

23 March 2009

## **EXECUTIVE SUMMARY AND RECOMMENDATIONS TO THE EIF INTERIM BOARD ON THE ESTABLISHMENT OF A MONITORING AND EVALUATION FRAMEWORK**

### **1. Background**

Acknowledging that the responsibility of managing the old IF was not clearly assigned, with no one directly identified as responsible for overseeing the implementation process, the Task Force on the Enhanced Integrated Framework decided on the need to come up with a resolution relating to monitoring and evaluation, which included a recommendation to strengthen in-country capacities to manage, implement and monitor the IF process.

Monitoring and evaluation should be an important aspect of the EIF, as a management tool; as a way for the recipients and the donors to assess whether targets are being met and, if not, to recommend corrective measures. It enables measurement, *ex-post*, of whether programmes have succeeded in removing the constraints they were designed to do and, if so, whether there had been a measurable performance increase, leading to economic growth, poverty reduction and employment creation. Given that the IF did not have, as part of its design, objectively verifiable indicators of performance against which performance could be monitored or evaluated, it is of greater importance that the EIF does.

Against this background, the Interim Board in its 28<sup>th</sup> meeting on 3 September 2008, approved the engagement of an independent consultant, Mr. Murray Smith, to prepare a report, which provides recommendations on how a Monitoring and Evaluation (M&E) Framework can be constructed for the EIF.

### **2. Status of M&E report**

The consultant submitted his final report in February 2009, having received final comments from all who participated in the open-ended small group meetings of LDCs and donors established to work with the consultant.

The small group was composed of Senegal, Rwanda, Yemen, Zambia (until departure of Ms. Mlewa), Canada, Denmark, the EC and the UK, and UNOPS and the EIF Executive Secretariat (ES).

### **3. Summary of the consultant's report**

In coming up with his proposed M&E Framework, the consultant drew heavily from established practices for monitoring and evaluation used by various development partners, which are based on norms and standards developed in the OECD/DAC and the UNNEG. The consultant also drew from other Global Partnerships involved in development work such as the Global Environmental Facility.

In preparing his report, the consultant held consultations with Geneva- and capital-based representatives of the EIF partnership, in the partner countries Uganda and Rwanda (these being the two LDCs he visited), UNOPS and the EIF ES.

In his introduction to the study, he outlines the purpose of an M&E framework as to assist all stakeholders on the accountability for a project or programme implementation and achievement of results. He also underscores the need for the policy and guidelines to be supported by guidance notes, which will require regular updating.

In order to determine the role of each partner in the framework, the consultant emphasizes on the need to first have an understanding of the goal, purpose and specific objectives and key results of the EIF programme, and he outlines them as follows:

### **Goal**

The goal is to support the LDCs' integration into the global trading system with a view to contributing to poverty reduction and sustainable development.

### **Purpose**

The purpose of the programme is support towards mainstreaming trade into development strategies and the enhancement of the LDCs' capacity to formulate and implement trade-related elements of national development strategies.

### **Specific objectives and key results**

- Supporting LDCs in mainstreaming trade into their national development plans and strategies. The expected key result is that trade policies and strategies become part and parcel of national strategies of recipient countries;
- As a response to the needs identified by the LDCs, facilitate and support a donor-coordinated delivery of trade-related technical assistance not only in the context of EIF, but of the broader Aid for Trade. Key expected result is that the DTIS/Action Matrix is coordinated and implemented according to LDC priorities; and
- The development of the LDCs' capacity in the formulation and implementation of trade-related policies and strategies.

### **Scope and objectives of the EIF**

The following are the objectives of the EIF framework, to cover all activities and projects financed by the EIF Trust Fund;

- i) "Promotion of accountability for achievement of EIF objectives through the implementation, monitoring and evaluation of the activities, processes, outputs and performance of the partners involved in the EIF;
- ii) Effective monitoring and evaluation of progress in achieving results through EIF-supported activities and collaboration with development partners; and
- iii) Promotion of learning, feedback and knowledge-sharing on results and lessons learnt among all EIF partners, as a basis for the decision-making on projects and programme management and as basis for sharing experience among LDCs in development strategies and policy formulation."<sup>1</sup>

On the understanding that monitoring and evaluation will only be undertaken as necessary, with costs commensurate to the activities and available budget, and not impose an extra burden on the recipient countries, the consultant recommends a framework that is based on a series of linked logical frameworks at the programme, country and project levels.

The logical frameworks will, therefore, provide the EIF partners with an assurance that fundamental issues are discussed and weaknesses identified and addressed in a systematic manner. The involvement of all stakeholders in the process will increase the prospects of enhancing understanding of the programme objectives and expected results by all the EIF Partners and broader stakeholder group.

