Evaluation guidelines

Between past and future

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

Helsinki 2007

EVALUATION GUIDELINES

BETWEEN PAST AND FUTURE

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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ABBREVIATIONS

DAC	Development Assistance Committee
DeREC	The online resource centre managed by the DAC network
EU	European Union
EC	European Commission
GAAP	Generally Accepted Accounting Principles
IEG	Independent Evaluation Group
INGO	International non-governmental Organisation
KEO-08	Unit for Evaluation and Internal Auditing
KEO-12	Unit for Sectoral Policy
LCF	Local Cooperation Fund
MFA	Ministry for Foreign Affairs of Finland
Ministry	Ministry for Foreign Affairs of Finland
MTR	Mid-term Review
NGO	Non-governmental Organisation
OECD	Organisation for Economic Co-operation and Development
SWAp	Sector Wide Approach
ToR	Terms of Reference
Unit	Unit for Evaluation and Internal Auditing
UN	United Nations

Tiivistelmä

Ulkoasiainministeriö hallinnoi Suomen kehitysyhteistyövarojen käyttöä hallituksen tekemien periaatepäätösten sekä kansainvälisesti sovittujen periaatteiden mukaisesti. Varoja kanavoidaan kahdenväliseen ja monenkeskiseen toimintaan. Lisäksi osa varoista ohjataan kansalaisjärjestöjen kautta. Nykyaikainen hallintotapa edellyttää varojen käytön oikeudellisuuden sekä tehokkuuden ja tuloksellisuuden seurantaa. Evaluoinneilla selvitetään mitä kehitysyhteistyöhankkeilla, olivatpa ne maakohtaisia, sektorikohtaisia tai useita rahoittajatahoja tai vastaanottajamaita koskevia, on saatu aikaan ja kuinka tehokkaasti resurssit on onnistuttu käyttämään. Päättäjiä, tuen vastaanottajia, uusia hankkeita suunnittelevia sekä suurta yleisöä kiinnostaa mitkä ovat hankkeiden kehitysvaikutukset ja kuinka kestäviä ne ovat.

Ohjeiston tarkoituksena on, että ministeriön evaluointitoiminta noudattaisi samoja käytäntöjä, käyttäisi samaa terminologiaa ja samoja periaatteita koskee se sitten laajoja tyypillisesti ministeriön evaluoinnin ja sisäisen tarkastuksen yksikön järjestämiä evaluointeja tai pienempiä, yksittäisten projektien edistymiseen keskittyviä väliarviointeja. Evaluoinnille on asetettu kansainvälisesti sovittuja periaatteita, niistä keskeisimmät ovat OECD:n Kehityskomitean (DAC) tekemiä. Ohjeistossa käytetään DAC:n yleisesti hyväksyttyä evaluaation määritelmää. Ohjeistoon on kerätty lukuisa määrä muitakin ajankohtaisia, kansainvälisiä www-linkkejä liitetiedostoina.

Ohjeisto jakaantuu kahteen osioon; ensimmäisessä osiossa esitellään yleisesti käytetyt evaluointiperiaatteet, – tyypit ja – metodit sekä keskeinen sanasto ja toimijat rooleineen. Toinen osio esittelee evaluoinnin nelivaiheisena prosessina:

- Ensimmäinen vaihe käsittelee yksittäisen evaluoinnin valmistelua aina evaluointikohteen määrittämisestä tehtäväkuvauksen (ToR) kautta evaluoinnin tekijän valitsemiseen ja työstä sopimiseen suunnitelmallisuuden merkitystä korostaen.

- Toinen vaihe keskittyy itse evaluoinnin; tietojen keräämisen ja analysoinnin sekä johtopäätösten ja suositusten tekemisen, ohjeistamiseen. Raportointiohjeet ovat oleellinen tässä kohdassa.
- Kolmas vaihe keskittyy siihen, mitä evaluoinnin teettäjä tekee loppuraportin valmistuttua. Ministeriön johto tekee evaluointien perusteella toimenpidesuosituksia tai ohjeistuksia ministeriön eri osastoille tai yksiköille niiden tulevaa tai meneillään olevaa toimintaa varten. Kaikki evaluointiraportit ovat periaatteessa julkisia, niiden loppupäätelmien tai suositusten tunnetuksi tekemiseksi voidaan järjestää seminaareja tai koulutusta joko ministeriön sisäisesti tai laajemmalti.
- Neljäs vaihe käsittelee ministeriön johdon evaluointien perusteella antamien ohjeiden ja suositusten edistymistä ja niistä raportointia.

Laadunvarmistusta varten on tehty sarja tarkistuslistoja. Ne on esitetty kunkin vaiheen lopussa.

Ohjeisto on tarkoitettu ensisijaisesti ulkoasiainministeriön virkamiehille, yhteistyöinstituutioille mukaan lukien kansalaisjärjestöt sekä konsulteille ja tutkijoille, jotka osallistuvat ministeriön evaluaatiotoimintaan.

Ministeriön evaluoinnin ja sisäisen tarkastuksen yksikön teettämä ohjeisto on koekäytössä vuoden. Tällöin ohjeiston käytöstä saadut kokemukset arvioidaan ja tehdään tarvittavat uudistukset ja tarkennukset.

Introduction

The purpose of these Evaluation Guidelines is to provide user groups with basic information and knowledge on the evaluation process and how to manage it, and on what to do with the evaluation results. The key user groups of these guidelines include personnel at the Ministry for Foreign Affairs of Finland (MFA or Ministry), cooperation organisations including non-governmental organisations (NGOs), and those consultants and individuals who perform evaluations or review tasks commissioned by the Ministry. These guidelines will be test-used for one year, after which they will be finalised.

Most evaluation activities carried out by the Ministry can roughly be divided into two major types: evaluations with a wider scope dealing with themes, entire larger programmes or policies, and those narrower in scope, such as mid-term reviews (MTR), final project evaluations or different kinds of reviews on restricted topics. These guidelines are structured so that they take into account the needs of both of these evaluation groups. The guidelines ensure that all evaluation activities commissioned by the MFA follow standard procedures and meet the same quality standards.

Evaluations are powerful and important tools for assessing and ensuring the quality of development cooperation and its planning. The process of development intervention is, by today's standards, as important as the outcomes or results of the intervention; therefore, the evaluation process has intrinsic value in terms of the process, not only in terms of its results. These guidelines are based on the OECD/DAC definition of evaluation.

By evaluating on-going and completed development interventions, the Ministry can better inform partners, stakeholders, the donor community and domestic decision-makers as well as the general public about its achievements and actions in development cooperation. In addition, evaluations help the Ministry to learn lessons from the past, and in this way to better prepare and conduct interventions in the future.

To justify the increasing volume of development cooperation, it is crucial for the Ministry to have precise and up-to-date information about experiences and impacts obtained from earlier interventions.

Partner countries are responsible for their own development; the development interventions supported by the Government of Finland aim to assist the partner countries and institutions succeed in those endeavours. Therefore, development interventions are partnerships between donors and partner countries as well as between partner institutions. All stakeholders should be informed and included in the evaluation efforts organised and conducted by the MFA. Finland fully subscribes to and endorses the principles of harmonisation presented in the Paris declaration:
http://www.oecd.org/dataoecd/11/41 34428351.pdf.

An evaluation process can be divided into phases, and the steps are presented in these guidelines. The relevant stakeholder roles differ depending on what type of intervention is involved and on how the cooperation between the MFA and stakeholders is organised. The roles in the evaluation process are defined in these guidelines. The steps of the evaluation process are described in the second part of these guidelines.

The selection and naming of the key principles to be respected in the evaluations form the guiding principles to these evaluation guidelines.

The complete evaluation policy of the Ministry has yet to be presented. The principles used here are drawn from various sources and from the Ministry's procedures. For example, the listed evaluation ethics are not exhaustive. For a more complete ethical standards list, see: http://www.wmich.edu/evalctr/jc.

PART 1 DEFINITIONS

1.1 What is Evaluation?

Box 1 OECD/DAC definition of evaluation

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

Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention.

Evaluation is a part of the development intervention cycle. Unlike continuous monitoring, it is conducted periodically. An evaluation is typically organised as a:

- Mid-Term Review (MTR)
- Final evaluation immediately after the completion of the intervention; or an
- Impact assessment a few years after the completion of the intervention.

The development intervention cycle starts with the identification and design of the intervention; at this point it is possible to use the results and findings of earlier evaluations. An earlier evaluation might have created the idea for a new intervention, or it might have provided the tools for planning a new or subsequent phase of intervention. The graph below illustrates the intervention cycle.

1.2 What is Monitoring?

Box 2 OECD/DAC definition of monitoring

> *A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.*

Monitoring involves the continuous consideration of:

- How the intervention is proceeding
- How the resources allocated for its implementation are used; and
- How the intervention environment is changing during the implementation period.

Monitoring serves and takes place at all levels of management. Monitoring is recorded in various types of reports produced at agreed intervals normally by the intervention implementer. However, a part of the monitoring takes place in less formal way: in discussions and correspondence.

The documents drawn up for the monitoring process provide the evaluator with the basic information on the intervention and its implementation. In order to analyse, review and assess the success of the intervention, an evaluator requires as comprehensive monitoring documentation as possible. However, monitoring can identify actual or potential successes or failures of the intervention during the implementation stage and therefore suggest necessary modifications or corrections to the implementation.

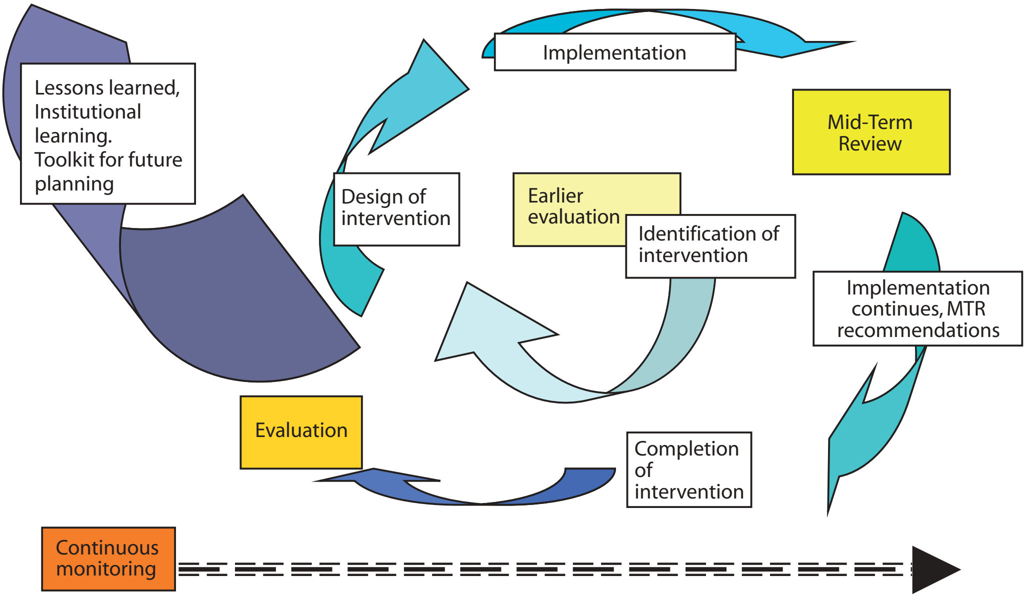
Monitoring benefits from:

- Good baseline information; and
- Clear benchmarks and a clearly defined set of indicators.

Evaluation benefits from comprehensive reporting on how the indicators have developed during the implementation. The choice of indicators depends on the quality and size of the development intervention. The choice is made during the formulation of the intervention.

The relationship between monitoring and evaluation can be seen from the graph below; monitoring is continuous and evaluations take place in sequence.

Graph 1 Intervention cycle



1.3 Key Concepts and Terminology

Below is listed a group of terms commonly used in the evaluation context. The list is not exhaustive; the OECD/DAC definitions (OECD/DAC 2002) are respected and used as far as possible.

Audit

An audit is the verification of compliance in the use of financial resources with binding legal regulations and specific standards, e.g. the rules governing the use of assistance. In an audit the accounts, finance functions and financial reporting of a development intervention and its implementation structure are reviewed and checked against internationally recognised accounting practices; Generally Accepted Accounting Principles (GAAP) can be applied.

Audits can be carried out either by internal auditors or by external auditors. Internal auditors are personnel of the Ministry and external auditors are contracted by the Ministry. External auditors are typically competent, objective and unbiased professional accountants representing well known and trustworthy auditing companies.

Baseline study

Baseline studies are often used to identify indicators and provide them with content. The baseline study is a collection of data which describes and analyses socio-economic and other conditions and trends at a particular site during a particular period of time. The indicators set by means of a baseline study are used at a later stage as reference benchmarks to verify that an objective of the intervention has been reached and that a change has occurred.

Compatibility

Compatibility measures the extent to which the goals of Finland's development cooperation policy or partner country's development policy are taken into account in the planning and implementation.

Complementarity

Complementarity measures how well the interventions support one another and what specific skills and benefits the various partners in an intervention can bring to achieving the desired outcomes.

- *Are there areas in which partners add value to each other in support of the overall aims?*

Development Intervention

An OECD/DAC expression referring to the subject of the evaluation or to an activity, project, programme, strategy, policy, topic, sector, operational area, or institutional performance.

Effectiveness

Effectiveness describes how well the results achieved have furthered the attainment of the intervention purpose.

- *Has the intervention achieved its objectives or is it expected do so in the future?*

Efficiency

Efficiency assessments are normally part of the planning and monitoring process. They may also be included in evaluations, especially if the evaluations cover management performance.

