

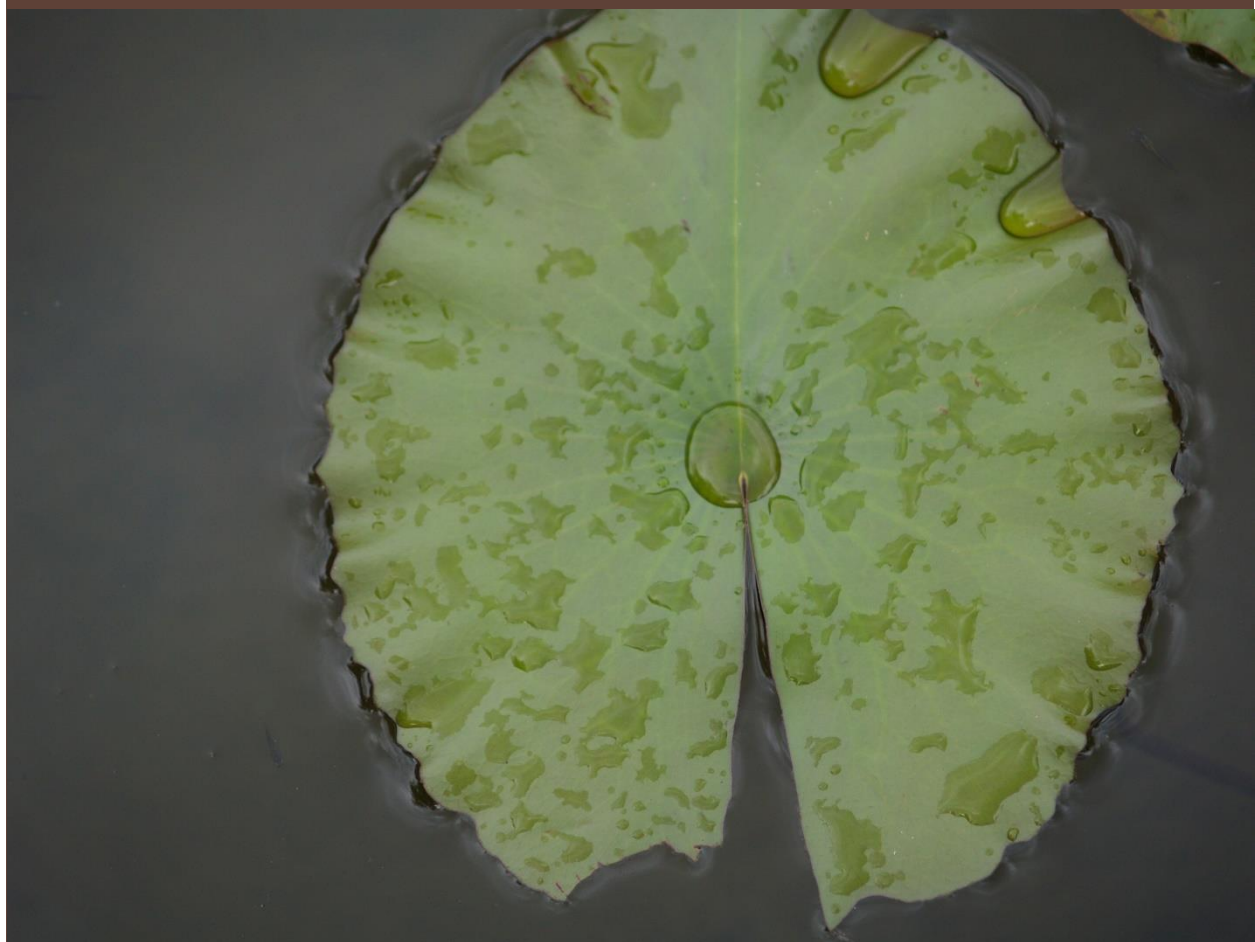
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Evaluation Policy 2020–2023

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Photos

All photos by Gunnar Salvarsson.

1. Background

Evaluations are considered a critical tool for learning, improving decisions and enhancing accountability in international development cooperation. Iceland relies on an internationally agreed definition by the Development Assistance Committee of the OECD (DAC) of evaluations.

Evaluation is defined as: “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, coherence 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.”

Evaluations should contribute to evidence-based policymaking, development and organizational effectiveness, institutional learning as well as providing Icelandic taxpayers and other stakeholders, such as in partner countries with information on the utilization of funds and results of Icelandic development cooperation.