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<sup>1</sup> Monitoring and Evaluation in the Enhanced Integrated Framework: Draft Policy and Guidelines, Murray Smith, 12 February 2009.

## Programme level

At programme level, the expectation is that all activities, outputs and outcomes at country and project levels will be aggregated across the EIF recipient countries into a **programme level logical framework**. This will be in addition to the work to be undertaken with respect to priority identification and resource mobilization. A *draft* programme level logical framework can be found in the attached technical guidance notes. This logical framework will be validated through consultations with stakeholders and through a baseline study.

## Country level

Each EIF country will have a **country level logical framework**. At country level, the consultant proposes a light but effective monitoring system with a clear focus on results with a selective list of specific, significant, measurable, agreed, relevant, realistic and time-bound indicators targeted at specific needs of the recipient countries. This will be applicable to results obtained from both Tier 1 and Tier 2 activities.

A *draft* country level logical framework can be found in the attached guidance notes. This logical framework will be validated through consultations with stakeholders and through a baseline study.

## Project level

**Each project should have a simplified logical framework.** The logframe will be determined by the nature of the project, but will be linked to the country level logframe. Whilst there is likely to be some commonalities with respect to Tier 1 logframes taking into account the nature of the objective, Tier 2 will be specific to the project and country needs.

A proposed format for Tier1 and Tier 2 projects can be found in the guidance notes. It is proposed that DTIS and pre-DTIS work under Tier 1 does not have a logical framework, but instead utilizes a checklist approach. This is also included in the guidance notes.

## Roles and responsibilities

The effectiveness of an EIF M&E mechanism will be dependent on having clearly defined roles and responsibilities of the different partners. The following is a summary of the proposed roles and responsibilities within the EIF Framework:

PARTNER	KEY ROLES AND RESPONSIBILITIES IN M&E
<b>Steering Committee</b>	<ul style="list-style-type: none"> <li>Monitors overall performance of the EIF at the programme level and the performance of the Board, the ES, TFM, and EIF partners and progress toward results on behalf of the stakeholders.</li> </ul>
<b>EIF Board</b>	<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; and</li> <li>Establishing terms of reference for external studies and evaluations.</li> </ul>
<b>Executive Secretariat (ES)</b>	<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 to country level M&amp;E framework in consultation with NIUs and TFM;</li> <li>Coordination of evaluation of projects and</li> </ul>

	<p>supporting external evaluations at the programme level (with support from TFM where required); and</p> <ul style="list-style-type: none"> <li>• Reporting of results at the programme and country levels semi-annually to the Board and annually to the Steering Committee.</li> </ul>
<b>Trust Fund Manager (TFM)</b>	<ul style="list-style-type: none"> <li>• Quarterly financial reporting via the ES to the Board;</li> <li>• Reporting to the ES on, and monitoring of, project implementation, resource utilization, activities, outputs and outcomes for all projects on a semi-annual basis;</li> <li>• Agreeing on project level M&amp;E framework in consultation with the ES;</li> <li>• Regular monitoring and analysis of the project portfolio in collaboration with the ES on technical/trade aspects; and</li> <li>• Submission of project completion reports via the ES to the Board.</li> </ul>
<b>FP/National Implementation Units (NIUs)</b>	<ul style="list-style-type: none"> <li>• Development of country level logframes with ES/TFM;</li> <li>• Submission of annual reports to ES/TFM on: <ul style="list-style-type: none"> <li>○ Progress against country level logframe;</li> <li>○ Tier 1 projects if IA (also to TFM); and</li> <li>○ Tier 2 projects if IA (also to TFM).</li> </ul> </li> <li>• Submission of a light report every twelve months, starting six months after implementation of EIF activities in-country. This interim 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>
<b>Donor Facilitators</b>	<ul style="list-style-type: none"> <li>• Annual 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; and</li> <li>• Jointly with FP/NIU reporting six months after FP/NIU annual report on any problems that may arise in implementing the country level programme (see above).</li> </ul>
<b>Implementing Agencies (IAs)</b>	<ul style="list-style-type: none"> <li>• Responsible for project internal monitoring and submission of monitoring reports semi-annually to the TFM on Tier 1 and Tier 2 projects where they are IA; and</li> <li>• Submission of project completion reports to the TFM.</li> </ul>

The following summarizes the key formal reporting requirements of EIF partners:

<b>EIF Partner responsible</b>	<b>Report content summary</b>	<b>Frequency</b>	<b>Submitted to whom?</b>
ES	Progress report against country and programme level logframes.	Annual.	EIF Board and EIF Steering Committee.
ES	Semi-annual progress report against programme and country level logframes.	Semi-annual.	EIF Board.
TFM	Financial reports on financial commitments, utilization 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 is to be done jointly with DF.).	ES (also copying to TFM who has oversight of project activities).
Donor Facilitators	Report on coordination of AfT at country level and donor response to priorities in Action Matrix.	Annual.	ES.
Implementing Agencies	Report on project implementation in terms of funds utilized, activities implemented, outputs delivered and outcomes achieved on Tier 1 and Tier 2 where IA.	Semi-annual.	TFM.