- *Can the costs of the intervention be justified by the results?*

Evaluation

The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors.
Evaluation also refers to the process of determining the worth or significance of an activity, policy or programme. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention. (DAC Glossary, Annex 6)

Impacts

Positive and negative primary and secondary effects produced by a development intervention, directly or indirectly, intended or unintended.
Both intended and unintended impacts are reviewed. (DAC Glossary, Annex 6)

- *What are the overall effects of the intervention, intended and unintended, long term and short term, positive and negative?*

Integrated Approach

An integrated approach means that the same elements will be used throughout the life of the development intervention.

Log-frame

The logical framework (Log-frame) is a tool that improves project planning and implementation. It is a systematic method for setting and analysing the objectives of a development intervention and the assumptions behind it. A log-frame stresses the causal relationships between key elements and provides a standard model for their presentation. (see Annex 11 Intervention logic and the logical framework matrix)

Performance Audit

The distinction between a performance audit and an evaluation is small as typically both deal with the "what" and "why" questions of an intervention and organisational performance. Performance audits are typically carried out to ensure that the implementation of an intervention is on track, and not, for example, to generate knowledge for future planning.

In short, a performance audit can be seen as a type of audit concerned with economy, efficiency and effectiveness in order to answer two basic questions:

- *Are the actions being carried out in the right way?*
- *Are the right actions being carried out?*

In a performance audit the management, reporting and control practices of a development intervention and its implementation structure are reviewed and analysed. The performance audit can be organised as an exercise in itself, or the questions relating to or based on it may be included in the terms of reference (ToR) for an MTR Team.

Information obtained from a performance audit can be used in the evaluation for estimating the efficiency of an intervention and also as the comparative data for other similar undertakings.

Performance Management and Budgeting

After the adoption of Paris Declaration (2005), governments have introduced performance-based management and budgeting to improve efficiency; to improve decision-making in the budget process; to improve transparency and accountability; and to achieve savings.

Performance management is conducted by specifying targets, indicators and measures in the management goals, which relate not to how the service is provided but to how the results are achieved.

Performance Measurement

The objectives, performance indicators and target values of a development intervention are established at the planning stage and their attainment is monitored regularly.

Relevance

Relevance concerns whether the results, purpose and overall objectives of the intervention are in line with the needs and aspirations of the beneficiaries, and with the policy environment of the intervention.

- *Is the intervention consistent with the needs and priorities of its target group and the policies of the partner country and donor agencies?*

Result-based Management

A management strategy focusing on performance and the achievement of outputs, outcomes and impacts. (IEG: Sourcebook for Evaluating Global and Regional Partnership Programs)

Sustainability

In terms of a single intervention, sustainability can be described as the degree to which the benefits produced by the intervention continue after the external support has come to an end. It is a central theme in all evaluation work and relates to all the elements of the logical framework of a project.

- *Will the benefits produced by the intervention be maintained after the termination of external support?*

2 GUIDING PRINCIPLES OF EVALUATION

The Government Resolution on Development Cooperation forms the basis for all Finnish development cooperation. All development cooperation evaluations must comply with the guidelines provided for in this resolution. Other cornerstones for evaluation planning and activities derive from the internal policies of the Ministry and of internationally agreed principles, namely:

- Government Resolutions on Development Cooperation (Annex 1)
- OECD/DAC Principles for Evaluation of Development Assistance (Annex 2)
- OECD/DAC Evaluation Quality Standards (Annex 3)
- The EU's Evaluation Quality Criteria (Annex 5)
- The Paris Declaration on Aid Effectiveness (Annex 7).

As a member of the OECD/DAC and its evaluation network, Finland subscribes to the principles that all evaluations should be:

- Impartial
- Objective
- Independent
- Credible and
- Useful.

The main principles relating to **harmonisation** require that:

Harmonisation is the main thrust of Finnish development cooperation, the principles of which are set out in the Paris Declaration of 2005. Evaluation activities are expected to be conducted in the spirit of harmonisation.

Evaluations contribute to the overall goals of harmonisation by providing independent information and expert knowledge on how:

- harmonisation works;
- donor alignment can be encouraged to improve national ownership;
- to reduce the administrative burden on institutions of partner governments;

- lessons are learned mutually and converted into good practices and innovations and are shared for the benefit of improving the programming of development assistance and for making it more efficient.

Evaluation tools can be used to improve the donor's understanding of partner governments' strategies, policies, priorities and procedures.

The main principles relating to **participation and ownership** require that:

Finland respects partner countries in taking the lead in coordinating aid at all levels, and helps them to strengthen their capacity to exercise their ownership. In addition, Finland works in cooperation with partner countries to provide reliable assessments of performance, transparency and accountability.

The main principles relating to the **need for evaluations** require that:

In planning development cooperation, the results provided by independent evaluations are used systematically. The capacity of any organisation to undertake reviews and evaluations should be developed so that up-to-date information is always available to decision-makers. (Finnish Government Resolution 2004) Evaluations improve the effectiveness and efficiency of public interventions by the Finnish Government implemented by the MFA.

Evaluations provide the means for institutional learning and a mechanism which facilitates the Government and the Ministry for Foreign Affairs to exercise accountability to Parliament and ultimately, taxpayers. Thus, evaluations strengthen democracy, a dimension which is frequently overlooked when valuing and estimating the evaluation resources in an organisation.

The main principles relating to **managing evaluations** require that:

Evaluations that are wide in scope are funded and managed by the Unit for Evaluation and Internal Auditing of the Department for Development Policy (Unit). Evaluations of single projects, including the MTRs, end of project evaluations and other reviews and evaluations with a narrower scope are performed by the respective units responsible for the administration of the particular intervention.

Joint evaluations are usually decided upon within the framework of the OECD/DAC Evaluation Network and participation in them is voluntary. The responsibility for these evaluations rests with the Unit. Some joint evaluations may be performed at the country level, in which case they are the responsibility of the respective embassy and regional departments.

When Finland participates in multilateral evaluations, they are typically managed by the Department for Global Affairs and its respective units.

The main principles relating to **evaluation planning** require that:

The Unit consults widely with different departments, embassies, and units on the evaluation needs. From the beginning of 2007, the Unit has taken a rolling multi-year approach to evaluation planning.

Information on up-coming evaluations is made public on a continuous basis on the MFA website. Evaluation plans are also shared with the OECD/DAC Evaluation Network and the EU Evaluation Group.

The main principles relating to **cross-cutting issues** state that:

According to the Government Resolution of February 2004, the cross-cutting themes in the implementation of the Finnish development policy are:

- The promotion of the rights and the status of women and girls, and the promotion of gender and social equality;
- The promotion of the rights of groups that are easily marginalised, particularly children, the disabled, indigenous

peoples and ethnic minorities, and the promotion of equal participation opportunities for them;
- Consideration of environmental issues.

The standard criteria for the terms of reference for each evaluation include the necessity to address the different dimensions of the cross-cutting themes.

The main principles relating to **evaluation ethics** require that:

Evaluations are implemented in compliance with current legislation on the procurement of services.

Evaluation work is carried out in a positive spirit and is oriented towards the future and improvements to development undertakings.

Evaluations are objective and transparent, which means that all conclusions and assessments in the text made by the evaluator must be clearly stated.

Factual statements have to be supported by relevant, transparent and accurate data.

Impartiality is enforced by reporting differing views and observations.

Evaluators have the responsibility to provide an overall view. This might require them to assess matters not specifically mentioned in the ToR.

Evaluators must respect the rights and desire of the interviewees and stakeholders to provide information in confidence.

According to advice from the DAC, the evaluation team as well as the whole evaluation process is "requested to show sensitivity to gender, beliefs, manners and customs of all stakeholders and it [the evaluation] is undertaken with integrity and honesty."

In the event of a conflict between fundamental rights and freedoms, evaluators are guided by the (UN) United Nations declaration of Human Rights.

No evaluation team is in a position to make commitments or enter into agreements on behalf of the Ministry.

The main principles relating to the **evaluation team** state that:

The independence of the actual evaluation team is increased by disqualifying anyone who has been involved in planning or implementing the intervention under evaluation.

The evaluation team members have to be professional in their respective fields to make the evaluations creditworthy.

The composition of an evaluation team should include individuals with a range of evaluative skills and thematic knowledge, be gender balanced, and include professionals from the countries or regions concerned (OECD 2006a).

The evaluation team should be independent from any political influence and organisational pressure, and have full autonomy to carry out investigations and write conclusions (European Commission 2007).

Furthermore, the evaluation team is expected to:

- Work without interference from the evaluation contractor
- Follow the contract and agreed plans
- Have full access to information
- Adhere to good codes of conduct.

The main principles relating to the **evaluation style** require that:
Relevant parties or their representatives have to be consulted objectively and impartially.

Internationally accepted and standardised evaluation criteria and methodology are used.

The methodology used in the evaluations should be feasible, transparent and cost-efficient.

The evaluation team is not expected to evaluate individuals/ individual performance.

The main principles relating to **evaluation reporting** require that:

The quality of the evaluation results (reports) are assessed against the OECD/DAC Evaluation Quality Standards and the EU Evaluation Criteria.

The reporting requirements are clearly stated in the ToR and in the commissioning contract pertaining to each evaluation.

The evaluation team answers to the contractor, and thus it reports primarily to the contracting body of the MFA.

The content of the evaluation reports must be:

- Accurate
- Fair
- Reliable
- Transparent
- User-friendly and concise.

Evaluation reports are subject to quality assessment against the EU's nine quality criteria (European Commission 2007) and/or the OECD/DAC Evaluation Quality Criteria.

The contractor is responsible for sharing and disseminating the evaluation report: it is not the task of the evaluator.

As a general rule, all evaluation reports are public; they are published in a printed format and electronically. They are also made available on the OECD/DAC Evaluation Network's website, and on the EU Evaluation website.

The evaluation team has final responsibility for the content of the report. It should be clearly stated in the report that the views and conclusions are those of the evaluation experts and not those of the Ministry.

The Ministry is not obliged to follow all the recommendations and conclusions of the evaluation team.

Any member of the evaluation team may freely express his/her disagreement on the evaluation results or part of the results. This disagreement has to be clearly stated in the report.

3 TYPES OF EVALUATION

The following section lists the types of evaluation in alphabetical order.

Country evaluation

By definition, a country programme evaluation covers one donor's entire portfolio of development interventions in a partner country. Typically, in country evaluations organised by the MFA, the main thrust is to evaluate how well Finnish development cooperation priorities have been operationalised. The topics that have been included in country evaluations cover:

- Policy relevance, effectiveness, efficiency and sustainability of bilateral development cooperation activities/multilateral cooperation in which Finland has participated. In long-term interventions, the development impact is also assessed.
- The administration of Finnish development cooperation.

  Country evaluations typically provide recommendations for future planning in terms of cooperation between Finland and partner countries.

Cluster evaluation

A cluster evaluation refers to the simultaneous evaluation of more than one development intervention operating or co-operating in the same sector. The term refers to the multiple subjects of the evaluation rather than the collaboration of the evaluators (see joint evaluation, which refers to evaluations that are conducted collaboratively by more than one partner). There is a potential for overlap between the two concepts: more than one agency may collaborate in evaluating either a single intervention or a cluster of several interventions.

Ex-ante evaluation

An ex-ante evaluation refers to the assessment of the likely future effects of a planned new development intervention. It gathers information and carries out analyses that help to define objectives, and ensures that these objectives can be met, the instruments used are cost-effective and that the evaluation will be possible. The ex-ante evaluation can use a number of inputs, such as existing assessments on previous interventions and stakeholder consultations.

Ex-post evaluation

The ex-post evaluation takes place after a development intervention has been completed. Its main task is to define the long-lasting effects of the intervention and its sustainability. The ex-post evaluation not only assesses the impacts the intervention has intentionally achieved but also the impacts that might have occurred unintentionally.

Final evaluation

Final evaluations should be conducted at the end of each intervention; some final evaluations are carried out in the form of self-evaluation, some in the form of a formal external evaluation. The structure of a final evaluation carried out by self-evaluation must cover at least the following topics, using the logical framework as the basis for the evaluation, if appropriate:

- A brief introduction to the intervention
- A description and analysis of the institutional, managerial and functional setting in which the intervention has been operational
- A description and accomplishment of the objectives, target groups, components and financial management
- The main conclusions based on an overall assessment of the efficiency, effectiveness, impact, relevance and sustainability of the intervention
- The lessons learned
- The project management's recommendations for any further interventions or administration etc.

Impact evaluation

A systematic assessment (IEG 2007) of the effects – positive or negative, intended or unintended – of one or more development interventions on the final welfare outcomes of the affected individuals, households, and communities, and the extent to which these outcomes can be attributed to the development intervention(s). In its most rigorous form, an impact evaluation compares the welfare outcomes of the intervention(s) with an explicit counterfactual assessment of what the outcomes would have been in the absence of the intervention(s).

Joint evaluation

Joint evaluations are development evaluations conducted collaboratively by more than one agency. Below is a list of most typical types of joint evaluations (OECD/DAC 2006a).

Classic joint evaluation

Participation is open to all stakeholder agencies. All partners participate and contribute actively and on equal terms.

Qualified joint evaluation

Participation is open only to those who qualify – through membership of a certain group (e.g. DAC, EU or Nordic countries), or through active participation in the activity (e.g. SWAp, basket funding mechanism, or a jointly-implemented programme) that is being evaluated.

Hybrid joint evaluation

A hybrid joint evaluation can include a number of alternative ways of joint working:

- Responsibilities are delegated to more than one or more agencies, while others take on a 'silent partnership' role.
- Some components of the evaluation are undertaken jointly while others are delivered separately.
- Various levels of linkage are established between separate but parallel and interrelated evaluations.
- Joint activity means agreeing a common evaluation framework and the responsibility for implementing individual evaluations is devolved to different partners.
- Research, interviews and team visits are undertaken jointly, but each partner prepares a separate report.

The decision to undertake a joint evaluation is made separately in each case. Thorough consideration has to be given to the benefits and challenges every time. The OECD/DAC lists the following as determining factors in considering whether an agency should go for a single or joint evaluation:

- **Focus:** Evaluations focusing on co-financed programmes, the effectiveness of national aid or sectoral goals, or on the evaluation of a multilateral or regional development agency, or on issues that are too sensitive or controversial for one agency alone to tackle, and broad thematic or meta evaluations can often most appropriately be undertaken jointly.
- **Purpose:** If they are to reduce transaction costs, joint evaluations may be undertaken instead of and not in addition to individual donor evaluations. For evaluation processes to be effectively rationalised, it is important to undertake joint evaluations that meet each partners' accountability needs as well as lesson learning objectives.
- **Scope:** The scope of a joint evaluation is often comprehensive since each participating agency may have issues and questions it wants addressed. A joint evaluation may be inappropriate if an agency wishes the evaluation to remain focused and wants to remain exclusively in control of the parameters. Conversely, if the evaluation questions are very broad, a joint evaluation can be an advantage as the workload and costs can be shared.
- **Time frame:** If an organisation is in a hurry to get an evaluation completed, joint approaches may be disadvantageous. The collaborative nature of joint evaluations tends to increase their complexity and as a consequence the length of time needed for the evaluation. However, some very complex joint evaluations have been completed quickly. The DAC states the Rwanda emergency assistance evaluation as just such an example. Silent partnerships, the delegation of responsibilities to individual agencies, or the joint development of a common evaluation framework to be applied by different stakeholders in different contexts all offer ways to undertake joint work while minimising the time delays that can be generated by intensive coordination.

More information on joint evaluations:
http://www.oecd.org/dataoecd/28/14/37484787.pdf
http://www.oecd.org/dataoecd/10/28/2667318.pdf
http://www.oecd.org/dataoecd/28/9/35353699.pdf

Meta evaluation

At its simplest, a meta evaluation is the evaluation of the evaluations. Meta evaluations can be used to track trends identified in various evaluations conducted previously.

Mid-term Review

The mid-term review (MTR) is a management tool for operational monitoring of the implementation of the objectives and goals of the development intervention. An MTR helps to evaluate the quality of the work carried out. It provides tools for assessing, for example, the assumptions made and objectives and indicators set during the preparation phase. The results of the MTR may assist in determining modifications to the implementation and in formulating the intervention. The monitoring information produced by the development intervention plays an important part in the MTR analysis. The reliability and scope of the monitoring data are crucial for the MTR results.

MTRs are undertaken towards the middle of the implementation of an intervention, normally two or three years after the commencement of the intervention. MTRs are run by the MFA units executing the intervention.

On-going evaluation

An on-going evaluation is carried out throughout the implementation period. It is not same as monitoring because it may focus or concentrate on only a part of the intervention implementation. In an on-going evaluation, the contractor may assess the management of the intervention as well as the realistic nature and accuracy of the objectives in a more extensive manner than would occur only through normal monitoring or evaluations. On-going evaluations are conducted mainly in large multi-year programmes financed by major development financiers who may have similar kind of programmes running in many countries.

Peer review

The peer review is an evaluation conducted by experts of the same field in which the evaluation is taking place. The best known peer review is the one conducted by the OECD/DAC. The DAC's peer reviews monitor individual members' policies and efforts in the area of development cooperation. Each member is critically examined approximately once every four years; this way five or six programmes are examined annually. More information on OECD/DAC peer reviews is available on the following website:
http://www.oecd.org/topic/0,2686,en_2649_34603_1_1_1_1_37413,00.html

In a peer review, a number of partner countries can evaluate the development cooperation policies, activities and results of a selected developing country.

Process evaluation

Process evaluations are aimed at enhancing the current intervention by understanding it more fully. Process evaluations measure what is being carried out by the intervention. In general, process evaluations pose questions in two areas: coverage and process. How can the intervention be improved? Is the intervention accomplishing what it is expected to accomplish?

Self-assessment

Self-assessment/self-evaluation is a process whereby the individuals working on or for the development intervention to be assessed implement a systematic review of performance, usually for the purpose of improving future performance. Self-assessment may involve comparisons with standard, established criteria. It may also involve critiquing the intervention's own work or may be a simple description of the performance and achievements.

Thematic evaluation

Thematic evaluations may focus on a policy or cross-sectoral issues. The object of the evaluation may have been implemented in one country or one region, or in many countries and regions. Comparative analyses can be used in the evaluations. Thematic evaluations can also be conducted in the form of a case study to enable more in-depth analysis of the chosen issue or topic. However, in conducting a thematic evaluation, a number of relevant individual interventions are required to provide the thematic evaluation with enough material that can be assessed.

4 WHAT IS MOST SUITABLE EVALUATION IN EACH CASE?

Evaluations should be planned, conducted, and reported in ways that encourage follow-through by stakeholders, so the likelihood that the evaluation will be implemented is increased. One key aspect to reaching this goal is to use the right type of evaluation in each case. Evaluations are made against the terms of reference (ToR), which are compiled by the department or unit that has commissioned the evaluation. The purpose of each evaluation is always thoroughly considered and stated clearly in the respective ToR. It may include:

- Collection and analysis of the lessons learned
- Providing tools for future planning and improvements
- Tracking the past performance, or something else.

Below are presented the typical aid instruments and selected evaluation types. The table is only indicative. One should carefully consider the suitability of the evaluation type according to each development intervention.

Box 3 What evaluation is most suitable in each case?

Instruments	Budget support	Sector support	Project support	Bilateral projects & programmes	Local Cooperation Fund (LCF)	Research cooperation
Country evaluation	x	x	x	x	x	
Cluster eval.	x	x	x	x		x
Ex-ante eval.	x	x	x	x	x	
Ex-post eval.	x	x	x	x		
Final eval.			x	x		x
Impact eval.	x	x				
Joint eval.	x	x	x			
MTR	x	x	x	x		x
On-going eval.	x	x	x	x	x	x
Peer review	x	x		x		
Self-assessment					x	
Thematic eval.	x	x	x	x	x	x

Instruments	Dev. Bank co-operation	UN co-operation	Humanitarian aid	NGO/ INGO support	Concessional credits	Finn partnership
Country evaluation	x	x	x	x	x	x
Cluster eval.	x	x	x	x	x	x
Ex-ante eval.	x	x	x		x	x
Ex-post eval.						
Final eval.			x	x	x	x
Impact eval.	x	x	x			
Joint eval.	x	x				
MTR			x	x		
On-going eval.	x	x	x	x		
Peer review	x	x	x	x		
Self-assessment				x		
Thematic eval.	x	x	x	x	x	x

5 EVALUATION METHODOLOGY

There is a great variety of evaluation methodologies available for any given evaluation. It is also possible to combine more than one method for gathering or analysing information. To verify the accuracy of the information, it is beneficial to set data collected from different sources by different means against each other and compare them.

In the final instance, the evaluation team is responsible for/proposes the choice of methodology for collecting and analysing the information, although the terms of reference may also outline the methodology. Since the evaluation subjects vary, for example, from individual projects funded from Local Development Funds (LCFs) to extensive sector evaluations covering many countries or regions, it is impossible to give preference to any general methodology. However, the chosen methodology should adhere to the OECD/DAC Evaluation Quality Standards (OECD/DAC 2006b) whenever possible and feasible. The information collected and analysed must be:

- Representative
- Correct
- Justified.

The methodology and process have to be clearly described in the evaluation report. In addition, their validity and reliability have to be discussed. Furthermore, the evaluation report should acknowledge any constraints encountered and their impact on the evaluation, including their impact on the independence of the evaluation. The report must detail the methods and techniques used for collecting and processing data and information. The choices should be justified and limitations and shortcomings explained.

According to the evaluation guidance (European Commission 2007) of European Commission (EC), the evaluation tools have to be chosen against:

- The team's knowledge and experience of the techniques
- The need for specific data
- The prerequisites for using the tool, such as relevance, cost-effectiveness and efficiency
- The time frame
- The availability of qualified local experts.

Typical data collection methods include:

- Document analysis
- Individual interviews
- Focus groups -structured discussions by moderator(s)
- Questionnaires
- Observations on the spot
- Case studies
- Group meetings and gatherings – mainly collecting feedback information.

The analysis tools used are mainly based on qualitative or quantitative information. Quantitative information allows the use of statistical methods. The evaluation team has to possess the knowledge on how to select the most suitable data analysis method in each case.

The indicators used are expected to be SMART:

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant and
- **T**ime bound.

The assessment takes place against the set evaluation criteria and evaluation questions. The tools evaluation teams may use include:

- Expert panels
- Benchmarking
- SWOT analysis
- Cost-benefit analyses
- Cost-effectiveness analyses or
- Econometric applications.

The tools are described, for example, by the European Commission (http://ec.europa.eu/europeaid/evaluation/methodology/egeval/index_en.htm)
which emphasises methods based on a problem tree model.
Other good sources for information are:
http://www.managementhelp.org/evaluatn/fnl_eval.htm#anchor1585345
http://siteresources.worldbank.org/EXTGLOREGPARPRO/Resources/grpp_sourcebook_chap6.pdf.

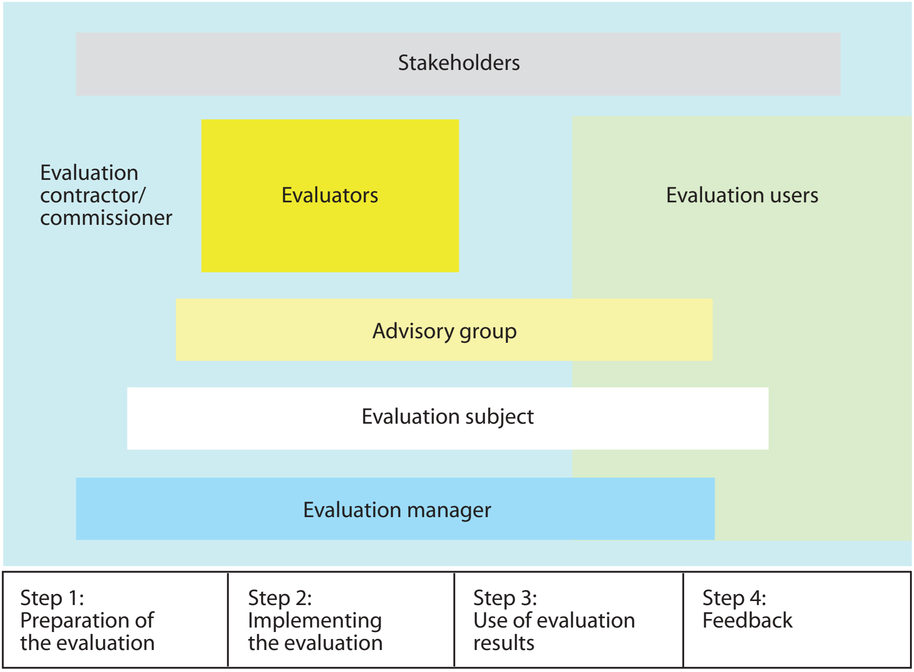
6 ROLES AND RESPONSIBILITIES
– who is who in evaluation?

There are various actors with a number of roles and responsibilities in the evaluation process. The main actors used in these guidelines can be defined as follows:

- Evaluation commissioner or contractor
- Evaluation manager
- Evaluator/Evaluation team
- Evaluation subject
- Donor
- Partner organisation
- Stakeholders
- Peer group/Advisory group
- Evaluation end-users.

The graph on the following page illustrates the role of the actors in relation to the time span of the evaluation process. The roles, responsibilities and tasks are defined in the text as follows.
The steps are introduced in detail in Part 2 of these guidelines.

Graph 2 Actors in the evaluation process



Evaluation commissioner or contractor

When the Ministry for Foreign Affairs organises, finances, selects and contracts the evaluation team, it is the commissioner/contractor of the evaluation.

In a joint evaluation, the evaluation commissioner may be a group of international donors together with a partner country. It is then up to the group to decide who will contract the evaluators. The evaluation commissioner may also be an NGO which contracts the evaluators.

The responsibilities of the commissioner include starting the evaluation process and appointing the evaluation manager. The evaluation commissioner receives all the reports prepared during the evaluation process. It also uses the evaluation results and monitors the application of the results.

The MFA as the contractor ensures that there is sufficient funding for evaluation activities.

Evaluation manager

The evaluation commissioner appoints an evaluation manager (normally an employee at the MFA) to ensure that there is always an identified person responsible for the actual evaluation process. In evaluations managed by the MFA, the evaluation manager represents the MFA Unit or embassy responsible for the evaluation. In a joint evaluation, the evaluation manager is selected by the commissioners of the evaluation and typically comes from a participating donor organisation/institution.

Regional departments and units manage their own evaluations and the Unit manages more extensive evaluations. The responsibilities of the evaluation manager include:

- Organising the planning and design of the evaluation
- Managing cooperation among stakeholders
- Arranging and facilitating advisory group work during the process
- Ensuring financing for the evaluation
- Coordinating the necessary background research and compiling the required documentation
- Preparing the terms of reference
- Managing the tendering process, selection of the evaluator(s), and contracting the evaluator(s)
- Organising the relevant background material for the evaluator(s)
- Organising discussions/ briefing during the inception phase
- Assisting the evaluation team as needed to organise meetings during the implementation phase
- Organising discussions on the evaluation results
- Collecting reports from the evaluator and ensuring timely comments from the evaluation subject, advisory group and stakeholders
- Obtaining a decision in principle from management on the publicity for the report
- Taking part in the preparation of the management response
- Playing a part in disseminating the evaluation results.

