Monitoring and evaluation frameworks and the performance and governance of international funds

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1 Introduction

This paper presents desk-based research examining the key institutional and design features of a range of multilateral funds and institutions. Although the key focus of the paper is on the monitoring and evaluation frameworks used in each of these funds/institutions, it also covers engagement of civil society organisations, perceptions of developing country ‘ownership’, environmental and social safeguards, financial management and conflict management.

The funds/institutions considered are the following:

- the Adaptation Fund (AF)
- the African Development Bank (AfDB)
- the Asian Development Bank (ADB)
- the Climate Investment Funds (CIFs)
- the Global Alliance for Vaccines and Immunisation (GAVI)
- the Global Fund to Fight AIDS, TB and Malaria (Global Fund)
- the Global Environment Facility (GEF)
- the Inter-American Development Bank (IADB)
- the International Finance Corporation (IFC)
- the International Fund for Agricultural Development (IFAD)
- Multi-Donor Trust Funds (MDTFs)
- the World Bank (WB)\(^1\)

The specific questions that have been addressed are:

- What is the framework for undertaking monitoring and evaluation\(^2\) ? Where evidence exists, how effective is this framework? To what extent are CSOs involved in monitoring and evaluation?
- Does the fund/institution make use of results-based management techniques?
- What are the structures for engaging civil society? How effective are these?
- How does the fund promote developing country ownership? Are these structures effective?
- What environmental and social safeguards does the fund have in place? How effective are these?
- What are the processes in place to promote good financial management and ensure fiduciary responsibilities are realised?
- What policies does the fund/institution have in place to resolve conflicts? Are these effective?

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\(^1\) We considered the World Bank and the IFC separately. The World Bank discussion focuses on the generic procedures used by the World Bank Group and also draws on particular experiences from the International Development Association (IDA), International Bank of Reconstruction and Development (IBRD) and the Multilateral Investment Guarantee Agency (MIGA). There is a degree of overlap between the World Bank and IFC assessment.

\(^2\) Following GEF (2010), monitoring can be defined as: ‘a continuous or periodic function that uses systematic collection of data, qualitative and quantitative, for the purposes of keeping activities on track’ while evaluation can be defined as ‘systematic and impartial assessment of an activity, project, program, strategy, policy, sector, focal area, or other topic’. Typically monitoring takes place while a project/program is in operation while evaluation takes place when it is completed.
The paper is based primarily on an examination of the secondary literature on these topics. A further phase of work could seek to corroborate these findings through interviews/discussions with key representatives from each of these funds/institutions.

Section 2 provides a summary table of the key findings in relation to each fund/institution and outlines some of the key themes that emerge from a comparative assessment of these topics. Sections 3-14 provide more detail on each of the individual institutions/funds.
2 Key findings and themes

Table 1 on the following pages summarises the findings across each of the funds/institutions investigated.

Drawing generalisations across such a wide range of institutions and issues is challenging; especially as each organisation (and fund) has specific mandates and objectives which might reasonably be expected to necessitate different institutional structures. Nonetheless, some key findings and themes emerge.

Independent evaluation offices are recognised as international best practice. However, such offices are not yet universally in place, in particular in organisations which rely on other implementing agencies. The benefits provided from establishing an independent evaluation office are increasingly recognised. For instance, the Asian Development Bank’s monitoring and evaluation is perceived to have improved significantly since its evaluation office was made independent. There is also a broad consensus on how to operationalise the principle of independence. M&E offices should have no part in line management structure of the wider institution, report directly to the Board of Directors (or equivalent) and have unrestricted access to an institution’s staff and records. However, not all of the organisations studied have independent evaluation offices, especially those organisations consciously seeking to have a ‘lean’ organisational structure and some of those that rely on others for implementing the day-to-day delivery and execution of any funds disbursed i.e. GAVI, the Adaptation Fund. These organisations typically rely on external consultants and/or partners/implementing agencies to assist with M&E.

Although there are advantages in having organisations which rely on separate implementing agencies, this can complicate M&E and, unless managed carefully, can make M&E less effective. The use of Implementing Agencies has many advantages not least the cost savings from avoiding institutional duplication. At the same time, it can make M&E more challenging. In the case of GAVI, concerns have been raised that it is not clear whether the GAVI Secretariat or the Implementing Agencies are responsible for M&E. GEF, which also uses a similar organisational structure, appears to have overcome these challenges but it recognises that its M&E arrangements create a ‘complex picture’.