Iceland’s policy for development cooperation is results-based and evaluations are an essential part of keeping track of and demonstrating results. The Results and Evaluation Unit of the Ministry for Foreign Affairs and International Development has the mandate to conduct evaluations looking at the whole portfolio of development initiatives and funding under Icelandic overseas development assistance (ODA). The main purpose of the evaluations is to provide independent, objective and transparent assessments of development interventions, to strengthen accountability for development results and provide lessons learned for future planning and decision-making.

This evaluation policy shall be reviewed and updated periodically, not later than by the end of year 2023 to ensure that the evaluations meet applicable international standards. Separate operational guidelines will be provided to practitioners, for the purpose of ensuring high quality and standardized evaluation practice.

2. Evaluation principles and criteria

Evaluations carried out shall follow the *OECD DAC Quality Standards for Development Evaluations*.¹ As noted by OECD, the Standards aim to improve quality and ultimately to strengthen the contribution of evaluation to improving development outcomes. Evaluations shall be in line with the OECD DAC criteria of relevance, coherence, effectiveness, efficiency, sustainability and impact.²

RELEVANCE IS THE INTERVENTION DOING THE RIGHT THINGS?	The extent to which the intervention objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
COHERENCE HOW WELL DOES THE INTERVENTION FIT?	The compatibility of the intervention with other interventions in a country, sector or institution.
EFFECTIVENESS IS THE INTERVENTION ACHIEVING ITS OBJECTIVES?	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.
EFFICIENCY HOW WELL ARE RESOURCES USED?	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.
IMPACT WHAT DIFFERENCE DOES THE INTERVENTION MAKE?	The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
SUSTAINABILITY WILL THE BENEFITS LAST?	The extent to which the net benefits of the intervention continue, or are likely to continue.

¹ See further: <https://www.oecd.org/development/evaluation/qualitystandards.pdf>. This policy shall be updated once OECD DAC quality standards for development evaluation are renewed.

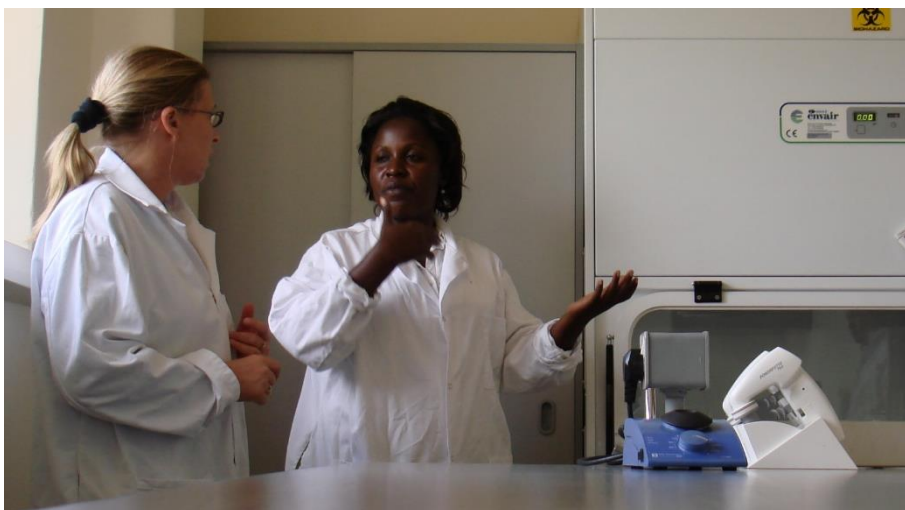
² Iceland relies on the DAC criteria for evaluation updated in 2019, see further: <https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf>.

Evaluations shall generally be carried out as external and independent evaluations. Those may, however, be complemented by other forms, such as internal assessments.

Evaluations are typically to be implemented in collaboration with partner institutions and stakeholders and shall provide lessons learned for all engaged parties and inform decisions and actions. As may be applicable, evaluations may be carried out jointly in collaboration with other development partners.

The evaluation of Icelandic development assistance shall be guided by the core principles of impartiality, independence, transparency, credibility and usefulness.

All development interventions³ by Iceland should strive to be relevant to the context, coherent with other interventions, achieve their objectives, deliver results in an efficient way, and have positive impacts that last. Evaluations examine to which extent this is achieved. Further, they support accountability, including the provision of information to the public, and support learning through generating and feeding back findings and lessons. Finally, evaluation findings are used to support monitoring and results management, and for strategic planning and intervention design.



³ As per DAC's definition, development intervention encompasses all the different types of development and humanitarian efforts that may be evaluated using these criteria, such as a project, programme, policy, strategy, thematic area, technical assistance, policy advice, an institution, financing mechanism, instrument, or other activity. It includes development interventions, humanitarian aid, peacebuilding, climate mitigation and adaptation, normative work, and non-sovereign operations.

3. Operations and institutional setup

Evaluations are initiated, prepared and managed by an independent Results and Evaluation Unit within the Directorate for International Affairs and Development Cooperation of the Ministry for Foreign Affairs and International Development. While maintaining consultation with the Director General for International Development Cooperation, the Director of Results and Evaluation reports directly to the Permanent Secretary on evaluations and related matters. The Director of Evaluations has the primary responsibility to ensure that the DAC guidelines and procedures for evaluations, as well as other applicable standards, are upheld, that the evaluation function is fully operational and duly independent and that the evaluation work is conducted according to the highest professional standards.

The Results and Evaluation Unit shall be staffed appropriately, and opportunities shall exist to build proper capacity within the unit to prepare and implement quality evaluations. The Results and Evaluation Unit shall participate in international cooperation related to evaluations, notably the DAC Network on Development Evaluation (Evalnet), the Nordic+ group for evaluation units and other professional bodies for which membership is value added for Iceland's evaluation work. The operational staff of the Directorate at HQ, Permanent Missions abroad and country offices provide all due assistance to the Results and Evaluation Unit as required to prepare and implement evaluations.

3.1 Independence and credibility

The process for evaluations is **transparent** and shall be **independent** from programme management and policy making. The purpose is to enhance credibility, in accordance with DAC quality standards for development evaluation.

Independence of evaluation is necessary for credibility and impartiality. It influences the ways in which an evaluation is used and allows evaluators to be impartial and free from undue pressure throughout the evaluation process. Evaluators shall have the full freedom to conduct their evaluative work impartially and be able to freely express their assessment. In most instances independent external evaluations are the preferred type of evaluations, but is recognized that in certain instances the Director of Evaluation may instigate evaluations conducted by the Results and Evaluation Unit itself. Such evaluations shall be based on valid, evidence-based methodologies and evaluation principles.

Key elements of credibility are considered to include transparent evaluation processes, inclusive approaches involving relevant stakeholders and robust

quality assurance at entry and exit. An impartial expert is assigned to conduct quality assurance and assessment of evaluations. Such quality assurance is carried out:

- At entry - when design and methodologies of evaluations have been proposed⁴ by the Results and Evaluation Unit.
- At exit – when the drafts of evaluation reports have been received.

3.2 Work processes

The Results and Evaluation Unit carries the responsibility of setting the evaluation agenda and shall be provided with adequate resources to conduct its work, in accordance with this policy. The Director of Results and Evaluations shall commission, produce, publish and disseminate evaluation reports in the public domain without undue influence by any party. Evaluation reports shall also be submitted to the Development Committee which acts in an advisory capacity in matters of policy making regarding Iceland's international development cooperation in the long term and oversees its implementation.

At the beginning of each fiscal year, following a feasibility assessment and consultations with operational units and key partners, the Director of Evaluation shall submit for approval to the Permanent Secretary, an **annual evaluation plan** for the subsequent fiscal year as well as an indicative multiyear plan. **Evaluation processes** shall be outlined in the Ministry's quality handbook and adhered to.

During the planning and design phase of evaluations, the Unit for Results and Evaluation shall prepare a **terms of reference (TOR)** document, where the purpose, scope and objectives of the evaluation is outlined. Further, resources, time, reporting requirements and other expectations regarding the process and products is set forth. Inception report may be used to determine evaluation design and scope.

Selection of external evaluators or evaluation teams relies on a **transparent and open procurement procedure**. Selection is based on pre-determined assessment of the evaluative skills and knowledge required, but gender balance may also be considered and use of local human resources and expertise, where applicable.

The Results and Evaluation Unit will strive to **conduct evaluations in a timely and cost-effective manner**, using an approach which is fit for purpose.

⁴ Such as when the terms of reference (TOR) document has been formed, evaluation frameworks or inception reports.

3.3 Management responses and follow-up

A management response shall be prepared for all evaluations, addressing findings, conclusions and recommendations from each evaluation. This response shall be prepared promptly in cooperation between the Director General and the responsible unit manager after the evaluation is concluded and shall include recommendations and intent for follow-up and corrective actions. The Results and Evaluation Unit tracks and follows-up on recommendations as appropriate.

The Results and Evaluation Unit shall work with the relevant operational unit at the Directorate and other stakeholders to ensure that recommendations from the evaluation reports are incorporated in the project cycle and addressed in future decisions and policy making. Key lessons from evaluations will be collected, analyzed and shared on a regular basis. Efforts should be made to integrate evaluation designs and findings into the Directorate's knowledge management.

3.4 Communication and dissemination

Disseminating results and recommendations from evaluation studies is vital to their usefulness. The Ministry for Foreign Affairs and International Development Cooperation recognizes this and has the following processes in place for communication and dissemination of results:

- Meetings with stakeholders where key messages from evaluations are clearly communicated and discussed.
- Publication of all evaluation reports and management responses on-line for public access.⁵
- Reports are also embedded as an electronic link at the website of the OECD DAC's evaluation network.
- Press releases about key findings of evaluation results to the media, and relevant information portals at the Directorate and the MFA.
- A section on evaluation work and findings in the Ministry's reports to Parliament.
- Other efforts to disseminate results, as appropriate, such as via social media, in seminars and other relevant forums.



⁵ Internal assessments that involve sensitive personnel matters or financial audits that entail confidential information shall not be released to the public.

4. Scope and type of evaluations

All support under Iceland's ODA may be subject to evaluation. This includes bilateral programmes, CSOs, multilateral institutions and their development initiatives, humanitarian and emergency assistance, and other relevant programmes that fall under ODA. The scope, potential and prioritization of evaluations shall be guided by DAC criteria, including by policy relevance, accountability, usefulness and financial importance. For interventions that do not fall within the realm of responsibilities of the Ministry for Foreign Affairs and International Development, evaluation efforts shall be carried out in consultation with the respective ministries and the National Audit Office, as required.

Different modalities in development cooperation may call for different approaches to evaluations. The difference between cooperation in bilateral partner countries and multilateral operations provides the clearest distinction. The suitable type and process of evaluation may therefore vary and include external independent evaluations and reviews, baseline studies, audits, internal or self-evaluations, review of evaluation reports for and of multinational organizations and participation in multi-donor evaluations of funds and multilateral bodies. Evaluations may be carried out at different time stages in the project cycle and include, but not limited to, formative, mid-term, summative, ex-post and impact evaluations.

The following are among important types of evaluations to be guided by this policy:

- **Project end and mid-term reviews and evaluations** within bilateral operations, planned as part of project cycle and budgeted for within the respective operational programming budget.
- **Baseline studies** and other reviews which are used to inform subsequent evaluations.
- **Formative, internal or self-evaluations** may be applicable in instances where the main objective is institutional learning, e.g. as part of the project cycle or as part of organizational improvements.
- **Financial audits** of the use of development funds via different channels may be instigated and carried out to examine financial records and reporting activities for disclosure, compliance, taxation, legal or other purposes.
- **Thematic and cross cutting evaluations** which may be initiated as deemed necessary, including evaluation work on gender equality, human rights, environment, and capacity building.
- **Evaluations of particular policies**, their implementation and outcomes.

- **Evaluations of partnerships and development cooperation channels**, including multilateral organizations, NGOs and partner countries.
- **Evaluations of earmarked contributions to be implemented by multilateral organizations** shall normally follow the evaluation standards of that organization, but may be complemented by additional evaluation by Iceland, if deemed appropriate.
- **Impact evaluations** that offer evidence about the impacts produced by a development intervention – positive and negative, intended and unintended, direct and indirect, establishing a causal attribution. Such evaluations may be undertaken when considerable time has passed since the initial development intervention (5-15 year timeframe).

In evaluations of multilateral organizations and their use of core contributions, Iceland shall work within the partnership of contributing nations and the evaluation set-up of the multilateral organization in question, but may make its own assessment of institutions and operations, if deemed appropriate.

The design of evaluations depends on the context, as emphasized by DAC, and the evaluation criteria should take aim of the purpose of the evaluation. Data availability, resource constraints, timing, and methodological considerations influence the scope and evaluation approach in each case.

4.1 Cross-cutting issues

The cross-cutting issues of gender equality, human rights and environment shall be addressed in all evaluations, irrespective of whether they were mentioned in the underlying project documents.



4.2 Ethical considerations

All evaluations abide by relevant professional and ethical guidelines and codes of conduct for individual evaluators. Evaluations shall be carried out with ethical considerations in mind, respect for human rights, sensitivity to local cultures and social values, and be guided by the core principle of do-no-harm. Participants in evaluations shall be assured of confidentiality of information and anonymity. Should ethics approval be required for carrying out evaluations, it is the responsibility of the external consultants to identify such need and obtain approval from the appropriate institutions.