Unit for Evaluation and Internal Auditing

The Unit compiles the annual evaluation activities that will be carried out by the Ministry. When an evaluation has been completed the Unit will prepare an analysis which is an additional tool for organisational learning.

The Annual Report of the Ministry is required by law (1992/1243, paragraph 65, section 8) to contain information on evaluations that have assessed the impact and effectiveness of the Ministry and the activities supported by funding from the Ministry. The Unit is responsible for providing this information for the Ministry's report.

Evaluator/Evaluation team

The selection of evaluation teams is based on a competitive bidding process. This ensures that the evaluation teams are independent and of a high professional and ethical standard. The selection process has been standardised and complies with current procurement legislation.

The composition of the evaluation team should posses a mix of evaluative skills and thematic knowledge, be gender balanced, and include professionals from the countries or regions concerned. (OECD/DAC 2006b).

The evaluation teams are expected to be professionally capable of identifying the most suitable methodology for each individual evaluation.

The responsibilities of the contracted evaluation team include:

- Complying with the ToR and inception report
- Making a detailed work plan for the evaluation (included in the inception report)
- Preparing all the reports on time and in the form stated in the ToR
- Organising and participating in all the arranged meetings and briefings
- Conducting research/interviews/fieldwork in line with the scope and methodology agreed in the inception report
- Reviewing and analysing the research material in a careful and professional manner

- Synthesising the conclusions and recommendations
- Carefully considering all the views put forward during the evaluation process, including the comments made by relevant stakeholders.

Evaluation subject

The evaluation subject (most commonly the organisation/entity responsible for the intervention that is being evaluated) must be available for interviews and assessment, and provide transparent and accurate information. The material relating to the implementation of the development intervention must be made available for the evaluation manager and the evaluation team.

The evaluation subject should assist the evaluation team in practical research work in a manner that does not endanger either party's integrity or objectivity. The evaluation subject has the opportunity to comment on the evaluation team's findings, conclusions and recommendations as soon as the team has finalised its research phase. Furthermore, the evaluation subject may comment on all the reports prepared by the Team.

Partner organisation or Partner Government

Partner organisations are the authorities contributing to the development intervention either financially or by providing expertise as a part of their operations.

Partner organisations or its administrative department can also implement the intervention, and would be regarded in this instance as the evaluation subject.

Partner organisations can be, for example:

- A ministry in the partner country or ministries representing their government in the intervention
- A research institution operating in the intervention sector
- An NGO operating in the intervention sector.

A partner organisation can play an important role in identifying and formulating the evaluation tasks. They are consulted during the research phase and their comments are regularly requested on drafts and final evaluation reports. Representatives from partner organisations are invited to participate in briefings and seminars arranged during the evaluation process, whenever feasible.

Evaluation reports are made available to the partner country or organisation once published.

Stakeholders

Stakeholders include individuals, groups or organisations that have responsibilities or an interest in the intervention being evaluated. They may or may not be affected by the intervention. Stakeholders are key sources of information in the research phase of an intervention and in testing the evaluation team's findings and conclusions. The stakeholders should have easy access to the evaluation's reports and the MFA's response in order for them to communicate their views to the MFA.

Advisory group

An advisory group is formed on an ad hoc basis and is put together specifically to support the evaluation manager. It is composed of experts in the technical or policy topics covered by the intervention and/or the evaluation, or experts involved in the evaluation itself. The group provides substantive guidance in the evaluation process and carries out quality control of the reporting.

An advisory group may consist of:

- MFA employees including sector experts
- Well-known sector/theme/country experts
- Partner institutions
- Partner governments
- Other active donors in the field
- Representatives from other ministries.

The work of the group may start by participating in the formulation of the ToR for the evaluation and in the selection of the evaluation team. Alternatively, the group may start its work only once the evaluation team has begun its work, at which point the advisory group will discuss the inception report, the methodology chosen and the work plan.

The advisory group gathers whenever the evaluation manager invites them to do so. Meetings can also be held electronically. The evaluation manager prepares a separate agenda or request for comments etc. for each occasion in which the members of the advisory group are expected to participate or comment on. The main task of the advisory group is to provide expert comments and views on the reports of the evaluation team.

Peer groups are used, for example, in OECD/DAC peer evaluations in which a group of OECD/DAC member countries assess certain parts or the entire development cooperation of a selected member country. Peer review evaluations may also contain a different composition of peer groups, please see Chapter 6 of these Guidelines.

Evaluation users

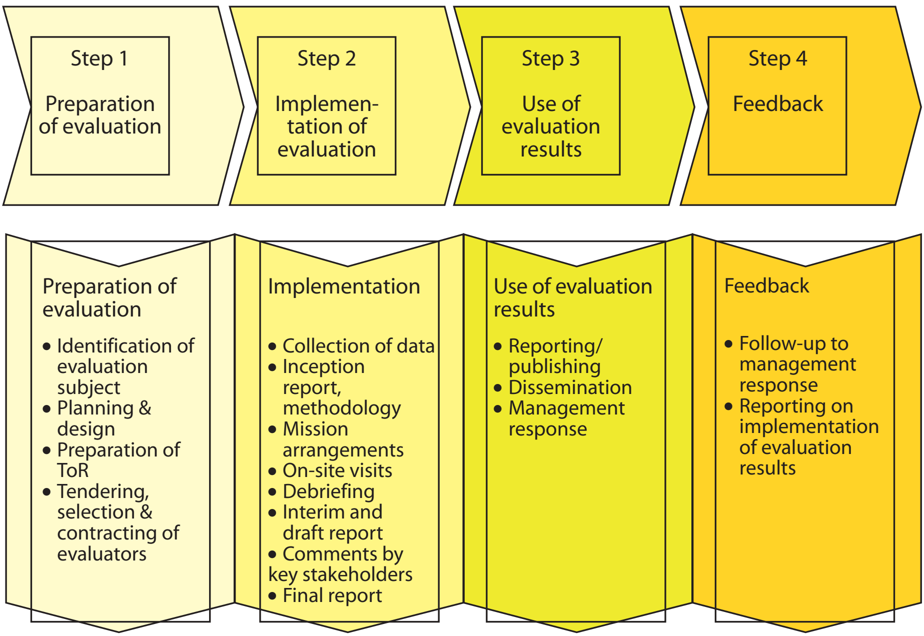
Evaluation users have to be taken into account when planning the evaluation. The rationale of the evaluation must be clearly stated before the initiation of the process itself. The ToR may define which group of readers will use the evaluation report, and therefore certain qualities and characteristics will be expected of it. These expectations may include the language, form of the report (printed, electronic or verbal etc.), or an emphasis may be placed on the use of the evaluation reports for training and teaching purposes. Evaluation users can include, for example, journalists, researchers, politicians, and civil servants or the general public in Finland and the partner country, or other funding agencies and the donor community.

PART 2 EXTERNAL EVALUATION PROCESS

The following illustrates a generalised evaluation process. A four-step-model is used in these guidelines.

- The first step of the process deals with the actions that need to be taken prior to the actual evaluation
- The second step discusses the evaluation assignment itself
- The third handles the use of the evaluation results including the management response and publishing
- The fourth step discusses the feedback of the evaluation results and management response.

Graph 3 Evaluation process step-by-step



STEP 1 PREPARING AN EVALUATION OF A DEVELOPMENT INTERVENTION

- Identification of the evaluation subject
- Planning and design
- Preparation of the terms of reference (ToR)
- Tendering, selection & contracting of evaluators

Responsible parties:
- Evaluation Contractor
- Evaluation Manager

Identification of the evaluation subject

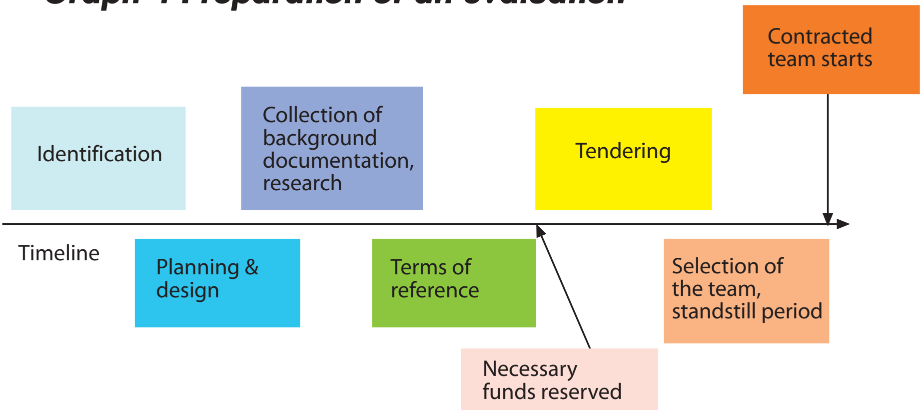
The Ministry for Foreign Affairs commissions and participates in evaluations on its own or in cooperation with other donors or a group of donors with the partner country/countries, or with multilateral institutions.

Proposals for comprehensive evaluations to be organised by the MFA are put together by the Unit in the process of preparing the annual evaluation plan of the Unit.

Project-related evaluations are typically identified by the regional departments of the Ministry (see Annex 9, Organisation of the Ministry). In the case of a MTR, the project Steering Committee identifies the need and agrees on the timing of the MTR. The financing for an MTR is normally allocated in the project budget. If this is not the case, the MTR manager has to identify and organise the funding from other sources.

Planning and Design

Graph 4 Preparation of an evaluation



The timeline from the start of the planning until the signing of the contract with the selected evaluation team can vary from one month up to 10 months. The evaluation manager should reserve at least 3-5 months for the preparation because typically:

- The planning and design take about 60 days
- The preparation of the background material and studies takes about 14 days
- Drafting the terms of reference takes approximately one month if comments from various stakeholders are requested.

The tendering period varies depending on the size of the evaluation (see Annex 10 on procurement).

According to the DAC Evaluation Quality Standards, the evaluation purpose should be in line with the learning and accountability function of evaluations. The purpose of an evaluation might be to:

- Contribute to improving an aid policy, procedure or technique
- Consider a continuation or discontinuation of an intervention
- Account for aid expenditures to stakeholders and taxpayers.

After defining the evaluation purpose, it is possible to start planning the relevant evaluation questions. Without a relevant and valid purpose the whole evaluation process is not very useful or meaningful. There needs to be certainty that the evaluation questions are relevant and possible to evaluate. The evaluation results should also be available for decision-making in good time. The OECD/DAC principles on evaluation, including the agreed quality standards (OECD/DAC 2006b), provide evaluation criteria against which the evaluation should be performed.

The relevant partners and stakeholders are informed and included in the evaluation at a very early stage in the planning process. They are usually also given the opportunity to express their views on the ToR, although the comments are taken into account at the discretion of the commissioner of the evaluation.

Box 4 Planning of MTR or final evaluation

The planning of **MTR** or **final evaluation** of a project is less complicated than that of a fully fledged external evaluation, since the agreement on the intervention, typically a project document, normally covers the organisation of MTR. However, it is important that all the named stakeholders are actively involved in the planning phase and that their impartiality is examined and recorded on each occasion. There may be important questions and concepts from various parties, which should be adopted at the beginning of the planning process.

MTR should not be conducted only because this is stated in the project document, but its importance as a management tool should be fully understood and appreciated. MTR always contains special questions and needs that should receive special emphasis, since it is an assessment that will be of use during the rest of the project implementation period.

In principle, the planning and design of MTR resembles the

Contd....

planning and design of an evaluation. The focus of MTR is naturally much more limited than the evaluation. Typically, the emphasis is to provide MFA and its partners with information and analyses as to whether the intervention or policy is on track and is likely to reach its objectives. In addition, the purpose is to obtain recommendations on how the rest of the intervention period should continue.

The background work and material are vital for effective evaluation planning and design. Writing the terms of reference is much more realistic and accurate if the purpose, scope and objectives as well as the basic evaluation questions have been identified in advance. In addition, the planning will be more precise if the background information is readily available when drafting the ToR. The Unit organises/ensures that the relevant background studies for more comprehensive evaluations are prepared accurately and in good time. In terms of preparing an MTR, it is the responsibility of the relevant MFA unit to ensure that the background information is available by the drafting stage of the ToR.

The evaluation manager may invite an advisory group to participate in the design of the evaluation. If more than one financier is involved, it is vital that the work is organised in a generally approved and well-coordinated manner.

Preparation of ToR

When drafting the terms of reference, the starting point should be the key questions, which include:

- What are the evaluation results to be used for?
- When are they needed?

After reaching a clear understanding of when the results are needed, the planner starts counting backwards. S/he needs to assess how much time will be needed for:

- Organising the competitive bidding and contracting
- The inception phase
- Field mission/research phase

- Drafting the evaluation report
- Commenting on the draft report; and
- Preparing the final report.

It is important that the time span for the whole evaluation process is realistic from the outset of the design phase and that the drafting of the ToR takes place in good time.

To ensure high quality proposals, it is important that information on an up-coming evaluation is made public as soon as possible, even before the terms of reference have been finalised. The information could be published on the MFA's website as an advance notice of tender competition with information on the topic and the estimated schedule. The Unit's annual evaluation plan is made available as soon as it is finalised.

Evaluation sequence and reporting

Time is only one of the crucial resources that should be carefully considered and determined in preparing the ToR. When determining the budget, consideration should be given to the following:

- What is the realistic budget for the exercise?
- What are the cost components?
- Who is financing the evaluation?

