediary bodies. The ToR of the evaluation will describe the role of the reference group. Normally, the reference group would meet with the evaluation team during inception, mid-way and at the finalization of the report. A reference group should ensure that the evaluation is adhering to the intended purpose of the evaluation as outlined in the ToR.

In evaluations where learning is a primary goal, the donors, the partners and – in some cases – the target groups shall also take part in the discussion of the results of data collection, analysis, conclusions and recommendations. Where the purpose is largely documentation of results, participation by the responsible body and partner will be less comprehensive and may be limited to a role in connection with document compilation, interviews, and debriefing or validation.

The second phase is based on further collection of data, like the collection of primary data in the form of documentation, field studies, interviews and perhaps direct observation. To implement the evaluations, the consultant will need to be open to, and have good access to written and oral sources in the FMO donor administrations, focal points, project promoters and project implementers.

The Draft Report is then presented to the FMO, which makes an assessment of the report with respect to adherence to national and international evaluation standards adopted.⁹ Comments are also invited from the various parties and communicated to the consulting team who must relate to them in the Final Report.

4.7 Report

The Final Report is a public document and the Evaluation Team has the final responsibility. However, the FMO must undertake the quality assurance in accordance with acceptable evaluation standards. This quality process demands, among other things, the following:

- findings, conclusions, recommendations and "lessons earned", should be presented separately and be logically coherent and highlight results and impacts;
- each recommendation should be directed to a specific addressee;
- the report should address all questions included in the ToR in a way that reflects their stated level of priority;
- the evaluation methodology should be clearly described and different options are explained and justified;
- requirements for triangulation (more than 1 source, data set, theory, analysis to strengthen the argument) of information and validation of findings;
- partners and persons responsible for the activity must have an opportunity to state their views on the quality of the data, the analysis and the assessments;

- where there is a significant divergence in the views of the evaluation team and different parties in the donors or the recipient country, this should be reflected in the report;
- the presentation in the report should be balanced and impartial;
- the data basis for the analysis should be verifiable; and
- the report should contain practical and useful recommendations targeted towards identified problems.

The report shall be in English. Consideration may be given to translation of the report to another language if this makes it more accessible for the partners. The report should be distributed to all parties.

For each evaluation an executive summary should be produced and published (max 2 -5 pages). It should contain the major findings of the evaluation, the conclusions and recommendations. The presentation needs to be in easily comprehensible language to enhance communication. The executive summary may be translated into other languages for the purpose of easy access in BS. The FMO will distribute the report according to established lists of recipients.

5 Follow up

Based on the Final Report and substantive comments obtained, the FMO will prepare a Memorandum with suggested points to be followed up and present it to the FMC/NMFA.

The Memo will sum up the experiences from implementation of the evaluation, the content and recommendations of the Report, and the views expressed by the various parties. The Memo will particularly point at results of the evaluation that suggest changes of some substance in policies and guidelines of EEA/NFM.

5.1 Knowledge communication

Seminars, press-releases and web pages will be used to inform about ongoing and concluded evaluations and lessons learned.

The FMO will each year summarise the results and findings that arise from evaluations and the lessons learned, in the EEA/NFM annual status report.