## **Baseline, External Monitoring and Evaluation**

### **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. As far as possible, the setting of the baseline at programme, country and project levels will be done internally, led by the ES. Where additional support is required, it is recommended that the ES establish a consultancy budget line for M&E work and the Executive Director uses this at her discretion.

## External Programme Monitoring

It is proposed that there be a light-touch external programme 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 levels are functioning well.

## Evaluations

The evaluation process will have two elements. One element will be external evaluations conducted during the mid-term and at the 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 levels are included in the Guidance Notes.

## Proposed Budget

To effectively implement this framework, an additional member of staff is required. The human resources currently available to the ES and UNOPS are not sufficient to ensure that the monitoring and evaluation system is fully operationalized. It is proposed that an additional full-time member of staff is recruited, at least temporarily, until guidelines and a training programme will have been established and the M&E framework be put in place (thereafter, a consultancy at regular intervals may suffice). For budgeting purposes, cost for a WTO level 8 professional staff was used.

The M&E expert will be responsible for the following indicative broad areas of work<sup>2</sup>:

- Development of guidelines to operationalize the M&E framework;
- Development of a programme of training and capacity building of EIF partners to ensure effective implementation of M&E framework;
- Provision of support across the partnership on baseline development and logframe development, if required;
- Responsibility/oversight for the development of a monitoring/data-gathering database system to collate and track progress across the programme and drawing together information at the project, country and programme levels. This may build on existing systems within the ES/TFM;
- Analysis and interpretation of data to feed into reports to the Board; and
- Responsibility for EIF knowledge management and lesson-learning.

It has been identified that additional support may be required to establish the baseline and set up some initial structures to operationalize the EIF M&E framework. An estimated maximum budget line for this work is proposed at a maximum of US\$100,000. To be used at the Executive Directors discretion.

The external programme monitoring mentioned above is estimated to involve 30 days of consultant time and possible use of an e-survey and telephone surveys. The costs will be limited and are estimated at \$40,000.

The proposed external evaluations will be substantial undertakings with multi-country field studies and extensive dialogue with development partners. There is a significant range in the potential budgets for these evaluations. A typical budget for an evaluation on this scale is around \$500,000;

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<sup>2</sup> A detailed job description will be developed.

for the higher budget, it was assumed that the cost for the mid-term evaluation would amount to \$600,000 while the final evaluation would cost \$400,000.

The following is the summary of the indicative budget (note that large projects will need to have external evaluations included in their budgets; these costs are not included here).

Activity	Budget total	Budget year 1
Full-term M&E position to support ES/TFM	\$155,000 per annum \$775,000 total	\$155,000
Additional baseline consultancy support	\$100,000	\$100,000
Programme monitoring annual basis	\$40,000 per year; \$200,000 total	\$40,000
Mid-term evaluation	\$600,000	0
Final evaluation	\$400,000	0
Total	\$2,075,000	\$295,000

Thus, the range of costs for M&E is below 1 percent of the potential budget of the EIF. The most important cost factor is the scale and scope of the mid-term and final evaluations.

### Conclusion

The EIF is a complex and ambitious global partnership. Relatively modest funds invested on a per-country basis are intended to be catalytic to the integration of trade and into sustainable development strategies. The previous versions of the Integrated Framework were input- and activity-focused and did not monitor or evaluate results. It is important, indeed critical, that the M&E of the EIF is results-oriented. The challenge for the EIF partnership is to ensure that there are adequate resources allocated and a clear M&E framework to ensure that the ES, the TFM and the EIF partners both severally and jointly can not only monitor but indeed can manage for results.

### **RECOMMENDATIONS TO THE BOARD BY THE OPEN-ENDED SMALL GROUP ON M&E**

#### **The M&E working group:**

- i) Invites the Board to approve the circulation of this executive summary, proposed budget for the M&E provisions, and the consultant's report to a broader stakeholder group, including capitals.**
- ii) Recommends that comments on the executive summary, the report and the proposed budget be received within one month commencing 1 April 2009.**
- iii) Invites the Board to approve the proposed budget for the implementation of the M&E at the next Board meeting.**
- iv) Invites the Board to direct the ES to finalize this phase of the M&E work by 1 May 2009 and take forward work to implement the M&E framework.**
- v) Based on the needs to be identified, the Board approves an additional budget for M&E capacity-building requirements in-country.**