There is increasing focus on involving CSOs in M&E through participatory M&E although there is little evidence of formal structures being in place to promote CSO involvement in this sphere. Although by no means universal, a number of organisations are trying to increase the extent to which CSOs are involved in M&E. For instance, the World Bank, IFAD and Global Fund all have documentation stressing the importance of involving CSOs in M&E processes. RDBs appear to be less active in this area. However, even where emphasis is placed on the role of CSOs in the M&E process, there is little evidence on how this is achieved in practice, for instance on whether there are, and if so what sort, of institutional arrangements give effect to these goals.

Results-based management is increasingly being adopted; it offers significant advantages, although this has costs – both financial (which are easy to underestimate) and in terms of engaging civil society. Most organisations recognise that the development of a results-based management framework is crucial to ensure that they can deliver value for money and improve their performance, and so that they can demonstrate as much to stakeholders, especially donors. As one example, the IFC’s results-based framework
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is generally recognised as an example of best practice. However, the infrastructure required to actually implement these practices can be substantial and is easy to underestimate: GAVI, IADB, IFAD and ADB have all recently been criticised for patchy collection of data and/or implementation of its results based management approach, while GEF is also in the process of investing more resources to improve the collection of data. A further challenge is that more onerous data collection and other procedures can make it difficult for civil society organisations to engage with (and especially to deliver) projects/programs supported by the fund/institution. This is reported to be the case, on occasion, with the Global Fund and the Multi-Donor Trust Funds.

Perceptions of strong engagement of civil society organisations (CSOs) and developing country ownership rely on appropriate governance arrangements and on the way in which the project cycle is managed: if either one of these are not in place then there is a risk that key stakeholders perceive themselves to be marginalised. Civil society participation and developing country ownership necessitate governance procedures that provide adequate representation when strategic decisions are being taken, and opportunities for stakeholders to substantively engage throughout the specific project/program cycles. The Adaptation Fund is an example of a successful combination of both elements, with a governance procedure that provides a majority of seats on its Board to developing country representatives, and with principles of direct access to funds through National Implementing Entities (NIEs). Many other organisations typically do well on one of these dimensions but not the other: for instance, GAVI has strong developed country ownership as Ministers of Health are required to sign-off on each program but direct beneficiaries do not have a direct voice in the governance structure. By contrast, while the CIFs have reasonably progressive governance structures in terms of developing country representation in decision-making bodies, the requirement for projects and programs to be administered through MDBs is perceived to inhibit developing country ownership.

A number of funds/institutions, especially regional development banks, have had considerable success in engendering developing country ownership at the level of government officials but less success at generating a sense of ownership across the broader community. A consistent theme across all three of the regional development banks analysed (AfDB, ADB and IADB) is that the organisations are strongly supported by the relevant developing country governments. This reflects that regional countries are majority shareholders in all three, and developing countries are majority shareholders in the AfDB and the IADB. Both the AfDB and the ADB put an emphasis on providing aid as budget support, and on aligning conditionalities with government-owned benchmarks. However, equally, these organisations are often perceived as less effective at engaging CSOs and engendering a broader sense of ownership, with, on occasion, insufficient attention given to the structures for ensuring such broader participation. The Country Coordinating Mechanisms (CCMs) of the Global Fund – country-level multi-stakeholder partnerships including governments, multilateral or bilateral agencies, non-governmental organizations, academic institutions, private businesses and individuals – are considered to be an innovative and broadly successful experiment.

Most organisations have social and environmental safeguards in place (either directly or through implementing agencies) but there are divergences in these policies across institutions, as well as inconsistent application within institutions. This may be especially problematic when a fund relies on multiple implementing agencies creating inconsistencies in approach. Most of the bodies with their own implementation capacity have developed environmental and social safeguards i.e. AfDB, ADB, WB, IADB,
IFAD, IFC. However, these policies are not identical and a number of reports have questioned the effectiveness of the implementation of these safeguards, for example at the IADB and IFC. The net result can be that funds that rely on the implementation capacity of others can have (significant) discrepancies in the standards that are applied to individual projects. This has recently been recognised as a problem at GEF, for instance, where efforts are being made to standardise the application of social and environmental safeguards across its whole portfolio of projects. Currently the Adaptation Fund relies exclusively on the safeguards of its implementing entities.

Financial management and fiduciary standards are increasingly standardised. Although there remain some discrepancies in the approaches taken by institutions and funds in relation to fiduciary standards, these are becoming standardised. For instance, GEF has set minimum fiduciary standards in relation to each of its ten implementing agencies. Four organisations currently meet these standards while the remaining six organisations have monitorable action plans in place.

Increasing attention is being given to conflict resolution procedures, especially in larger organisations. A number of organisations have established conflict resolution procedures i.e. Global Fund, ADB, AfDB, IADB (having disbanded an earlier less effective body), World Bank/IFC. There is an increasing shift for these bodies to be made independent of the core management structure of the organisation, in the same way that evaluation departments typically are.
### Table 1. Summary of findings

<table>
<thead>
<tr>
<th>Institution /fund</th>
<th>M&amp;E framework</th>
<th>Results-based philosophy</th>
<th>Structures and effectiveness of engaging CSOs</th>
<th>Structures and effectiveness at providing developing country ownership</th>
<th>Role of environmental and social safeguards</th>
<th>Fiduciary standards and financial management systems</th>
<th>Conflict resolution procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptation Fund</td>
<td>No independent entity for M&amp;E. Responsibility split between Board (overview, policy setting); Ethics and Finance Committee (summaries and meta-evaluations) and Implementing entities (projects). CSOs expected to play an important role although unclear whether a specific structure has been developed</td>
<td>Results framework for both overall Fund performance and individual projects</td>
<td>Perceived to be strong with Adaptation Fund meetings having a ‘dialogue with civil society’</td>
<td>Perceived high as 11 of 16 Board members from developing countries and direct access to funds for National Implementing Entities</td>
<td>No safeguards in place yet</td>
<td>Criteria for financial management established in Operating Policies and Guideline</td>
<td>Preliminary method in place with more comprehensive approach to follow</td>
</tr>
<tr>
<td>African Dev’ment Bank</td>
<td>Monitoring and self-evaluation undertaken by bank staff (with support provided by specific management department). Independent evaluation body which is perceived to be strong. No sign. role for CSOs</td>
<td>Results Management Framework updated in 2010. Historically has been an area of weakness due to, inter alia, poor definition of results indicators, possible conflict of interest</td>
<td>AIDB/NGO committee ‘revitalised’ in 2010 in addition to other avenues for CSO engagement e.g. annual meetings. Historically perceived as ineffective by CSOs with recent Bank recognition that further improvement needed</td>
<td>Perceived as strong reflecting most activity undertaken through national planning processes and budget and support for national capacity building</td>
<td>Safeguards in place to cover both plan, policy and programmes (SIA) and projects (IESA).</td>
<td>Perceived as robust, transparent and accountable. However, delays in disbursement.</td>
<td>Independent Review Mechanism established in 2004 consisting of internal unit (CRMU) and external roster of experts</td>
</tr>
<tr>
<td>Fund</td>
<td>Self-evaluation and monitoring undertaken by management. Independent Evaluation Department established. CSO involvement rare (in 2006)</td>
<td>Project performance management system (PPMS) in place with mixed reviews of effectiveness</td>
<td>Historic challenges in mobilising resources to community groups. More effective engagement in obtaining feedback from CSOs on 'standard' projects/programs</td>
<td>Perceived as strong – reflecting significant use of national budgets, conditionality linked to government benchmarks and use of national financial reporting procedures</td>
<td>Comprehensive safeguards consolidated in one document. Perceived to be robust</td>
<td>Financial management of ADF perceived to be strong with rules-based approach to allocating resources</td>
<td>Two phase approach established in 'Accountability Mechanism' that is perceived to be working well</td>
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<tr>
<td>Asian Dev'ment Bank</td>
<td>Each MDB to follow own procedures. Trust Fund committees require annual reports. No evidence on effectiveness or CSO engagement</td>
<td>Results framework for each program or fund under development - based on underlying 'logic model'</td>
<td>CSO representatives have observer status in fund committees as well as partnership fora. Some concerns that participation is 'tokenistic'</td>
<td>Equal number of representatives from developed and developing countries on committees. Concern that engagement limited to developing country governments</td>
<td>Monitoring system for social and environmental impacts being developed. Potential development of a dashboard</td>
<td>IBRD serves as Trustee of funds responsible for, inter alia, financial and risk management. Each MDB responsible for funds transferred by Trustee. Expected to be strong</td>
<td>No information found</td>
</tr>
<tr>
<td>Climate Investment Funds</td>
<td>No independent evaluation office. Concerns that divided responsibilities between secretariat and implementing agencies hinders M&amp;E. Recognition that CSOs can be involved but no further detail</td>
<td>Absence of regular and systematic recording and KPIs makes results tracking challenging. Recent efforts to improve</td>
<td>Grants support provided to promote CSO participation but challenges with implementation. New programme under development</td>
<td>Need for sign-off on GAVI programmes from Ministry of Health provides opportunities for governments to define priorities. No role in GAVI governance</td>
<td>Adheres to WHO rules on environmental management but no mandate for leading or monitoring. No mandate on climate change</td>
<td>Perceived as strong and transparent especially proactive finance and audit committee; robust transparency policy</td>
<td>No information found</td>
</tr>
<tr>
<td>GAVI</td>
<td>Monitoring undertaken by Secretariat; evaluation by Independent Evaluation Office. Split responsibilities between GEF and agencies. CSOs are engaged in M&amp;E but recognition that further strategies needed to improve this engagement</td>
<td>Perceived to be strong but GEF investing more resources to collect standardised data</td>
<td>Small grants programme especially focussed at CSOs who also have observer status at GEF Council meetings. Concerns about CSO consultation and difficulties in engaging given GEF's complex structure</td>
<td>18 out of 32 GEF Council members from beneficiary countries. Projects only considered if consistent with national priorities. Nonetheless, some concerns that it is 'supply-driven'</td>
<td>Relies on implementing agencies for social safeguards. GEF to change procedures to ensure that implementing agencies meet GEF environmental, social and gender policies</td>
<td>GEF Trust Fund administered by IBRD</td>
<td>GEF Secretariat provides conflict resolution services</td>
</tr>
<tr>
<td>Organization</td>
<td>Monitoring and project evaluation undertaken by LFA(s). TERG provides independent assessment of M&amp;E to Board. M&amp;E toolkit stresses the integral role of civil society</td>
<td>Strong focus on results at all levels of the institution but concerns about complexity of system. Limitations of M&amp;E capacity in some beneficiary countries limit feasibility</td>
<td>Strong – using unprecedented arrangements - within the governance of the GF; less effective in engaging CSOs in grant applications and disbursement</td>
<td>Country coordinating mechanism (CCM) who develop and submit grant proposals are ‘one of the most positive contributions’ of GF but place heavy burdens on some countries</td>
<td>No stand-alone environmental strategy. DFID has called for more flexibility in procedures in fragile states</td>
<td>WB acts as Trustee Office of the Inspector General providing day-to-day capacity</td>
<td>Standards of financial management and audit are perceived to be high</td>
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<tr>
<td>Global Fund</td>
<td>In the process of converting country strategies towards a results-based approach which will cascade down to lending activity. Perceived to be strong at HQ and country level, but weaker for individual projects</td>
<td>A number of fora and structures i.e. Civil Society Consulting Groups but not perceived to be very effective</td>
<td>Strong relationship with governments but mixed across broader communities</td>
<td>Safeguards policy considered to be at forefront of MDB’s but implementation weaker</td>
<td>Robust financial accountability mechanisms</td>
<td>Recently established MICI to replace ineffective predecessor. Perceived to be robust</td>
<td></td>
</tr>
<tr>
<td>Inter-American Dev’t Bank</td>
<td>Results management through ‘Development Outcome Tracking System’ (DOTS) tracks results across all operations in 4 practice areas. Considered strong.</td>
<td>Engagement through World Bank’s CSO outreach programmes. Mixed evidence on effectiveness</td>
<td>Perceived to be weak due to majority developed country ownership and, on a local/project level, perceptions of limited disclosure</td>
<td>Environmental and social safeguards policy established (although no gender policy). Evaluation reports have questioned effectiveness of implementation</td>
<td>Financial management, audit and transparency are very strong</td>
<td>Compliance Advisor Ombudsman (CAO) in places and perceived to be strong mechanism for redress</td>
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<tr>
<td>IFC</td>
<td>NGO representatives entitled to observer status on Governing Council as well IFAD/NGO Consultation Steering Committee. Project level engagement also strong</td>
<td>Perceived to be strong with results framework explicitly considering whether projects are fully aligned with national priorities</td>
<td>Safeguards in place and perceived to be strong and effective</td>
<td>Perceived to be strong in terms of audit, anti-corruption policies, procurement. Weaker in terms of disbursement rates</td>
<td>No information found</td>
<td></td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>MDTFs</th>
<th>Monitoring Agent reviews financial management procedures, monitors compliance with legal covenants and conducts procurement reviews</th>
</tr>
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<tbody>
<tr>
<td>All projects monitored against KPIs. Results consolidated in report every 6 months. WB operations department also conducts ex-post review. CSOs may be involved in report preparation</td>
<td>No formal environmental/social assessment for projects – instead delivered by application of framework guidelines included in project contracts and bidding documents</td>
</tr>
<tr>
<td>All projects assessed using results framework comparing actual, baseline and target values</td>
<td>Specific examples suggest other forms of support likely to have greater country-ownership</td>
</tr>
<tr>
<td>CSOs engage in consultation on strategy, policies and programs and also can be grant beneficiaries</td>
<td>MDTFs intended to reflect country or global strategic priorities and respond to needs of government partners and UN.</td>
</tr>
<tr>
<td></td>
<td>Strong. Particularly obvious in IDA where Results Measurement System which tracks impact of IDA operations and Core Sector Indicators which aggregate impact of IDA project activity in seven key sectors</td>
</tr>
<tr>
<td></td>
<td>Various fora established for participation including Spring Meetings. Relations with civil society have improved but institutional partnerships have not been scaled-up</td>
</tr>
<tr>
<td></td>
<td>At overall governance level, perceived to be more accountable to selected shareholders. At project level, rigidity and conditionalities hamper developing country ownership (but may contribute to cost-effectiveness).</td>
</tr>
<tr>
<td>CSOs engage in consultation on strategy, policies and programs and also can be grant beneficiaries</td>
<td>Safeguards in place but, aside from IFC, not integrated in one document. Although they have had an impact, no clear framework to assess performance and impact of policies</td>
</tr>
<tr>
<td></td>
<td>Financial accountability processes and policies are perceived to be robust</td>
</tr>
<tr>
<td></td>
<td>Compliance Advisor Ombudsman (CAO) in places and perceived to be strong mechanism for redress</td>
</tr>
</tbody>
</table>

**World Bank**

- Evaluation through Independent Evaluation Group which is perceived to be strong. Management undertake self-assessment reports. Perceived to be effective. Increasing policy emphasis on participatory M&E but unclear how frequently used in practice

**Source:** Vivid Economics – based on sources in the text
3 Adaptation Fund

The Adaptation Fund was established by the Parties to the Kyoto Protocol, to finance concrete adaptation projects and programmes in developing countries that are parties to the Kyoto Protocol. The Fund is financed mainly from a 2 per cent levy on the Certificates (CERs) issued for projects accredited to the Clean Development Mechanism. It is also eligible for donations from developed country governments, for example it received SEK 100 million from Sweden in January 2011.

The Fund does not run a large operation. Both its financial and secretarial management are entrusted to other institutions: financial management, including the sales of CERs to generate revenues, is operated by the World Bank, which is acting as an interim fiduciary for the Fund’s finances. Secretarial services are rendered by the Global Environment Facility (GEF).

The Fund was reported to hold approximately USD 220 million as of May 2011, of which approximately USD 140 million came from CER sales, and approximately USD 80 million from developed country donations (Germanwatch 2011b).

3.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

3.1.1 Institutional Framework

The Adaptation Fund is in the process of finalising its M&E framework. A draft Evaluation Framework (AF 2011) has been discussed at the AF’s latest meeting in March 2011, and will be presented for approval at the next meeting, scheduled for June 2011. The draft Evaluation Framework sets out the following structure.

There are to be three levels of evaluations:

– **Project Level Evaluations.** All projects will conduct evaluations once their implementation is completed (Final Evaluation). Final Evaluations will follow certain minimum requirements, and their costs are covered in the project M&E plans. In addition, the AF’s Board reserves the right to carry out independent and external reviews or evaluations of projects whenever it deems these necessary.

– **Implementing Entities Level.** The Board can evaluate the performance of implementing entities at any time during an implementing entity’s accreditation period. A minimum notification of 6 months is given to an implementing entity before an evaluation commences.

– **Adaptation Fund Level.** Every three or four years an overall independent evaluation of the Fund will be conducted. Terms of reference, including a set of questions to be explored, methodological approaches and sources of information, consultation plans with stakeholders, and appropriate budget, should be approved by the Board at least six months before the report is due.
Responsibilities for M&E are distributed between implementing entities, the Ethics and Finance Committee of the AF (which is composed of Board members), and the Board itself.

- **Implementation Entities** are responsible for Final (project/programme-level) Evaluations, which should follow the guidelines set out by the AF’s Board (AFB). These evaluations will be made public.

- **The Ethics and Finance Committee (EFC) of the AF** has both a monitoring and an evaluation role. It is charged with monitoring the Fund’s portfolio, providing an annual report to the Board with details of the overall status of the AF’s portfolio. Every project/programme under implementation is required to submit an annual status report to the EFC, to enable it to fulfil its monitoring function. The EFC also has an evaluation role: it is charged with reviewing the performance of both the Fund and implementing entities, using internal and external evaluations. Based on these evaluations, the EFC may recommend to the Board to suspend or cancel a project or programme. The EFC also assess the quality of Final Evaluation reports submitted by implementing entities.

- **The Board** has four functions in the M&E process. Firstly it sets out evaluation standards and procedural guidelines. Secondly it is charged with ensuring that adequate resources (both time and money) are dedicated to M&E to allow it to function effectively. Thirdly it regularly reviews performance reports and evaluations, including the annual report prepared by the EFC. Lastly it may commission independent reviews of projects or programmes ‘as and when deemed necessary’ (AF 2011).

With regard to specifically engaging with CSOs in M&E of the AF, the draft Evaluation Framework states that:

- All evaluations will seek to engage with relevant stakeholders to ensure that views and perspectives are heard and taken into account in evaluation.

- The AFB recognises the important role of CSOs in contributing to the integrity of Adaptation Fund Board policies, including policies on evaluating performance and achievement of results.

- Ten key principles underpin the evaluation function including the principle of partnerships between implementing entities, governments, civil society and beneficiaries.

The draft framework does not propose to establish an independent entity charged with M&E. However, it is pointed out that international best practice calls for such an independent entity. The Board is advised to ‘consider this in the future’, and ‘to explore options for […] the independence of the evaluation function’ (AF 2011).

Given that the Evaluation Framework has not been adopted yet, it is not possible to assess its effectiveness.

### 3.2 Does the Fund/Institution operate a results-based management approach?

The Adaptation Fund intends to adopt a fully-fledged results approach. The main document outlining this is the Strategic Results Framework, which outlines one overarching goal, one overarching impact, as well as 7 outcomes, 8 outputs, and a grand total of 22 indicators to be measured (AF 2010).

The overarching goal is given as
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‘Assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of concrete adaptation projects and programs, in order to implement climate resilient measures.’ (AF 2010)

The overarching impact is to achieve

‘Increased resiliency at the community, national, and regional levels to climate variability and change.’ (AF 2010)

Table 2. The seven outcomes targeted by the Adaptation Fund’s Strategic Results Framework

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome 1</td>
<td>Reduced exposure at national level to climate related hazards and threats</td>
</tr>
<tr>
<td>Outcome 2</td>
<td>Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses</td>
</tr>
<tr>
<td>Outcome 3</td>
<td>Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level</td>
</tr>
<tr>
<td>Outcome 4</td>
<td>Increased adaptive capacity within relevant development and natural resource sectors</td>
</tr>
<tr>
<td>Outcome 5</td>
<td>Increased ecosystem resilience in response to climate change and variability-induced stress</td>
</tr>
<tr>
<td>Outcome 6</td>
<td>Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas</td>
</tr>
<tr>
<td>Outcome 7</td>
<td>Improved policies and regulations that promote and enforce resilience measure</td>
</tr>
</tbody>
</table>

Source: Adaptation Fund 2010

This framework applies at the Fund level only, and is not intended for project-level use. However, the Strategic Results Framework also outlines a 7-step guide for conducting project-level performance assessments. It proposes a set of core indicators to be measured at project level, and suggests some approaches for their measurement. Monitoring is to be ‘collected at regular periods’ (AF 2010), and when designing/choosing which indicators to measure, the project team is to keep in mind whether ‘data [can] be collected routinely enough and is up-to-date to inform management’s decision making processes’ (AF 2010).

So far only one project financed by the Adaptation Fund has reached the implementation phase, and no independent evaluations of the AF’s results framework have been conducted. An assessment of the perceived effectiveness of its results-based management is therefore impossible.

3.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?
The Adaptation Fund does not have a department specifically dedicated to CSO-engagement. However, there are a number of ways in which it actively seeks to involve CSOs. Harmeling et al (2011), who state that the AF has facilitated open and constructive engagement of civil society through:

- openness of meetings: the meetings of the AFB are open to all interested observers from observer organisations accredited under the UNFCCC, allowing observers to have the opportunity to interact with AFB members and disseminate their position papers and policy briefs to delegates.
- transparent document policy: For example, project proposals to the AF are made public several weeks before first consideration at the AFB meetings, enabling the public, both nationally and internationally, to analyse the proposals and, relay feedback to the Secretariat and AFB members.
- webcast of meetings: all AFB meetings are webcast and thereby allow observers who are not able to attend to keep abreast of the discussions of the AFB.
- evolving dialogue with CSOs: the AFB now holds regular dialogue sessions specifically with civil society organisations, to listen to their proposals related to the AF and to exchange on them.

During the civil society dialogue of the 13th meeting of the AF in March 2011, Germanwatch congratulated the AF Board on ‘transparency around project decisions and stakeholder consultation’ (Germanwatch 2011a). Nonetheless, Harmeling et al (2011) note that the AFB has not yet fully exploited the potential of civil society cooperation given that crucial debates are held in the meetings of the Project and Programme Review Committee (PPRC) and the EFC and that these are closed meetings. The PPRC assists the AFB with tasks related to project/program review and provides recommendations and advice on the basis of its reviews.

3.4 **What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?**

There are two elements of the Adaptation Fund’s structure that support developing-country buy-in. Firstly, the majority, 11 out of 16\(^3\), of the Fund’s Board members are from developing countries (the same ratio holds among alternate members).

Secondly, the Fund is empowered to disburse funds directly to so-called National Implementation Entities (NIEs), provided that they meet a set of accreditation criteria. So far three NIEs have been accredited:

- The Planning Institute of Jamaica, Jamaica
- Centre de Suivi Ecologique, Senegal
- Agencia Nacional de Investigacion e Innovacion, Uruguay

This direct disbursement mechanism is considered a key contributor to developing country ownership.

3.5 **What environmental and social safeguards are there? How effective are they?**

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\(^3\) Two representatives both from each of the five UN regional groups (incl. 2-3 representatives from developed countries, and 7-8 from developing countries), one representative of the small island developing states, one representative of the least developed country parties, two other representatives from Annex 1 parties, two other representatives from non-Annex 1 countries. UN 2010
The Adaptation Fund has not yet adopted a set of environmental and social safeguards itself. However, it requires implementation entities (national or multilateral) to ‘disburse funds efficiently and with safeguards’ (AF 2010a). These safeguards are not yet further specified.

### 3.6 Financial management and fiduciary standards

The World Bank serves as financial trustee of the AF on an interim basis, serving two functions:

- Selling the CER’s that constitute the AF’s main source of funds,
- Holding the funds of the AF, and disbursing them for projects and programs as instructed by the AF Board.

Further to the World Bank’s fiduciary standards, which are outlined below, the Adaptation Fund has adopted three criteria of sound financial management in its Operating Policies and Guidelines (AF 2010a).

1. **Financial Integrity and Management.**
   a. Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
   b. Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
   c. Produce forward-looking financial plans and budgets;
   d. Legal status to contract with the Adaptation Fund and third parties.

2. **Institutional capacity**
   a. Procurement procedures which provide for transparent practices, including in competition;
   b. Capacity to undertake monitoring and evaluation;
   c. Ability to identify, develop and appraise projects;
   d. Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project/programme delivery and implementation.

3. **Transparency and Self-investigative Powers:** Competence to deal with financial mismanagement and other forms of malpractice.

### 3.7 Mediation, arbitration, or conflict-management structures

A procedure for mediation is outlined in the Operating Policies and Guidelines:

> ‘In case of a dispute [...] the implementing entity shall first approach the Secretariat with a written request seeking clarification. In case the issue is not resolved to the satisfaction of the implementing entity, the case may be put before the Board at its next meeting, to which a representative of the implementing entity could also be invited. Subject to development on the legal status of the Board, the Board will draw up more comprehensive dispute settlement provisions.’ (AF 2010a)

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3 The Adaptation Fund receives 2% of the certificates arising from any CDM project.
This preliminary method is set to be replaced with a ‘more comprehensive dispute settlement’ procedure.
4 African Development Bank

The African Development Bank (AfDB) is a multilateral regional development bank, established in 1964. It is owned by its 77 member states, 53 of which are so-called regional member countries (RMCs), with the remaining 24 being so-called non-regional members. The RMCs hold 54.21% of voting rights, the non-regional member states 45.79%, as of 31st May 2011, placing the Bank under African control. Its mission statement is to help reduce poverty, improve living conditions for Africans and mobilize resources for the continent’s economic and social development.

In December 2010, the authorised capital of the African Development Bank Group was a total of SDR 67.69 billion (1 SDR is equivalent to approximately USD 1.50, though this exchange rate is flexible and may change over time), of which SDR 23.92 billion were subscribed. The Bank has approved a cumulative total of SDR 55.93 billion between 1967 and 2010. In 2009, the majority of its lending was project lending (70.3 per cent), followed by policy-based lending (27.2 per cent). Smaller fractions were devoted to HIPC debt relief (2 per cent) and grants (0.4 per cent). Besides the African Development Bank, the AfDB Group also comprises the African Development Fund, the Nigeria Trust Fund, the Arab Oil Fund, the Special Emergency Assistance Fund for Drought and Famine in Africa, and the Special Relief Fund.

4.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

4.1.1 Institutional Framework

The African Development Bank (AfDB) uses two layer of evaluation: firstly self-evaluations, carried out by Bank staff in the context of their operations i.e. Project Completion Reports, Expanded Supervision Reports and secondly independent evaluations, conducted by the Operations Evaluation Department (OPEV). OPEV is not part of the line management structure of the AfDB, instead reporting straight to a committee of the Board of Directors (the Committee on Operations and Development Effectiveness, CODE), which gives it independence from management interference.

OPEV produces five categories of evaluations, some with multiple sub-types, adding up to a total of nine types of evaluation outputs. These are summarised in table 3 below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project and Programme Evaluations</td>
<td>Project Completion Report Evaluation Notes</td>
<td>Independent assessments of the quality of Public Sector PCRs prepared by AfDB operations staff</td>
</tr>
<tr>
<td></td>
<td>Expanded Supervision Report Evaluation Notes</td>
<td>Independent assessments of the quality of ESR prepared by the AfDB Private Sector Department</td>
</tr>
<tr>
<td></td>
<td>Project Performance Evaluation Reports</td>
<td>Assessments of project/programme relevance, efficacy, efficiency, sustainability, institutional development and other impacts, as well as of Bank and borrower performance</td>
</tr>
</tbody>
</table>
There is also a Quality Assurance and Results Department (ORQR), established in 2008, which focuses on measuring and assessing the impacts of AfDB activities. It produces the Annual Review of Portfolio Performance, ensures timely preparation of Project Completion Reports, and manages responses to, as well as tracking actions resulting from, evaluation recommendations. However, ORQR is part of the line management of the AfDB, reporting to the Chief Operating Officer, and not the Board of Directors.

Although the AfDB is seeking to improve its engagement with CSOs (see section 4.3), it does not appear that much emphasis is being placed on this engagement as it relates to M&E.

### 4.1.2 Perceived effectiveness of M&E

OPEV is reported to be effective. DFID highlights that the OPEV’s evaluations are often acted upon (DFID 2011). The Multilateral Organisation Performance Assessment Network (MOPAN) supports this judgement, citing the fact that ‘donors at headquarters consider monitoring and evaluation to be an area of strength for the AfDB’ (MOPAN 2010). In sum, ‘the Bank’s monitoring […] is seen to be supported by the strength of having an independent evaluation unit’.

OPEV itself reports a number of instances where its evaluations have led to changes in management strategies or actions: examples include an evaluation of project supervisions, which highlighted weaknesses and led to a revamp of the entire supervision system, or an evaluation of the decentralisation strategy, which led to the creation of a Road Map Task Team to increase the effectiveness of the decentralisation process.

However, there are some doubts with regards to project-level monitoring and evaluation. According to an OPEV report on Project Supervision, the ‘poor definition of results indicators’ and ‘potential conflicts of interest for those who undertake the ratings’ mars the effectiveness of project-level monitoring. In summary, the ