

# **Monitoring and Evaluation in the Enhanced Integrated Framework: Draft Policy and Guidelines**

Prepared for the Interim Board of the Enhanced Integrated Framework, Executive Secretariat, Trust Fund Manager and EIF Partners

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The support of the Norwegian Ministry of Foreign Affairs in financing this work is gratefully acknowledged but the analysis is independent. The views expressed are those of the author for consideration of the Board, Executive Secretariat and EIF Partners. The draft has benefited from consultations with Enhanced Integrated Framework (EIF) partners.

Final Draft  
12 February 2009

## Acronyms and Abbreviations

<b>AfT</b>	Aid for Trade
<b>BLS&amp;EE</b>	Baseline Study and External Evaluations
<b>CG</b>	Consultative Group
<b>DAC</b>	Development Assistance Committee
<b>DF</b>	Donor Facilitator
<b>DTIS</b>	Diagnostic Trade Integration Study
<b>ED</b>	Executive Director
<b>EDPRS</b>	Economic Development and Poverty Reduction Strategy
<b>EGPRS</b>	Economic Growth and Poverty Reduction Strategy
<b>EIF</b>	Enhanced Integrated Framework
<b>ES</b>	Executive Secretariat
<b>FAO</b>	Food and Agriculture Organization
<b>FP</b>	Focal Point
<b>GRPP</b>	Global and Regional Partnership Program
<b>EIF</b>	Enhanced Integrated Framework
<b>IAs</b>	Implementing Agencies
<b>IFIs</b>	International Financial Institutions
<b>IFSC</b>	Integrated Framework Steering Committee
<b>IMF</b>	International Monetary Fund
<b>ITC</b>	International Trade Centre
<b>LDC</b>	Least Developed Country
<b>MfDR</b>	Managing for Development Results
<b>MIEs</b>	Main Implementing Entities
<b>NIA</b>	National Implementation Arrangement
<b>NIU</b>	National Implementation Unit
<b>NSC</b>	National Steering Committee
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OVI</b>	Objectively Verifiable Indicators
<b>PAF</b>	Performance Assessment Framework
<b>PAR</b>	Performance Assessment Report
<b>PRS</b>	Poverty Reduction Strategy
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>RT</b>	Round Table
<b>TAC 1</b>	Tier 1 Appraisal Committee
<b>TAC 2</b>	Tier 2 Appraisal Committee
<b>TFM</b>	Trust Fund Manager

<b>TOR</b>	Terms of Reference
<b>TRA</b>	Trade Related Assistance
<b>TRTA</b>	Trade-related Technical Assistance
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Programme
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>UNOPS</b>	United Nations Office for Project Services
<b>WB</b>	World Bank
<b>WTO</b>	World Trade Organization

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# **1. Introduction**

## **1.1. Purpose of the Policy Statement**

The purpose of the Policy and Guidelines on Monitoring and Evaluation is to provide guidance to all stakeholders on the accountability framework for project and program implementation and for achievement of results. The implementation of the Policy and Guidelines is supported by technical Guidance Notes, which are updated on a regular basis.

The Monitoring and Evaluation Policy aims to explain the concept, role and use of monitoring and evaluation within the EIF and define the institutional framework and definition of responsibilities. Specifically, it establishes requirements for how EIF activities, outputs and outcomes should be monitored and evaluated in line with international principles, norms and standards for monitoring and evaluation and in accordance with the Paris Declaration and Management for Development Results. The Policy does not address aspects of Trustee management of the EIF Trust Fund, financial and managerial audit or investigation mechanisms, which are subject to separate oversight.

## **1.2. Background on the Enhanced Integrated Framework**

The Enhanced Integrated Framework (EIF) is a multi-stakeholder partnership of beneficiaries, international agencies and donors aimed at supporting economic integration and sustainable development of Least Developed Countries (LDCs). Launched in 2006, the EIF is a collaborative arrangement among the EIF Partners to address trade-related development challenges of the LDCs by mainstreaming trade into the National Development Plans of LDCs and ensuring the coordinated delivery of trade-related assistance according to needs identified by the LDCs.

## **1.3. Managing for Development Results and Aid Effectiveness**

The strengthened partnership of the EIF emphasises the key principles of the Paris Declaration on Aid Effectiveness, which are:

- ownership,
- alignment,
- harmonisation,
- managing for results, and

- mutual accountability.

At the international level, the Paris Declaration constitutes a mechanism through which donors and recipients of aid are held *mutually accountable* to each other and compliance in meeting the commitments will be publicly monitored. At the country level, the Paris Declaration encourages donors and partners to jointly assess mutual progress in implementing agreed commitments on aid effectiveness by making best use of local mechanisms.

In conjunction with the Rome/Paris/Accra forums on Aid Effectiveness, the Washington/Hanoi/Marrakech Roundtables on Managing for Development Results (MfDR), focused specifically on managing for results as a key aspect of improved aid effectiveness. A significant result of these conferences was the formulation of the principles of MfDR.