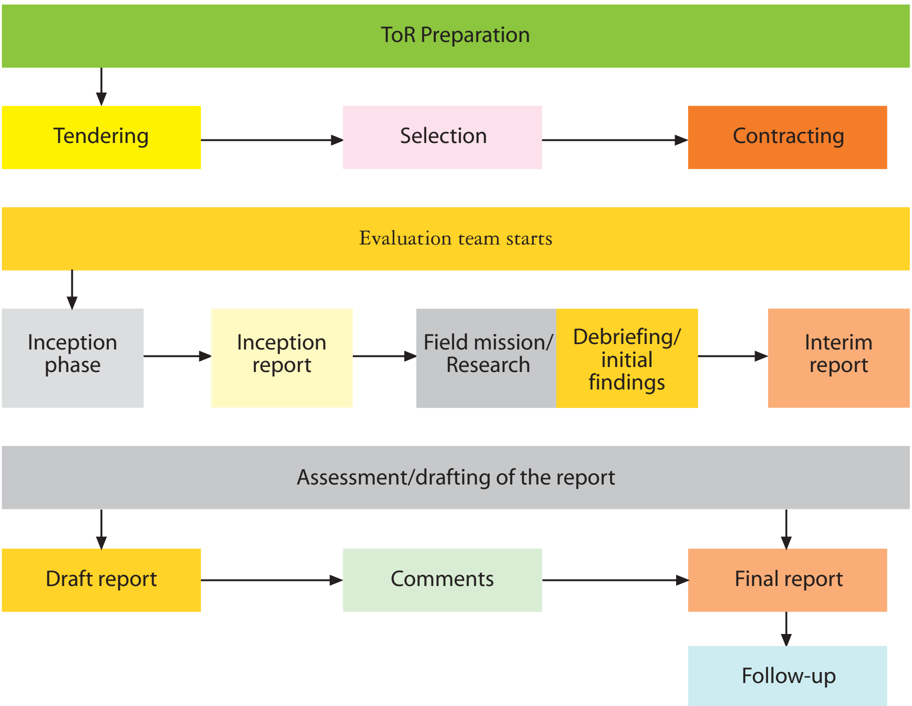
In addition, an assessment of the expertise needed for the task should also be carried out. For example, to what extent does the evaluation contain elements that are similar to a performance audit, if any? Also, will there be an audit at the same point in time or not? These questions are important for defining the expertise required for the task. The following have to be determined:

- What is the most important element in the evaluation? Is the log-frame approach being used?
- How much emphasis will the evaluation team be expected to pay on each cross-cutting issue, or should they pay more attention to some more than others?

- How likely will it be to find a good quality expert who can cover numerous fields or sectors by him/herself?
- How can the expertise required be best provided by the evaluation team?
- How much time is required for the assignment?

The optimal length for good terms of reference is difficult to establish. However, they should be clear, concise and explicit. The ToR should be manageable to all parties, e.g. the contractor and bidders. Carefully drafted ToR that focus on the core issues of the evaluation will assist the evaluation team and help them stay focused as well.

Graph 5 Evaluation sequence and reporting



Box 5 Outline of ToR

Name of the development intervention

1. Background/subject of the evaluation

Briefly describe:
- the subject of evaluation/development intervention
- the purpose and scope of the intervention
- the objectives of the intervention
- the roles of the intervention partners, i.e. who is doing what
- what has taken place to date
- what the linkages of this intervention are e.g. to other activities in the country/sector.

2. Purpose and objective of the evaluation

Briefly describe the reasons for the evaluation. These can include:
- the provision of information to make an informed judgement about the past performance of the intervention (MTR typically)
- the lessons learned
- recommendations for follow-up action
- the tools for future planning.

In addition, with an MTR, further performance audit-related questions can be asked, and may include:
- whether funds have been used efficiently and economically i.e. in accordance with sound financial management; and
- whether funds have been used effectively i.e. for the purposes intended.

3. Scope of the evaluation

Has the development intervention been evaluated in full or only partially? For example, the intervention components that are financially important or thematically central or important to the intervention have been selected.

Contd....

What is the time span to be evaluated? Does the evaluation cover only some years of the intervention, or does it cover the whole life span of the intervention? Have the previous phases of the intervention also been considered?
What is the geographical coverage of the evaluation?

4. Evaluation issues
The main issues should be studied against the evaluation criteria (see Annex 12 for their graphic presentation).

Relevance
Relevance concerns whether the results, purpose and overall objectives of the intervention are in line with the needs and aspirations of the beneficiaries, and with the policy environment of the intervention.
Is the intervention consistent with the needs and priorities of the target group and the policies of the partner country and donor agencies? Has the situation changed since the approval of the intervention (e.g. programme/project) document?

Efficiency
Efficiency assessments are normally part of the planning and monitoring process. They may also be included in evaluations, especially if the evaluations cover management performance.
The efficiency criterion concerns how well the various activities have transformed the available resources into the intended outputs (sometimes referred to as a result), in terms of quantity, quality and time.
Can the costs of the intervention be justified by the results?

Effectiveness
Effectiveness describes how well the results have furthered the attainment of the purpose of the intervention.
Has the intervention achieved its objectives or will it do so in the future?

Contd....

Impact
Has progress been made towards achieving the overall objective(s) of the intervention?
What are the overall effects of the intervention, intended and unintended, long term and short term, positive and negative?

Sustainability
In terms of a single intervention, sustainability can be described as the degree to which the benefits produced by the intervention continue after the external support has come to an end. It is a central theme in all evaluation work and relates to all the elements of the logical framework of the intervention.
Will the benefits produced by the intervention be maintained after the termination of external support?

Coherence
Coherence/complementarity measures whether and how the goals that are central to Finland's development cooperation policy or the partner country's development policy are taken into account in the planning and implementation.
How have they affected the intervention?

Finnish value added
What is the added value provided by the Finnish support?

5. Cross-cutting issues
Evaluators should examine the success of the evaluation subject vis-à-vis all cross-cutting issues. Should there be a particular emphasis on some of the cross-cutting issues?

6. Methodology
Explain how the scope and purpose of the evaluation will be taken into account. What methods will be used to gather information and to perform the assessment analysis? Will the choice of methodology be left to the tenderer to propose?

7. Work plan
What needs to be done and by when?

Contd....

Who is doing what?

The major benchmarks/milestones should be listed here.

8. Expertise required

Define the qualifications, experience and expertise required of the evaluation team, or list the requirements of each team member separately.

- Language skills required for the task.

9. Reporting

State the documents that will be required in English/Finnish and when they are required:

- The inception report, which should be prepared following the desk work and before the field mission.
- The interim report (this may be required in larger evaluations).
- The draft report, prepared following the field mission or desk work. This report should be submitted within x weeks of the completion of the field mission.

The MFA and relevant stakeholders will submit comments on the draft evaluation report to the consultant within x weeks after receiving the draft.

The final report should be submitted within x weeks of receiving the comments.

In what form and how many copies are needed? Who should receive the reports?

Will there be a seminar/workshop on the evaluation results?

What are the expected uses of the evaluation reports?

What are the expected plans for disseminating the reports?

10. Time schedule

- When will the task be carried out and what is the proposed time schedule?
- Where will the work take place?
- What is the reporting schedule?

Contd....

Before the final approval, the evaluation manager may consult the relevant MFA units, including the Unit for Sectoral Policy and embassies; partner institutions may also be consulted. The terms of reference for an evaluation are approved by the director of the contracting unit of the Ministry.

Tendering, selection and contracting of evaluator(s)

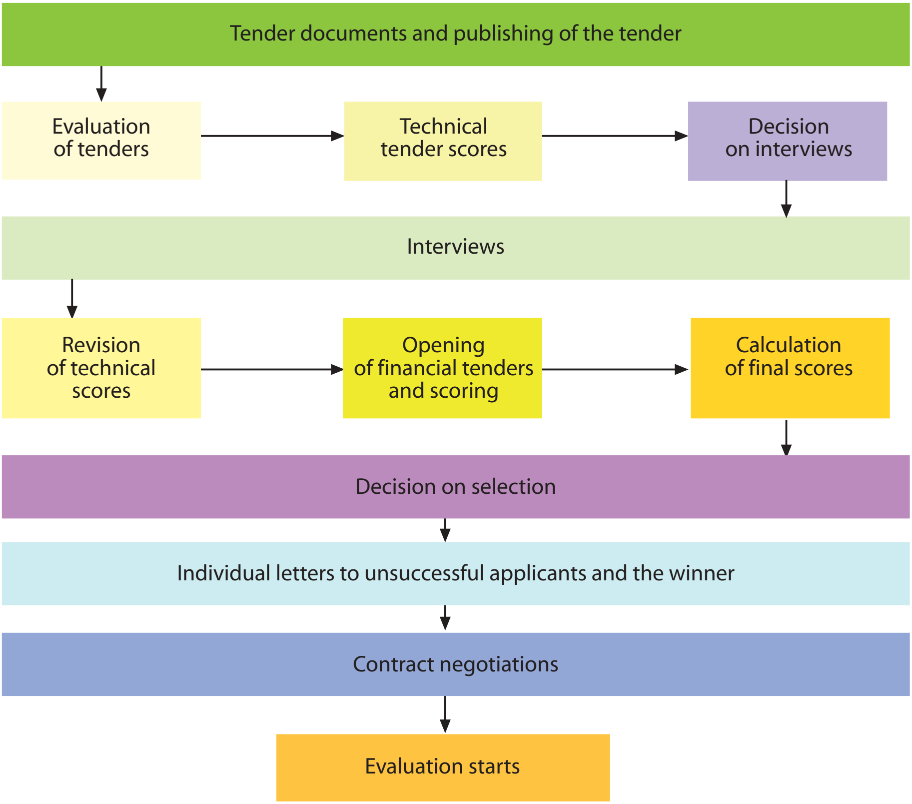
The tendering and selection of evaluators should comply with the Ministry's standard procedures, which are presented in Graph 6, below. The detailed description of the tendering and selection of evaluators is presented in Annex 10 of these guidelines.

The selection of evaluation teams is based on a competitive bidding process. In selecting the consultant, two award criteria may be applied:

- The economically most advantageous tender, or
- The lowest price.

The competitive bidding process may be organised as two-step tendering with a pre-qualification and tendering phase. The tender comprises a minimum of two parts; an invitation to tender and the terms of reference. The terms of reference provide the bidder with the technical information and the invitation to tender provides the bidder with other relevant information. The invitation to tender specifies, among other things, the timing of the tender. An example of an invitation to tender and all the necessary annex documents is available in electronic form:
http://www.hankintailmoitukset.fi/fi/news/uusi_hankintalainsaadanto

Graph 6 Tendering and selection



It is decided on a case-by-case basis whether the evaluation manager will participate/have a vote in the evaluation of the tender. Typically, the tender appraisals are conducted by nominated experts independently, e.g. in-house sector/thematic experts or by invited outside experts contracted to perform the evaluation of the tenders.

Sometimes the evaluation team can be contracted through multiple contracts. For example, some team members may be selected through competitive bidding and some may be pre-selected by a development partner. It is worth remembering that when contracting an evaluation team that has more than one contract, it is difficult to expect the team leader to have the same managerial control as s/he would have if all team members were part of the same contracted party.

Every evaluation team (including MTR teams) is based on a signed contract. The contract is based on the ToR, the documentation for the invitation to tender and the tender made by the consultant/evaluation team. The contract states the timelines for the evaluation work and reporting, and defines the payment schedule. The timelines are tentative, and may be adjusted during the course of the work through mutual agreement between the contracting parties.

Check list for Step 1 Preparation of an evaluation

The Evaluation Commissioner/Contractor should:

- Ensure sufficient overall funding for the evaluation activities.
- Define the nature and type of the evaluation for the development intervention in question.
- Initiate the evaluation process as early as possible, which should involve:
- Identification, informing and involvement of the stakeholders
- Assuring sufficient funding for the evaluation assignment
- Planning the ToR
- Compiling background material etc.
- Appoint an evaluation manager responsible for managing and administering the evaluation process.

The Evaluation Manager should:

- Inform all the relevant stakeholders, subjects of the evaluation and possible users of the planned evaluations as early as possible.
- Define the purpose of the evaluation – why are the results needed and what will they be used for?
- Estimate the overall time span of the evaluation assignment (from Step 1 to Step 4 of the evaluation - clarify when results of the evaluation are needed).

Contd....

- Assess whether an advisory/peer review group is needed to support the evaluation throughout the whole process.
- Ensure that the ToR are comprehensive and clearly written (scope, purpose, responsibilities etc), and includes realistic resources (human and financial) and a realistic timetable taking into account the time needed for comments from stakeholders, relevant parties and the subject of the evaluation (see Box 6).
- Consult and involve a public procurement expert as early as the planning and drafting stage of the ToR to ensure that the selection of the evaluators complies with public procurement legislation.
- Publish the procurement notice as soon as possible.
- Check the qualifications of the proposed experts in the tender selection process together with the validity of the proposed methodology in relation to the evaluation assignment.
- Ensure that all the relevant documents (relevant policy papers, baseline information, monitoring material project documentation etc.) have been compiled and are readily available to the selected evaluator(s) right from the start of the evaluation assignment.
- Ensure that the contract has been signed before the beginning of the evaluation assignment and that it covers the implementation period of the evaluation. Inform all the relevant parties of the results of the selection.

The evaluation subject should:

- Compile the relevant documentation and make it readily available for the evaluation mission.
- Inform the other relevant parties and related beneficiaries about the evaluation and planned forthcoming evaluation missions.

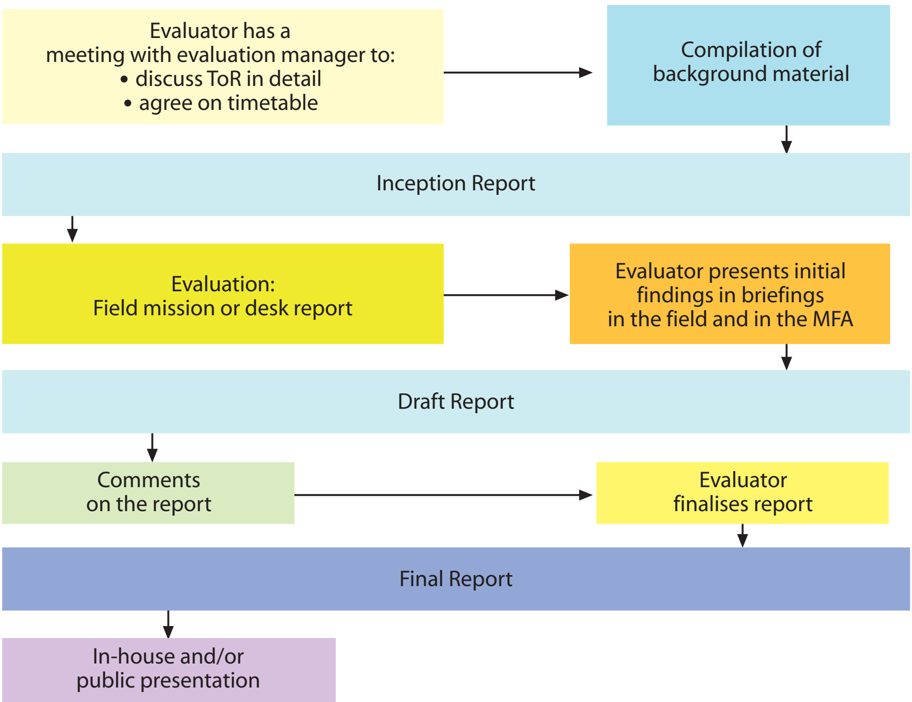
STEP 2 PERFORMING AN EVALUATION OF A DEVELOPMENT INTERVENTION

- Compile and review the information and documentation
- Inception report -methodology & work plan
- Field mission or desk work
- Debriefing stakeholders
- Interim report & draft report
- Comments from key stakeholders
- Final report
- In-house or public presentation

Responsible party:

- Evaluation team

Graph 7 Performing an evaluation



Compilation and review of information and documentation

To conduct a professional and thorough evaluation, the team needs high-quality and reliable background information. The background material includes:

- Relevant policy and strategy papers
- Baseline information
- Monitoring material
- Documentation describing the evaluation subject, for example a project document and agreements.

The MFA (Evaluation Manager) provides the background material. The compilation of additional background material may also be a part of the actual evaluation task. However, the basic background material should be used in preparing the ToR. The time reserved for the evaluation team for the assessment is short and therefore necessitates easy access to the relevant material. The evaluation team itself is responsible for ensuring that it uses relevant background material and compiles other necessary information in order to establish an overall picture of the intervention. Some of the relevant material may only be in Finnish; therefore, it is necessary to have a team member who is fluent in Finnish.

Before the Team prepares its inception report, it should review the documentation. The methodology proposed for the evaluation can be tested against the documentation before preparing the inception report. In some evaluations a written synopsis of the documentation can be used as part of the evaluation and its reporting.

Inception report – methodology and work plan

The inception report is prepared by the evaluation team at an early stage of the assignment. It is also necessary to ensure that the evaluation questions can be validated. The inception report puts forward the Team's detailed work plan and explains and justifies in a comprehensive way the methodology that the evaluator(s) plan to use to compile and analyse information.

The inception report provides a schedule of the forthcoming meetings, necessary travel and reports, and thus helps the parties involved to organise their inputs and availability. It also summarises the roles and responsibilities of the parties concerned. The evaluation team may need assistance in organising meetings or site visits. Formal requests may be required from the local Finnish embassy or the local authorities to facilitate the organisation of meetings at the field level. The Team may be required to specify the meeting requirements and questions to be raised in advance.

A meeting with the evaluation manager and/or advisory group is a fruitful forum to test the Team's approach. An exchange of opinions between the contracting unit, other relevant parties and the evaluation team may also be organised electronically. The inception report is approved by the contracting MFA unit.

According to the DAC's instructions, the questions asked, as well as any revisions to the original questions, should be documented in the report to enable readers to assess whether the evaluation team has sufficiently covered the evaluation issues and assessed them adequately.

Box 6 Outline of inception report

Inception report: an Out-line

The inception report updates the evaluation team's:
- approach
- work methodology
- work plan.

Sometimes there is a time lapse between the tender and the actual evaluation assignment. The inception report establishes the Team's understanding of the assignment and its requirements with that of the evaluation contractor.

The headings of the inception report are expected to include at least the following:

- Commencement of the assignment; what the Team has accomplished to date
- Description of the methodology and the justification for choosing it

Contd....

- A detailed work plan including planned travel and who is doing what and when
- A list of major meetings: whom to meet and the expected major outcomes
- Reporting plans
- Additional requirements for information, if any.

The evaluation team is ultimately responsible for/proposes the choice of methodology, although the terms of reference may also outline the methodology.

The sources of information should be verifiable but not in a way that might violate the privacy and confidentiality of those interviewed. All the individuals interviewed during the process should be listed as part of the reporting process for the sake of transparency.

Field mission and/or desk work

The inception report and its detailed work plan assists the relevant parties to plan their inputs. The evaluation team should make its own practical arrangements when it comes to travel and visas etc. The Team may need assistance in arranging the local logistics if a field mission is required. On-site visits are organised in close cooperation with the embassy, local authorities or with the implementing party. The parties to be visited should be informed in the same manner as are those who are invited to meet with the evaluation team. The meetings may include other active donors or NGOs in the same field as the evaluation subject. The ToR are usually shared with the stakeholders and those interviewed.

The Team chooses what type of method it wishes to use to compile information: the range of options is considerable. For example, the Team could:

- Make use of questionnaires (open ended or strictly formulated)
- Organise participatory workshops or seminars
- Interview stakeholders, including beneficiaries
- Use statistical methods or
- Monitor and participate in the activities of the beneficiaries.

Debriefing key stakeholders

The Team should brief the stakeholders and/or the people interviewed about their initial findings, conclusions and recommendations, and test their validity and accuracy. The debriefing should be scheduled in the ToR and planned in the inception report. In a field trip, the Team should hold the debriefing meeting (or seminar) before it departs the country or region.

The debriefing gives an opportunity for stakeholders to confirm, correct, complete or challenge the information that the Team has collected. However, the Team decides on what information is included and how it is used.

Interim report and draft report

In more comprehensive evaluations it may be beneficial to prepare an interim report before preparing the draft final report, depending on the needs of each evaluation.

The draft evaluation report follows the same pattern as the final report. The minimum content of the final report is presented below. The draft report may still contain open questions on which the Team is still deliberating their final point of view or analysis. The Team may need additional information. Further requests for information or viewpoints etc. may be put forward in the draft report by the evaluation team.

Comments from key stakeholders

The stakeholders, including the contractor, are given a chance to comment on the draft evaluation report. The reporting and commenting schedules are made public in the inception report. The comments can be compiled in an electronic format, in meetings, workshops or seminars etc. A decision is made at the inception phase as to whether the comments should be forwarded directly to the evaluation team, or the evaluation manager compiles them and forwards them to the evaluation team as a package. The comments should be produced in the same language as the draft, usually in English.

Some of the comments can be answers or more in-depth information if the Team still has some open questions. The stakeholders are expected to provide the Team with the information they require or provide justification as to why the data is not available.

The stakeholder's comments are reviewed and analysed by the evaluation team. If the comments conflict with the evaluation team's findings, the key points of those comments should be recorded in the final report.

Final report

The final report deals with all the questions put forward in the ToR and presented in the Team's inception report. In addition, some new aspects or questions may have arisen during the evaluation process. For example, there may have been unintentional outcomes that could be positive or negative, but which were not identified earlier. The expert evaluation team should bring to the attention of the commissioner of the evaluation all the findings they deem relevant, even if the issues or questions were not specifically spelled out in the ToR.

The style and structure of the final report should be user-friendly and constructive. Most of the evaluations organised by the MFA are designed to contribute to future planning and policy-making. Recommendations must be well justified, clear and explicit. The evaluation process must be explained in a transparent manner as should the chosen methodology. In reading the final report, the reader must get a clear picture of what was evaluated and by whom, how it was done, and what the outcome of the evaluation was and why. There should also be an explanation of what the results will be used for.

The team leader is ultimately responsible for the quality and editing of the streamlined report and for ensuring the contribution of the other team members. The length of the report is determined in the ToR. The evaluation report is a key document and should be correct and factual. Possible differences in opinion between the team members have to be clearly stated in the report.

The final report is the evaluation team's view based on its assessment of the available facts and findings. A report may contain findings or recommendations that are not in line with e.g. the MFA's or development partner's viewpoints.

The language of the report is determined in the ToR. If the report is to be written in English, a summary in Finnish and in some other language used in the partner countries may be drawn up. The layout of the summary should comply with the written, separate instructions of the MFA.

Box 7 Outline of final report

The final report is expected to convincingly answer the questions put forward in the ToR of the evaluation and further discussed in the Team's inception report as well as during the rest of the evaluation process. In addition, the different opinions and views voiced during the evaluation process are expected to be recorded in the final report.

The report should be accurate, logical, objective, impartial and representative.

There are many ways of composing an evaluation report. The ToR may outline what type of report is expected. An example report containing the minimum requirements is set out below.

PROPOSED HEADERS

ABSTRACT IN ENGLISH, FINNISH AND SWEDISH

EXECUTIVE SUMMARY (IN FINNISH AND IN ENGLISH)
The task, brief description of the methodology, main findings, conclusions, lessons learned and recommendations.

INTRODUCTION
Evaluation's purpose, objective, scope and main questions; the methodology used; data collection and analysis including indicators.

DESCRIPTION OF THE EVALUATED INTERVENTION
Introduction of the intervention being evaluated, including the intervention logic and stakeholders, organisation, its history and accomplishments, etc.

Contd....

KEY FINDINGS
- Overall progress of the implementation of the project
- Impact, effectiveness, sustainability of results achieved, efficiency, relevance, and compatibility
- Implementation arrangements.

CONCLUSIONS
Overall performance, achieved results compared with given evaluation criteria, policy issues etc.

RECOMMENDATIONS
Key areas of modification; recommendations for improving policy/implementation and management.
Recommendations table

LESSONS LEARNED
Are there any general conclusions that are likely to have the potential for wider application and use?

ANNEXES
ToR, people interviewed, inception report, documents reviewed, etc.

The recommendations may be presented in table form, for example:

#	Activity/ result	Observation/ findings	Conclusion/ lessons learned	Recommendation

As a rule of thumb, the results, findings and recommendations of all evaluations of development interventions must be clear, concise and explicit.

When the evaluation team delivers the final report with the team members' names on it to the evaluation contractor, the contractor cannot make any changes or corrections to the report. If the contractor wishes to make corrections to the final report, they have to be acknowledged on the cover page of the report and can only be technical in nature. Furthermore, the corrections should be marked with the terms: errata or corrigendum in the printed report. If the contractor so wishes, a foreword chapter can be drawn up by the contractor.

In-house or public presentation

The ToR explains the contractor's plans and expectations concerning the presentation of the evaluation results. The evaluation manager may organise a seminar or workshop on the evaluation either in-house or to a wider audience. An in-house seminar organised at this point of time, before the MFA's official approval, may assist the evaluation manager and the advisory team in preparing their notes for the Head of the Department for Development Cooperation for gaining his/her approval. The seminar for a wider audience is normally organised after the evaluation report has been officially approved and printed.

Box 8 Outline of MTR final report

The final report is expected to convincingly answer the questions put forward in the ToR and further discussed in the Team's inception report and during the rest of the MTR process. In addition, the different opinions and views voiced during the MTR process are expected to be recorded in the final report.

The report should be accurate, logical, objective, impartial and representative. There are many ways of composing an MTR report. The ToR may outline the type of report needed in each case; however, an example report is presented below.

An example of a table of contents:

1. Executive Summary
1.1 The task
1.2 Main points of the methodology
1.3 Main findings
1.4 Recommendations

2. Implementation of the mid-term review
2.1 Brief review of the intervention
2.2 Purpose of the mid-term review
2.3 Methodology used, data collection and analysis
2.4 Indicators used, benchmarks and comparative reference material

3. Key findings
3.1 Overall progress of the implementation of the intervention
3.2 Impact
3.3 Effectiveness
3.4 Sustainability of results achieved
3.5 Efficiency
3.6 Implementation machinery and management

Contd....

3.7 Relevance
3.8 Compatibility

4. Conclusions and recommendations
4.1 Overall performance
4.2 Lessons learned
4.3 Key areas for modification
4.4 Recommendations table
4.5 Recommendations for improving the implementation and management

Annexes, including for example:
Annex 1 Terms of reference
Annex 2 Missions schedule
Annex 3 Persons interviewed
Annex 4 Reference material, literature reviewed

The recommendations may be presented in table form, for example:

#	Result	Observation	Conclusion/ lessons learned	Recommendation

Checklist for Step 2 Implementation of an evaluation

The Evaluation Manager should:

- Ensure at the outset that all the relevant parties and stakeholders have been informed about the start of the evaluation, and that there is mutual understanding of the evaluation assignment (scope and objective, purpose, roles and responsibilities, tasks, detailed reporting requirements and practical arrangements for travel and on-site visits etc.) and its expectations between the evaluation commissioner, evaluator(s) and stakeholders and relevant parties.
- Deliver all the relevant information to the evaluators (baseline information, strategy and policy papers and project documents etc. either electronically or as a hard copy) at the beginning of the evaluation assignment.
- Check the work plan and the inception report (aim to process and approve the inception report without unnecessary delay because the evaluation assignment cannot be continued until the inception report has been approved).
- Assist the evaluation team to organise meetings if necessary.
- Ensure and check the quality of the reports (it is important to explain the detailed reporting requirements at the outset of the assignment).
- Circulate the reports (interim/draft/final) for comments:
  - ensure that the relevant parties and stakeholders have been given a reasonable period to comment on the reports;
  - compile the comments and forward them to the evaluator(s) for their consideration.

Evaluator(s) should:

- Ensure the correct and common understanding of the evaluation assignment, including the validity of the proposed methodology.
- Follow the guidance/instructions in the ToR and the guiding principles of the evaluation guidelines (Chapter 2: Guiding Principles of Evaluation).

Contd....

- Draw up/update a detailed work plan (including desk research, meetings, interviews, workshops and field missions and on-site visits) and an inception report for the evaluation assignment (the inception report should take into account the latest developments in the field and updates the ToR, proposed methodology and validates the evaluation questions – see Box 6.
- Comply with the detailed reporting requirements (language, structure, layout, presentation of the results, terminology, recommendations, observations and findings etc) and ensure the quality of the reporting.
- Check the reliability of the information sources used by carefully considering the views put forward during the evaluation process.
- Check that stakeholder comments have been received and analysed – possible conflicting comments should be clearly indicated separately.
- Submit reports to the evaluation manager on time (see Box 7 and 8 Outline for a final report).

The evaluation subject should:

- Deliver the relevant material to the evaluator(s).
- Support and assist the evaluation with practical arrangements (e.g. for field missions and on-site visits) and by providing open, transparent and accurate information for the evaluation.
- Ensure active participation in the evaluation and that an opportunity to comment on the evaluation report has been provided (and should comments be made that they are included in the report).

STEP 3 USE OF EVALUATION RESULTS

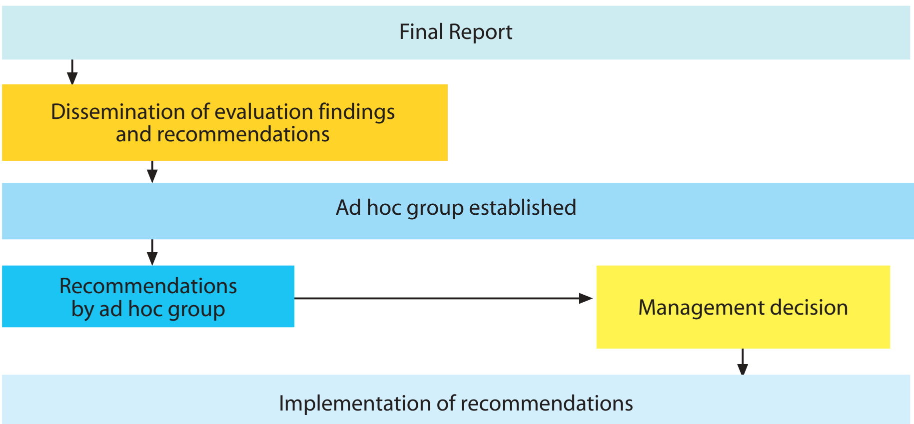
- Publishing and dissemination
- Management response
- Management instructions to the relevant MFA units

Responsible parties:

- Evaluation manager
- Evaluation contractor

According to the DAC principles for Evaluation of Development Assistance, paragraphs 42 and 43 state that: *Feedback is an essential part of the evaluation process as it provides the link between past and future activities. To ensure that the results of evaluations are utilised in future policy and programme development it is necessary to establish feedback mechanisms involving all parties concerned. These would include such measures as evaluation committees, seminars and workshops, automated systems, reporting and follow-up procedures. Informal means such as networking and internal communications would also allow for the dissemination of ideas and information. In order to be effective, the feedback process requires staff and budget resources as well as support by senior management and the other actors involved. Dissemination and feedback must form a continuous and dynamic part of the evaluation process.*

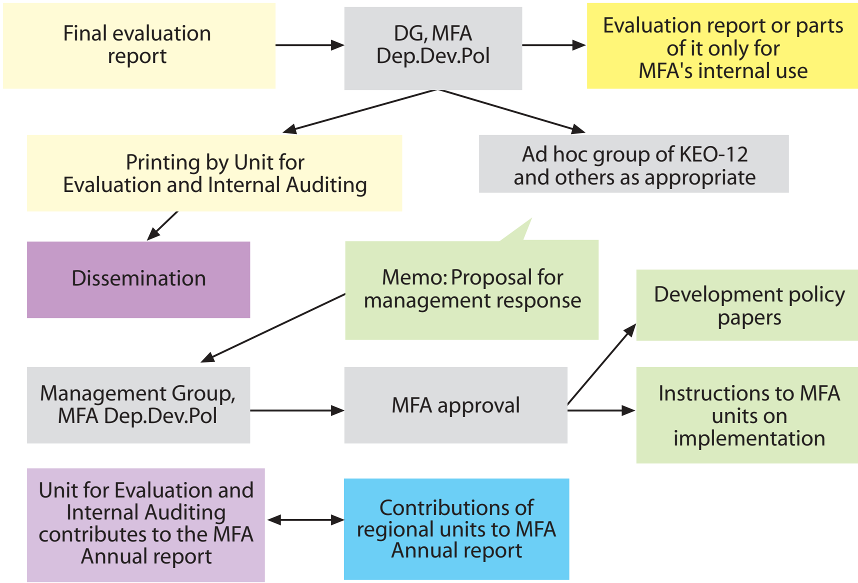
Graph 8 Use of evaluation results



Once the evaluation team has forwarded the final report to the evaluation manager, s/he prepares notes on the report and sends them along with the report to the management of the Department of Development Policy to make a decision on publishing the report. The main principles are openness and making documents public. On very rare occasions, it may be that a report or parts thereof are restricted for the MFA's internal use only.

There should be a recorded response of the management for each evaluation of a development intervention. The ways in which the management response is obtained in the Ministry depends on the type of evaluation. In project-level evaluations managed by the regional departments or other units of the Ministry the management response is usually obtained through the project management cycle, namely the Steering Committee and Supervisory Board's discussions/minutes. In the case of comprehensive evaluations managed by the Unit, the Ministry's Sectoral Policy Unit is responsible for the make-up of the evaluation review group, which pre-prepares the results of the evaluation to be presented for decision-making by the management. After the management's response, the results are conveyed to the respective units and departments for implementation. The follow-up mechanisms for the impact of the evaluation results need to be developed.

Graph 9 Sequence of how evaluation recommendations become MFA management guidelines



In the case of comprehensive evaluations, the Director of the Unit approves the final report. Once the management has decided/confirmed that the final report is to be made public, it is published in a printed format and in an electronic format by the Unit. The electronic version is made available on the MFA's home pages and on the home pages of the DAC Evaluation Network (DeREC) and the EU's Evaluation web pages. Hard copies of the evaluations are available free of charge from the Unit upon request. The report is distributed widely as a hard copy, and is sent, for example, to OECD/DAC donor members, different departments and units of the Ministry, as well as a number of university and public libraries. The following is the address for DeREC's website:
http://www.oecd.org/document/63/
0,2340,en_35038640_35039563_35067327_1_1_1_1,00.html

When the evaluation report is printed, the MFA Unit may organise, together with the Unit for Development Policy Information, a seminar for MFA staff and other relevant partners/stakeholders. It is recommended that the plans on the dissemination of the evaluation results/report are included in the ToR.

Box 9 Approval of MTR report

> The **Mid-Term Review report** is finalised by the MTR Team and approved by the MFA contracting unit. The approved report is recorded in the files of the MFA using various codes: Mid-term review, sector code, and geographical code.
>
> MTR reports are made public on the MFA's website in an electronic format. However, parts of reports may not be published due to privacy, commercial or impartiality reasons etc. The contracting MFA unit/embassy determines whether the report or parts thereof should remain confidential.
>
> The **MTR report** is usually discussed by the Steering Committee; the report may also be discussed by the Supervisory Body.

Management response

Once the management has decided to publish the final report, an MFA unit, often the MFA Unit for Sectoral Policy, organises and chairs an ad hoc working group (WG). The ad hoc group may include representatives from the MFA Unit for Evaluation and Internal Auditing and other relevant MFA units, embassies, research institutions or ministries. In the case of a country evaluation, it may be most beneficial if the respective embassy, MFA unit or department acts as the coordinator of the ad hoc group in evaluating NGO support or humanitarian aid. The WG reviews the report's prioritised recommendations one-by-one. The evaluators may also categorise their recommendations to streamline the WG's work. The WG discusses all the recommendations and either agrees with them or records its disagreement, after which the WG prepares a follow-up memo laying out the WG's position on the evaluation findings, conclusions and recommendations. The memo forms the basis of the management's response.

Box 10 Outline for management response

The memo should be concise and not repeat the evaluation/MTR report, but should focus on the follow-up based on the relevance and accuracy of the findings, weight and consequence of the conclusions, and on the appropriateness of the recommendations presented in the final report. The memo is expected to be forward looking and practically oriented and outline what actions the MFA should take to meet the recommendations of the evaluation.

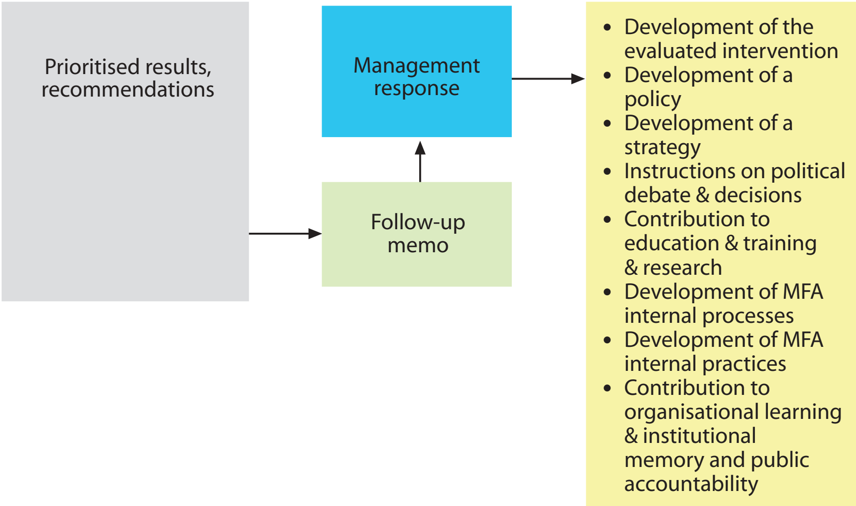
The headings of the memo are expected to include at least the following:

- Accuracy, coverage and importance of the findings presented in the final report
- Logic of the conclusions presented in the final report
- Presentation of the recommendations made in the final report
- Management response to each recommendation with a brief justification/validation
- Work plan on how to implement the recommendations, including the responsibility of all MFA units involved
- Monitoring and reporting.

Management instructions to relevant MFA units

The management response has to be timely and accurate; it has to be operational and functional as well. There should be clarity as to what needs to be done, by whom and when. Otherwise, the MFA's management cannot monitor whether the recommendations have been taken on board.

Graph 10 Management response



Box 11 Management response to MTR

In MTR, the project team leader prepares the project's response. The MFA desk officer prepares the MFA's response to the MTR, as do the relevant partners and stakeholders with regard to their perspective. All the parties have to state whether they agree with the MTR's recommendations or they have to record their disagreement and provide reasons for their position.

Consequently, all views are considered by the Steering Committee. The Steering Committee keeps minutes on the members' position regarding the evaluation findings, conclusions and recommendations. The decisions made should be practically oriented and clearly outline what actions the project and the relevant stakeholders should take to meet the recommendations of the MTR.

Check list for Step 3 Use of the evaluation results

The Evaluation Commissioner/Contractor/Manager (MFA) should:

- Prepare notes on the report and send the reports with the notes to the management of the Department of Development Policy to decide on whether to publish the report.
- Check the decision on publicity and openness.
- After the management's decision, check in what format and where the report should be published – see if a seminar is needed for the dissemination and publication of the evaluation results.
- If an ad hoc working group needs to be organised to review the recommendations of the evaluation report, prepare a follow-up memo on the basis of the ad hoc working group's position on the evaluation findings, conclusions and recommendations (see Box 11, outline for a management response).
- Ensure that the management's instructions are accurate, operational, and functional; ascertain what has to be done, by whom and by what date.
- In the case of an MTR
  - The MFA desk officer prepares the MFA's response to the MTR.
  - Ensure proper circulation of the results of the MTR (and that the team leader, relevant MFA desk officer and stakeholders have given their comments on the findings of the evaluation report – ensure that possible conflicting recommendations are clearly indicated).
  - Check that the MTR has been approved by the MFA's contracting unit and recorded in the MFA's files.
  - Check and ensure that the results of the MTR have been discussed in the Steering Committee and/or meetings of the supervisory body in order to decide on the implementation of the recommendations of the evaluation results (check the minutes of the Steering Committee/Supervisory Board's meeting).
  - Check whether the implementation of the results of the evaluation can be supported by other means (e.g. further training of staff).

STEP 4 FEEDBACK

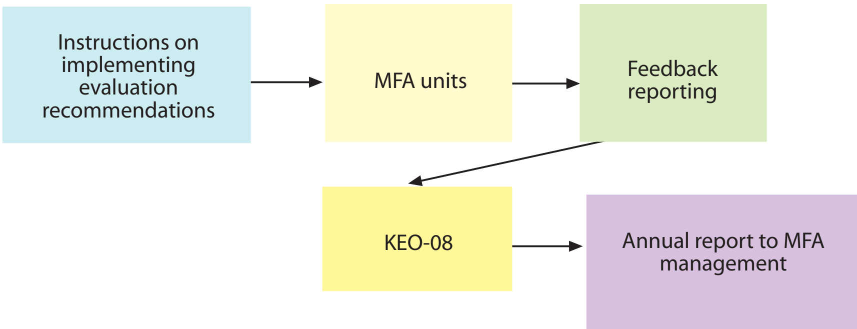
As a result of step 3, the management of the MFA and the Department for Development Policy instruct all the relevant MFA units including embassies on the implementation of the evaluation recommendations. The instructions may contain the following issues:

- Development of the intervention in question or starting a new one
- Development of a related policy
- Development of a related strategy
- Instructions on participating in political debate
- Introducing new education and training activities
- Introducing new research themes and ideas
- Development of the MFA's internal processes and practices
- Contributing to organisational learning and institutional memory.

Each unit to receive guidance from the management has to report on an annual basis to the Unit on the progress of the implementation of the relevant instructions. The reporting has to include at least the following:

- Name of the evaluation on the basis of which the actions have been taken during the year
- Specific recommendations taken during the year
- What actions have been taken and how?
- Self-assessment: how justified, effective and relevant are the actions with regard to implementing the Finnish Government's development policy?

Graph 11 The implementation of evaluation recommendations



The Unit for Evaluation and Internal Auditing organises and monitors the annual reporting of the relevant MFA units on their accomplishments concerning the implementation of the MFA's management instructions on the follow-up to evaluation recommendations. It may be the case that some MFA units have to comply with various recommendations, and therefore have to be clear in their reporting as to which evaluation/recommendation is in question. The Unit collects all the reports provided by the MFA units and compiles its own comprehensive report to be discussed by the management of the MFA.

In the case of **MTR**, the Supervisory Board follows up on how the MTR recommendations based on the Steering Committee's decisions are put into practice. This work is part of the Supervisory Board's routine work.

Check list for Step 4 Feedback

The Evaluation Commissioner/Contractor/Manager (MFA) should:

- Ensure that the instructions of the Development Policy Unit have been distributed and received by the relevant MFA units and embassies.
- Check the instructions (which may include e.g. development of the intervention in question or starting a new one; development of a related policy; development of related strategy; instructions on participating in political debate; introducing new education and training activities; introducing new research themes and ideas; development of the MFA's internal processes and practices; contributing to organisational learning and institutional memory).
- Ensure that the relevant MFA Units report on an annual basis on the implementation of the instructions. (These annual reports should include at least: the name of the evaluation on which the actions taken during the year are based, the specific recommendations for action on which the activities have been based, what actions have been taken and how, and self-assessment, i.e. how justified, effective and relevant the actions are with regard to implementing the Finnish Government's development policy).
- Check (the Unit) whether it is necessary to assess the functioning of the follow-up process and effectiveness of the feedback to the organisation.
- The Unit collects annual reports and compiles a comprehensive report for the MFA management.
- In an MTR, the Supervisory Board monitors the implementation of the instructions and the Steering Committee's decisions on how the instructions should be implemented – check the minutes of meetings).

Annex 1–9

1. Government Resolution on Development Cooperation (http://formin.finland.fi/public/default.aspx?nodeid=15319&contentlan=2&culture=en-US)

2. OECD/DAC Principles for Evaluation of Development Assistance, Paris 1998 (http://www.oecd.org/secure/pdfDocument/0,2834,en_21571361_34047972_31779368_1_1_1_1,00.pdf)

3. OECD/DAC Evaluation Quality Standards (http://www.oecd.org/dataoecd/30/62/36596604.pdf)

4. OECD/DAC Evaluation Network (http://www.oecd.org/site/0,2865,en_21571361_34047972_1_1_1_1_1,00.html)

5. EU Evaluation Web Pages (http://ec.europa.eu/budget/evaluation/index_en.htm)

6. OECD/DAC Glossary of Key Terms in Evaluation and Results Based Management (http://www.oecd.org/dataoecd/29/21/2754804.pdf)

7. Paris Declaration (http://www.oecd.org/dataoecd/11/41/34428351.pdf.)

8. Millennium Development Goals (http://unstats.un.org/unsd/mi/pdf/mdglist.pdf)

9. Organisation of the Ministry for Foreign Affairs (http://www.formin.fi/public/default.aspx?nodeid=15130&contentlan=2&culture=en-US)

Annex 10 Guidelines on procurement

The invitation to tender consists of at least of two parts: the instructions for the tenderer and the terms of reference (ToR). The ToR provide the bidder with the technical information and the instructions for the tenderer specify the requirements. The guidelines act as the basis for selecting the consultant and determine, among other things, the timing of the tender. The tender may include annexes, if deemed necessary.

The Ministry/embassy should compile an invitation to tender dossier so that the different nature of the compulsory requirements and preferable requirements becomes evident. The compulsory requirements (qualifying criteria) establish the minimum requirements for the service being procured, whereas all the other requirements are preferable requirements, the total cumulative value of which will result in the award of the contract to the best tenderer. Clearly defined requirements are easy to understand and hard to misinterpret.

The Public Procurement Act of 30 March 2007/348 must be complied with by the Ministry and all embassies. The possible procurement procedures are:

- The *open procedure* whereby any interested economic operator may submit a tender.
- A *Restricted procedure* in which any economic operator may request to participate but only those economic operators invited by the contracting authority may submit a tender. The short-listing must be based on the criteria of the pre-qualification notice.
- *The negotiated* procedure refers to a procedure in which the contracting authority publishes a notice and any economic operator may request to participate. The contracting authority consults with at least three of the economic operators and negotiates the terms of the contract with one or more of them.
- *Competitive dialogue*
- *Framework agreement*
- *A direct assignment only applies in cases which are defined in legislation.*

The selection of the evaluation teams is based on a competitive bidding process. In selecting the consultant, two award criteria may be applied:

- The economically most advantageous tender, or
- The lowest price.

When the economically most advantageous tender is used, there are two different sets of requirements that form the basis of selection:

- Compulsory requirements: The failure to comply with the compulsory requirements leads to the rejection of the proposal.
- Preferable requirements will be used to perform an evaluation between the proposals. The evaluation of the preferable requirements will be made according to the published weighting.

The Public Procurement Act of 30 March 2007/348 emphasises competitive bidding, although:

- If the total amount of the tender is less than the national threshold of EUR 15,000, the contracting unit may use direct contracting, although proposals may be requested from suitable economic operators
- If the tendered amount is above EUR 15,001 but below the EU threshold, an open tender has to be arranged. The tender has to be made available publicly using the Government's online announcement board at
- http://www.hankintailmoitukset.fi/fi/ and at www.formin.finland.fi
- If the tendered amount exceeds the EU threshold, the competitive bidding has to be announced not only in Finland but EU-wide. The tender has to be made available publicly using the Government's online announcement board at http://www.hankintailmoitukset.fi/fi/ and at www.formin.finland.fi.

It should be noted that the evaluation may not be split in order to avoid competitive bidding.

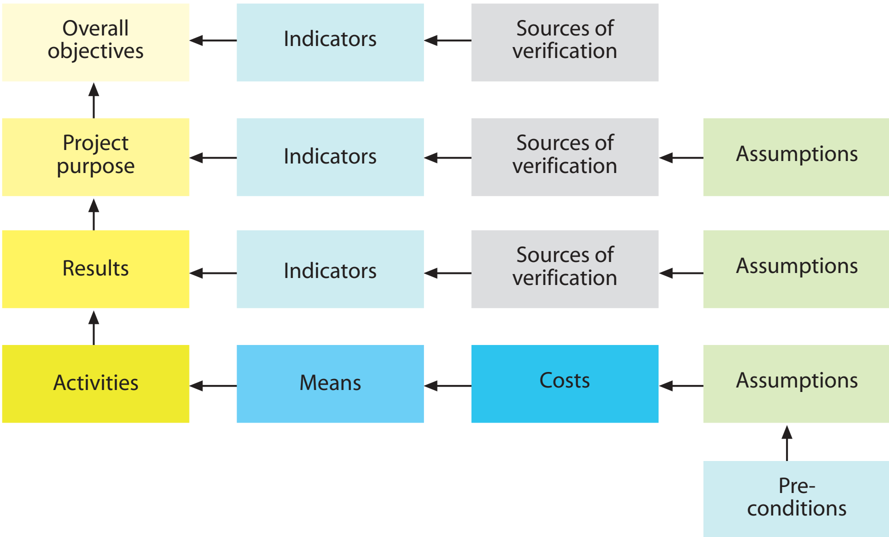
The competitive bidding may be organised as a two-step tendering process, i.e. a restricted procedure, which includes the pre-qualification phase and tendering phase. During the pre-qualification phase, interested consultants or research institutions etc. submit their letter of interest/expression of interest. The criteria for pre-qualification will be given in the pre-qualification notice. In the tender phase, only those interested who have passed or exceeded the pre-qualification requirements are invited to prepare a full tender. The final selection will be made from among those who have tendered on the basis of the invitation. Alternatively, all interested candidates can prepare a full tender (i.e. the process will start directly from tender phase).

The tendering period varies according to the threshold as follows:

- If the tender is above the national threshold but below the EU threshold, 22 days is recommended for an open procedure.
- For a restricted procedure, the recommendation is 10+22 days if the tender is above the national threshold but below the EU threshold.
- For an open procedure with no advance notice, 52 days is recommended if the tender is above the EU threshold.
- For an open procedure above the EU threshold, 22 days is the recommendation if the advance notice was made within the time specified.
- For an open procedure above the EU threshold, the recommendation is 37+40 days if no advance notice is required.
- For an open procedure above the EU threshold, the recommendation is 37+22 days if advance notice was given of the required time frame.
- The standstill period is 21+7 days if the total value of the evaluation is above the EU threshold.
  (Ulkoasiainministeriö 2007)

Annex 11 Intervention logic and logical framework matrix

Graph 12 Intervention logic and logical framework matrix

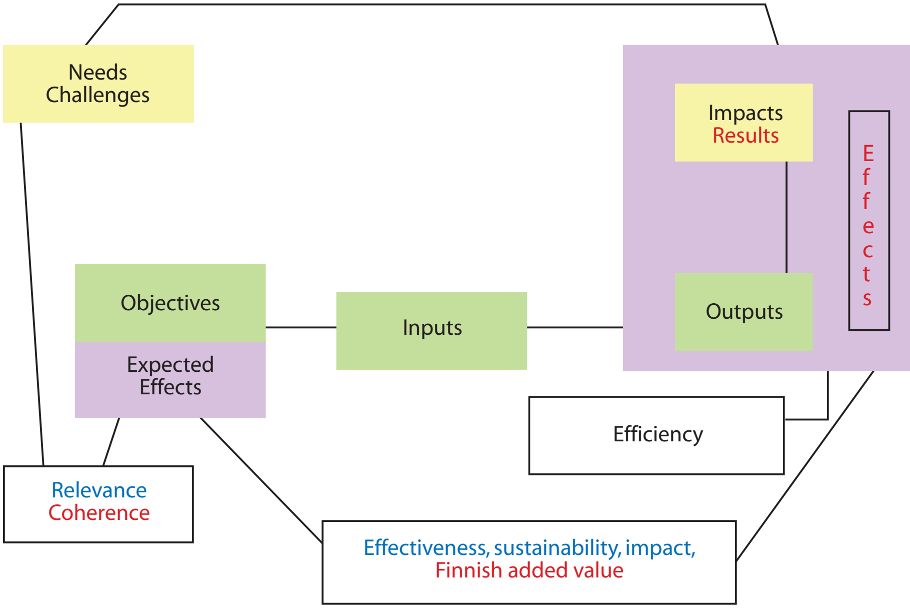


Annex 12 Evaluation Criteria

The graphic presentation below has been adapted from the European Commission's Guidelines for Project and Programme Evaluation concerning external assistance. The criteria include those specified by the OECD/DAC: relevance, effectiveness, efficiency, sustainability and impact, and two additional ones: coherence and Finnish value added.

Graph 13 Evaluation Criteria

(Modified from European Commission 2007)



Relevance

Relevance concerns whether the results, purpose and overall objectives of the intervention are in line with the needs and aspirations of the beneficiaries, and with the policy environment of the intervention.

Is the intervention consistent with the needs and priorities of its target group and the policies of the partner country and donor agencies? Has the situation changed since the approval of the intervention (e.g. programme/project) document?

Efficiency

Efficiency assessments are normally part of the planning and monitoring process. They may also be included in evaluations, especially if the evaluations cover management performance. The efficiency criterion concerns how well the various activities have transformed the available resources into the intended outputs (sometimes referred to as a result), in terms of quantity, quality and time.

Can the costs of the intervention be justified by the results?

Effectiveness

Effectiveness describes how well the results achieved have furthered the attainment of the purpose of the intervention.

Has the intervention achieved its objectives or will it do so in the future?

Impact

Impact concerns whether there has been a change towards the achievement of the overall objective(s) as a consequence of the attainment of the purpose of the intervention. Both intended and unintended impacts are reviewed.

What are the overall effects of the intervention, intended and unintended, long term and short term, positive and negative?

Sustainability

In terms of a single intervention, sustainability can be described as the degree to which the benefits produced by the intervention continue after the external support has come to an end. It is a central theme in all evaluation work and relates to all the elements of the logical framework of an intervention.

Will the benefits produced by the intervention be maintained after the termination of external support?

Coherence

Coherence/complementarity measures if and how the goals that are central to Finland's development cooperation policy or the partner country's development policy have been taken into account in the planning and implementation.

How have they affected the intervention?

Finnish added value

What is the added value provided by the Finnish support?

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