Implementing results-based management in a global partnership requires an understanding by all partners of the key concepts of the results chain and the capacity to link inputs and activities to the results to be achieved *ex ante* and to improve the reporting of the results achieved *ex post*. Consequently, a major focus of the Monitoring and Evaluation Framework will be to identify sources of information and to generate data related to results achieved. In addition the focus is on intermediate outcomes since higher level outcomes and longer term impacts are influenced by various contingencies.

### **Logical framework**

The use of the logical framework approach is a key cornerstone of the monitoring and evaluation process. As the logframe is an essential element in the monitoring process, a regular process to review and to refine the logframe at the programme and the country level is required.

It is important that the logframes are carefully built and validated. Logframe validation should not be seen simply as an ad hoc exercise, but as part of the capacity development function of the monitoring process and be linked to the Baseline study and mid-term evaluation described below. The key point is the logframe is not just a tool for monitoring and evaluation purposes, it is an interactive management tool which can enable beneficiary countries to achieve the desired results. Thus in the EIF the logical frameworks is regularly reviewed and adapted in consultation with development partners.

## **1.4. Monitoring and Evaluation in the EIF**

The EIF partners, the Board, and the overall Steering Committee require the EIF, among other things, to ensure that its programs and projects are monitored and

evaluated on a regular basis, and to maintain sufficient flexibility to respond to changing circumstances and experience gained from monitoring and evaluation activities. This requires feedback to the EIF decision-making and planning processes at the board, program and project levels.

Monitoring and evaluation is a shared responsibility within the EIF partnership. Thus, the proposed Framework for monitoring and evaluation makes full use of the combined capacities of the extended EIF partnership, and the respective comparative advantages of each EIF partner.

The active engagement of all key stakeholders will enhance capacity for monitoring and evaluation as well as its utility. In addition, monitoring and evaluation feedback allows the EIF to track progress in fulfilling its mission.

A strong monitoring and evaluation system is essential in building confidence among all partners – donors, beneficiaries, international organisations, and other stakeholders - in the reliability of information on development effectiveness. By making requirements and expectations more explicit, the M&E framework should encourage conduct of good monitoring and evaluation at various levels of programming. This is particularly important given the specific challenges in measuring and aggregating EIF global results.

The Monitoring and Evaluation Guidelines will need to adapt to evolving circumstances. In order to continue to conform to the highest international principles, norms and standards in monitoring and evaluation; the Framework will be kept under review and updated as necessary.

### **1.5. Goal, Purpose, and Key Results of the EIF**

The following are the Goal, Purpose and Specific Objectives/Key Results of the Enhanced Integrated Framework.

#### **Goal**

The overall goal is to support integration of LDCs into the global trading system in order to contribute to poverty reduction and sustainable development.

#### **Purpose**

The Programme Purpose is to support mainstreaming of trade into development strategies and to enhance the capacity by LDCs to formulate and to implement national development strategies into which trade has been mainstreamed.

## Specific objectives and key results

The following table summarises the specific objectives and the associated key results.

Specific Objectives	Key Results
1. Support LDCs to mainstream trade into their national development plans and strategies.	1. Trade policies and strategies are mainstreamed in national development strategy.
2. Support the coordinated delivery of trade-related technical assistance (AfT) in response to needs identified by LDCs and to facilitate donor response.	2. DTIS/Action Matrix priorities implemented and delivery of AfT is coordinated in accordance with the identified and prioritised needs of LDCs
3. Develop the capacity of LDCs to formulate and implement trade related policies and development strategies.	3. Enhanced capacity to formulate and implement trade related policies and development strategies.

These key results can be disaggregated into more specific results and associated indicators at the programme, country and project level.

### 1.6. Background on Monitoring and Evaluation in the EIF

Work on the Monitoring and Evaluation Framework for the Enhanced Integrated Framework was undertaken in the context of the EIF Cluster Meetings concluded in 2007. The IF Interim Board, -- which was established on May 1, 2007, -- was assigned the task of finalising the work undertaken on the Monitoring and Evaluation Framework. To that end, a preliminary Monitoring and Evaluation Framework was prepared in June 2008.

The Monitoring and Evaluation Framework for the Enhanced Integrated Framework is based on the above mentioned preliminary Monitoring and Evaluation Framework. The framework addresses inputs and processes, outputs and results at different levels of outcomes. The framework will be developed on the basis of mutual accountability and linked to the extent possible with country level monitoring systems. The framework is adapted to the governance structure of the EIF and the roles of IF partners.

The EIF M&E framework will accord with Paris Principles on Aid Effectiveness. In this context, EIF partners have also expressed their preference for a light structure. It should also be noted that IF Partners, rather than external agents, will be responsible for most of the implementation of the monitoring while external

evaluations of the IF at the programme and a sample of country programmes and a sample of selected projects are envisaged.

Monitoring and evaluation work on Aid for Trade led by the OECD and WTO taken into consideration. In particular the data and analysis from the country surveys and the donor surveys conducted by AfT will be useful sources of data and can be used to develop indicators. As a practical matter in most EIF partner countries the National Implementation Unit is likely to be involved in the collection of data and information for AfT questionnaires.

### **1.7. Scope and Objectives of Monitoring and Evaluation**

The scope of monitoring and evaluation of the EIF involves all activities, programmes and projects that are financed by the EIF trust fund.

Monitoring and evaluation in the Enhanced Integrated Framework (EIF) have the following objectives:

1. Promote accountability for the achievement of EIF objectives through implementation monitoring and evaluation of activities, processes, outputs and performance of the partners involved in the EIF.
2. Effective monitoring and evaluation of the progress in achieving results through EIF supported activities and collaboration by development partners.
3. Promote learning, feedback and knowledge sharing on results and lessons learned among all the EIF partners, as basis for decision-making on projects and program management and as a basis for sharing of experience among LDCs in development strategies and policy formulation.

## 2. Monitoring and Evaluation Framework

### 2.1. Overview

In the Introduction above, background on the EIF and the role of monitoring and evaluation in the EIF were discussed.

*Principles* for monitoring and evaluation are that

- Monitoring and Evaluation activities should be undertaken as necessary, but the burden they place upon those being monitored and evaluated be as light as possible;
- Monitoring and Evaluation cost should be commensurate with the activities and budgets monitored and evaluated and should be as user friendly as possible;
- Monitoring and Evaluation systems should be commensurate with the development effort they support;
- Monitoring and Evaluation activities in beneficiary countries should as far as possible build on existing national monitoring and evaluation systems in the LDCs.
- Development partners should use M&E as a source of learning and experience sharing.

One of the key principles of MFDR is to manage for results not by activities. A results-oriented M& E system is critical to management for results.

One important and practical issue is the selection of indicators for results. In many cases results-based management systems such as the logical frameworks and results matrices for Budget Support programmes have at times been over-ambitious, creating systems with a very large number of indicators. Instead of elaborate and cumbersome systems, with some initial investment “one can develop relatively simple systems, with focused sets of indicators and a balance between on-going monitoring and intermittent evaluation.”<sup>1</sup>

Monitoring and Evaluation of the EIF is based on linked logical frameworks at the programme, country and project level. The validated Logical frameworks at these levels, the Baseline Study and agreed indicators will be essential building blocks of the monitoring and evaluation system.

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<sup>1</sup> *Monitoring and Evaluation: Enhancing Development Results*, A Background Paper, Third International Roundtable on Managing for Development Results, Hanoi, Vietnam, 5-8 February 2007, [www.mfdr.org](http://www.mfdr.org).

Monitoring is done by the ES, TFM and the EIF partners including the National Implementing Arrangements (NIAs) and the Implementing Agencies (IAs) <sup>2</sup>at the country level. Monitoring involves both implementation monitoring with respect to mobilisation of inputs and processes and results monitoring

Evaluation is independent and external. Also an external review of the monitoring by the ES, TFM and EIF partners is proposed. The role of evaluation is to evaluate both the project and programme implementation and to assess progress in achieving results.

The EIF programme is more likely to capitalise on its catalytic role when it incorporates fully results-based management and where management activities are based on feedback from systematic monitoring and evaluation findings.

## **2.2. Programme Level**

There are two main channels of intervention for the EIF. The first channel is composed of projects under Tier 1 to support the mainstreaming of trade and the coordination of AfT. The second channel consists of Tier 2 projects which support a range of projects for AfT.

At the programme level the activities, outputs and outcomes at the country and project level can be aggregated across all EIF partner countries. In addition the broader role of the EIF in supporting the identification of priorities and mobilisation of resources for Trade Related Assistance and Aid for Trade can be analysed based on data collected by the OECD and the WTO. The overall contribution of the EIF to the performance of LDC countries can be assessed in the key result areas identified above and as specified in the logframes. These broader issues about contribution at the goal level will be considered in the Baseline study, the mid-term evaluation and the final evaluation.

## **2.3. Country Level**

As was discussed earlier the Monitoring and Evaluation framework needs to be light and to link with national monitoring frameworks. The key to a light but effective monitoring system is to have a clear focus on results and a selective list of indicators that meet the criteria of being Specific/Significant, Measurable, Agreed, Relevant/Realistic, and Time-bound (SMART).

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<sup>2</sup> Implementing Agencies (IAs) is a generic term meaning any organisation implementing

The priority results and the indicators need to be targeted according to the specific needs and priorities of the country. This is the key to having a limited number of significant and useful indicators and a monitoring framework that is both light and effective.

The Tier 1 projects are aimed at building and strengthening institutional capacity related to the diagnostic studies, mainstreaming of trade, coordination of AfT and promoting a constructive response by donors and development partners.

As is discussed in the next section, the Tier 2 projects should have indicators linked to the specific results to be achieved as identified in the project proposals.

In both Tier 1 and Tier 2 projects, the Donor Facilitator has an important role to play in facilitating the response of development partners and can also contribute to monitoring at the country level reporting on the plans of donors to respond to priorities identified in the Action Matrix.

It should be noted that the country level results of the EIF will consist in large part of the results achieved by the Tier 1 and Tier 2 projects. However, the results in terms of mainstreaming of trade and potential investments triggered by development partners and the private sector need to be monitored at the country level as well. The EIF is intended to be catalytic and to stimulate investment by the country, development partners and the private sector and lead to an improvement in the enabling climate for trade and private sector development.

#### **2.4. Project Level**

Each project should have a simplified logical framework linking the project activities and outputs with the Country level logframe. Although different countries face different trade and economic challenges, and are in different situations with respect to mainstreaming of trade, there are some key commonalities which can be addressed in the logframe for the Tier 1 projects. The scope and range of each Tier 2 project is specific to the intended results of the project. Each Tier 2 project should have a well defined logframe identifying the specific results that are the focus of that project and with clearly defined indicators. In particular the targeted results should be articulated as clearly as possible.

#### **2.5. Establishing the Baseline**

A baseline will be established for the EIF as a programme and for every country and project. Selection of suitable indicators and the quality of the Baseline data are critical to the overall M&E framework.

Baseline analysis plays a key role in developing and refining indicators. For example indicators need to be developed with respect to mainstreaming of trade. The AfT questionnaires contain a number of questions related to the mainstreaming of trade. This data when combined with other information and data about mainstreaming at the country level such as the composition of the National Steering Committee, the interaction with the private sector and civil society could be used to develop an index of mainstreaming which could be used as indicator at the project and country level.

The Baseline assessments for all projects and for countries need to give careful attention to risk factors in order to identify risk management and risk mitigation strategies.

## 2.6. Roles and Responsibilities

Monitoring and evaluation are a shared responsibility in the Enhanced Integrated Framework based on the principles of aid effectiveness and mutual accountability. Monitoring and evaluation in the EIF are adapted to the governance structure and the logic of the intervention. There are different levels of monitoring and evaluation, involving different partners, and involving different functions within the EIF. The roles of the EIF Board, the Executive Secretariat, the Trust Fund Manager, the National Implementation Units, the Donor Facilitator and the Implementing Agencies/Main Implementing Entities in monitoring and evaluation are spelled out in this section.

Table 1 provides an overview of the main roles and responsibilities for M&E of the key partners.

**Table 1: Key Roles and Responsibilities of EIF partners in Monitoring and Evaluation**

Partner	Key roles and responsibilities in M&E
Steering Committee	<ul style="list-style-type: none"> <li>• Monitors overall performance of the EIF at the programme level and the performance of Board, the ES, TFM, and EIF partners and progress toward results on behalf of the stakeholders</li> </ul>
EIF Board	<ul style="list-style-type: none"> <li>• Adopting and revising policy for M&amp;E for the EIF partnership</li> <li>• Oversight of the M&amp;E Framework</li> </ul>

	<ul style="list-style-type: none"> <li>• Establishing terms of reference for external studies and evaluations</li> </ul>
Executive Secretariat	<ul style="list-style-type: none"> <li>• Coordination of reporting to the EIF board by all partners</li> <li>• Establishment of the baseline at the Country Level in consultation with TFM and NIAs.</li> <li>• Agreeing country level M&amp;E framework in consultation with NIUs and TFM.</li> <li>• Coordination of evaluation of projects and supporting external evaluations at the program level (with support from TFM where required)</li> <li>• Reporting of results at the program, and country level semi-annually to the Board and annually to the Steering Committee</li> </ul>
Trust Fund Manager	<ul style="list-style-type: none"> <li>• Quarterly financial reporting via the Executive Secretariat to the Board</li> <li>• Reporting to the Executive Secretariat on, and monitoring of, project implementation, resource utilization, activities, outputs and outcomes for all projects on a semi-annual basis.</li> <li>• Agreeing project level M&amp;E framework in consultation with ES.</li> <li>• Regular monitoring and analysis of the project portfolio in collaboration with ES on technical/trade aspects.</li> <li>• Submission of project completion reports via the ES to the Board</li> </ul>
National Implementation Units	<ul style="list-style-type: none"> <li>• Development of country level logframes with ES/TFM</li> <li>• Submission of and annual reports to ES and TFM on: <ul style="list-style-type: none"> <li>- Progress against country level logframe</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Tier 1 projects if IA (also to TFM)</li> <li>- Tier 2 projects if IA (also to TFM)</li> <li>• Submission of a light report every twelve months, starting six months after implementation of EIF activities. The report is to be prepared jointly by the FP/NIU and the DF to highlight problems that may threaten the achievement of the objectives at the next reporting cycle.</li> </ul>
Donor Facilitators	<ul style="list-style-type: none"> <li>• Reporting on Co-ordination of TRA and Aft at the country level and donor plans to respond to priorities in the Action Matrix to the ES on an annual basis</li> <li>• Jointly with FP semi-annual reporting on any problems that may arise in implementing the country level program</li> </ul>
Implementing Agencies (IAs)	<ul style="list-style-type: none"> <li>• Responsible for project internal monitoring and submission of monitoring reports semi- annually to TFM on Tier 1 and Tier 2 projects where they are IA. ??</li> <li>• Submission of project completion reports to TFM</li> </ul>

### **Steering Committee**

The overall governance body is the Steering Committee representing all the stakeholders in the EIF. The EIF Board reports to the Steering Committee in a timely manner. The Steering Committee monitors overall performance of the EIF and the performance of the Board, the ES, TFM and EIF partners and progress toward results on behalf of the stakeholders

### **EIF Board**

The EIF Board is the operational governance body for the EIF and is responsible for oversight of overall EIF performance. The EIF Board reports to the Steering Committee which represents stakeholders in the EIF. Thus the EIF Board is responsible for setting policy and guidelines for monitoring and evaluation as well as for oversight of monitoring and evaluation by, and for, all the partners of the EIF.<sup>3</sup> The EIF Board oversight of monitoring and evaluation of both implementation and progress toward results complements the separate systems of financial oversight and accountability within the EIF Trust Fund Manager and partner agencies.

The EIF Board ensures that adequate resources are allocated to enable the monitoring and evaluation function to operate effectively and with due independence. The Board supports the transparency and participation in the M&E process, promotes dissemination of the findings and lessons learned from monitoring and evaluation, and ensures that sufficient time is dedicated to discussion of M&E issues at Board meetings.

### **Executive Secretariat**

The Executive Secretariat is responsible for coordination and integration of the reporting on progress to results to the Board for the EIF at the country and program level. Based on information provided by, and reporting from, the Trust Fund Manager, the National Implementing Units, Donor Facilitators and Implementing Agencies on their ongoing projects and completed during the year, the Executive Secretariat produces a semi-annual report to the Board and an annual Progress Report to the Board and the Steering Committee, which presents an overview of program implementation and progress toward results including outcomes to the EIF Board.

In support of effective monitoring, the Executive Secretariat takes the lead in the identification of portfolio- or program-level indicators and the use of data for monitoring performance on program indicators. It reviews all projects prior to their submission to the EIF Board to ensure that they meet EIF M&E requirements and have a well defined logical framework according to the standards established by the Board. (Note the initial set of TAC1 projects will have this framework developed during the first six months of implementation.) The Executive Secretariat will work with the NIUs in establishing the baseline at the country level drawing on the work of the DTIS and other available studies and resources

The Executive Secretariat takes the lead in developing EIF knowledge management systems that use learning from internal and external monitoring and

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<sup>3</sup> The norms and standards are consistent with those of the Development Assistance Committee (DAC) of the OECD and the United Nations Evaluation Group.

evaluation. It facilitates cooperation in monitoring and learning at the program level by bringing together relevant EIF partners in working groups and ensuring knowledge capture and dissemination among stakeholders and partners.

In support of monitoring and evaluation, the Executive Secretariat provides management support for external monitoring and evaluations. The Executive Secretariat ensures that results achieved and lessons learned through M&E activities are communicated publically in accordance with the guidelines established by the Board.

### **Trust Fund Manager**

On behalf of the Board, the Trust Fund Manager ensures the maintenance of appropriate financial records, accounts for funds and provides for their audit, in accordance with the rules of the trustee. In addition the TFM monitors the overall EIF project portfolio and provides quarterly reports via the ES to the Board on financial commitments, utilization of resources and activities implemented. In addition the TFM provides completion reports relating to the services provided by TFM for each EIF project including any projects implemented by any EIF Core Agency. These are submitted via the ES to the Board.

The Trust Fund Manager is responsible for monitoring and reporting inputs, activities, outputs and outcomes on all projects on a semi-annual basis. All reporting of the Trust Fund Manager is to the Executive Secretariat who reports to the EIF Board semi-annually and on an annual basis to the Board and Steering Committee.

### **National Implementing Units and Focal Points**

The National Implementing Units (NIUs) and Focal Points (FP) at the country level play a key role in the mainstreaming of trade at the national level, facilitating the co-ordination of AfT and facilitating an effective donor response. The NIUs regularly identify gaps in the Action Matrix and seek to fill the gaps either through development of Tier 2 projects or through complementary investments by development partners.

The NIUs/FP will be responsible for the development of country level logframes with support from ES/TFM where required. They will report on a semi-annual and annual basis to the ES on progress against the country level logframe and progress against Tier 1 and Tier 2 projects where they are the IA. This report will also be sent to the TFM.

Feeding into this report, the NIUs will work closely with the Donor Facilitators at the Country Level and provide information to the Executive Secretariat about progress of development partners in responding to identified needs in the Action Matrix.

### **Donor Facilitator**

In working with the Donor Group and NIUs, who monitor the filling of gaps in the Action Plan, the Donor Facilitator, provides regular briefing updates to donors on the EIF progress and arranges for consultation and coordination possibilities for the donors present in the country. The Donor Facilitator will report annually to the ES on the coordination of Aid for Trade in the Country and the donor response related to actual and anticipated progress of filling the gaps in the Action Plan.

### **Implementing Agencies**

The Implementing Agencies (IAs) for Tier 2 projects are responsible for developing M&E plans, a logical framework and associated results indicators for projects, and for adequately monitoring project activities, production of outputs, and progress toward outcomes. Through their internal monitoring systems, the responsible IA provides reporting semi-annually to the Trust Fund Manager on project implementation in terms of funds utilised, activities implemented, outputs delivered and outcomes and uses their internal monitoring to ensure periodic assessment of trends and issues in the EIF project or projects which the IA is implementing.

All implementing agencies receive project budget allocations. Project budget allocations cover the costs of goods, work, and services procured by EIF grant recipients as part of the implementation of projects. Each project will have a logframe and indicators for performance and results, which are agreed in advance. Specific activities to undertake monitoring and evaluation will be identified in the project workplan and budget. The services of the IAs include project identification, and assistance to recipient countries in their project development and preparation, supervision of EIF projects, reporting to the TFM and preparation of implementation completion reports.

### **Summary**

As discussed above there are three elements of the Monitoring and Evaluation Framework. The first element is the linked logframes and agreed indicators validated through the Baseline Study. The second element is the External

monitoring process involving the ES/TFM, the NIUs and EIF partners. The third element is the Evaluation process and the external evaluations.

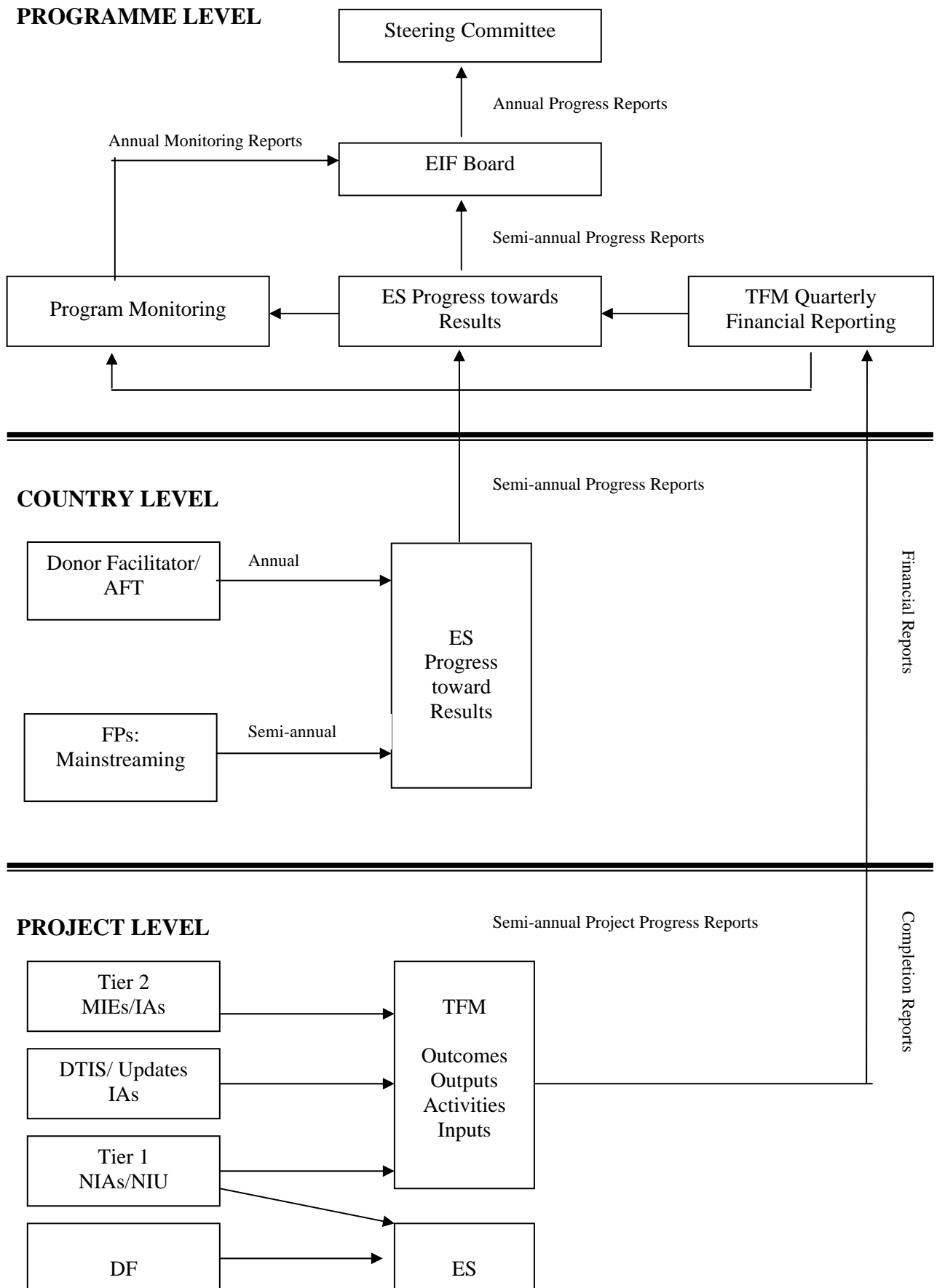
The following table summarises the key formal reporting requirements of EIF partners. The diagram shows more clearly the flow of M&E information between EIF partners.

**Table 2: Summary of formal M&E reporting requirements**

EIF Partner responsible	Report content summary	Frequency	Submitted to whom?
Executive secretariat	Progress report against country and programme level logframes	Annual	EIF Board EIF Steering Cmte
Executive Secretariat	Semi-annual progress report against programme and country level logframes	Semi-annual	EIF Board
TFM	Financial reports on financial cmts, utilisation of resources and activities implemented	Quarterly	ES (who submits to Board)
TFM	Progress reports on inputs, activities, outputs and outcomes on all projects	Semi-annual (to feed into ES semi-annual report)	ES
NIUs	Reporting on progress against country level logframe and any Tier 1 and Tier 2 projects where IA	Semi-annual (with the mid year report being light and reflecting issues that may need immediate attention should they arise. This report should be done jointly with DF)	ES (also copying to TFM who has oversight of project activities)
Donor Facilitator	Report on coordination of AfT	Annual	ES

	at country level and donor response to priorities in Action Matrix		
Implementing Agencies	Report on project implementation in terms of funds utilised, activities implemented, outputs delivered and outcomes achieved on Tier 1 and Tier 2 where IA.	Semi-annual	TFM

# MONITORING AND REPORTING FOR THE ENHANCED INTEGRATED FRAMEWORK



The external studies, monitoring and evaluations will be discussed in the subsequent section.

It is important to note that this is a summary of the monitoring and evaluation framework and the actual tools to be utilised will need to be more detailed and will be based on the linked logical frameworks at the project, country and program level. Furthermore it should be recalled that audit and fiduciary supervision or controls are a separate process not included in the monitoring and evaluation framework.

### **3. External Studies, Monitoring and Evaluation**

External studies, monitoring and evaluations will be contracted by the TFM on behalf of the Board and the Steering Committee. The purpose of these external studies and evaluations is to inform the Board, the Steering Committee and the EIF partners about implementation performance and progress in achieving results in order to facilitate achieving the intended results and the desired objectives. The external studies, monitoring and evaluations are designed to complement and to verify the internal monitoring and evaluation by the ES, the TFM and the EIF partners.

#### **3.1. Baseline Study**

In Section 2.5 above the importance of establishing the Baseline for measuring results was emphasised. As far as possible the setting of the baseline at programme, country and project level will be done internally, led by the ES. Where additional support is required, it is recommend that the ES establish a consultancy budget line for M&E work and the Executive Director uses this at her discretion.

#### **3.2. Program Monitoring**

It is proposed that there be a light touch external program monitoring process conducted on an annual basis. This will essentially provide assurance that the management and governance structures of the EIF at programme, country and project level are functioning well.

#### **3.3. Evaluation Plan**

The Evaluation plan is briefly summarised here. The Evaluation process will have two elements. One element will be External Evaluations conducted at the Mid-term and end of the Programme. A second element will be mid-term and final project evaluations which will be conducted on all projects over a threshold of \$2,000,000 and a final evaluation of a sample of projects below the threshold. Technical notes for terms of reference for mid term and final external evaluations at the programme, country and project level are included in the Guidance Notes. The Evaluation process will be independent and external to those responsible for the development intervention. At the programme level the External Evaluations will be managed by the Executive Secretariat on behalf of the Board, which will include the following:

- Mid-term evaluation; and,
- Final evaluation

As noted in Section 2.1 the External Evaluations will assess both programme and project implementation of activities and processes and evaluate results achieved according to the Performance Assessment Framework of the linked logical frameworks at the project, country and programme level.

The Evaluations will also evaluate the effectiveness of the management and governance of the EIF.

The selection of the consultants for the mid-term and final evaluation will be by means of a tender. The Terms of Reference will be approved by the Board. The ES and the TFM and other EIF partners will have the opportunity to comment on the draft evaluation reports.

### **Mid-term Evaluation**

The Mid-term Evaluation should evaluate the activities, outputs and outcomes at the programme and country level according to the DAC evaluation criteria, relevance, efficiency, effectiveness, impact (results) and sustainability. The mid term Evaluation will include a desk review of the portfolio of all the Tier One and Tier Two projects where implementation has commenced by the end of year two. Based on the desk review and other criteria including geographic distribution, different development factors such as landlocked economies, small island developing states, a sample of 10 countries will be evaluated. In the sample of countries selected for evaluation, all EIF projects in the Country will be evaluated.

Draft terms of reference are included in the Guidance Notes.

## **Final Evaluation**

The evaluation's main goals are:

1. to determine whether the objectives, outcomes and impact as stated in the programme logical framework were achieved;
2. to identify lessons learned and provide recommendations for future operations; and
3. to assess the EIF's role and the performance of the EIF partners. The final evaluation will be conducted upon completion of all project activities.

Draft terms of reference are included in the Guidance Notes.

## **Project Evaluations**

All projects over 2 million dollars are the subject of mid-term and final evaluations. A sample of 20 percent of projects below this threshold is subject to final evaluations.

## **4. Next Steps**

### **4.1. Validation of the Logical Frameworks**

The validation of the logical frameworks including agreed indicators will be undertaken through consultation with EIF partners and through the establishment of the baseline.

### **4.2. Baseline Study**

A comprehensive baseline assessment at the country level will need to be completed for every IF beneficiary country.<sup>4</sup> As far as possible this process will be led by the Executive Secretariat, but additional consultancy support may be required.

Each project will also need a baseline assessment. For the Tier 1 projects this could be done on the basis of self assessment and evaluation but a common framework, operational guidelines and a template needs to be provided to the NIUs. However at a minimum assistance will be provided to countries as requested.

A Baseline analysis should be conducted before a Tier 2 project is launched focusing on the specific results targeted by the Tier 2 proposal. The analysis of the Baseline for the Tier 2 projects is part of the project preparation process and should be supported by the EIF implementing agency and TFM/ES if required.

The key outputs from the initial baseline work are that the logframe is validated at the country and programme level and specific focused or SMART indicators are clearly agreed at all levels.

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<sup>4</sup> This can also be referred to as *ex ante* evaluation.

## 5. Annex: Definitions

**Monitoring** is a continuing function that uses the 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.<sup>5</sup>

It should also be noted that there is a distinction between *implementation monitoring* which concerns process and progress in undertaking activities, completing the work plan and utilising the budget; and *results monitoring*, which concerns the measurement of results and the attainment of the project purpose.<sup>6</sup>

**Evaluation** is the systematic and objective assessment of an on-going (periodic evaluation) or completed project (final evaluation), programme or policy, its design, implementation and results, with the view to determining the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability.<sup>7</sup>

**Indicators** are used to measure progress towards objectives. They specify what to measure in order to monitor and evaluate the performance of policies, programmes and projects, in a quantitative or qualitative way.<sup>8</sup> Indicators can be classified by referring to different levels of results<sup>9</sup>:

- Input: measures resources to be provided; e.g. number of vaccines purchased.
- Process: describes the modus operandi
- Output: measures the goods and services produced; e.g. number of children vaccinated or number of people trained.

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<sup>5</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002.

<sup>6</sup> See OECD, *Harmonising Donor Practices for Effective Aid Delivery* (2003), Ch. 4 Reporting and Monitoring (<http://www.oecd.org/dataoecd/0/48/20896122.pdf>).

<sup>7</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002.

<sup>8</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002

<sup>9</sup> See OECD, *Harmonising Donor Practices for Effective Aid Delivery* (2003), Ch. 4 Reporting and Monitoring.

- Outcome: measures the intermediate results generated relative to the objectives of an operation; e.g. percentage of children that have contracted measles.
- Impact: measures broader and longer-term results or changes produced directly or indirectly, intended or unintended by an operation; e.g. infant mortality rates.

*Indicators* should be

- Specific and simple,
- Measurable,
- Agreed and prioritised,
- Relevant, Realistic and objectively verifiable and
- Time bound

*Results*: The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention.<sup>10</sup>

*Results Chain*: The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback. In some agencies, reach is part of the results chain.<sup>11</sup>

*Results Framework*: The program logic that explains how the development objective is to be achieved, including causal relationships and underlying assumptions.<sup>12</sup>

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<sup>10</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002

<sup>11</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002

<sup>12</sup> OECD/DAC, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002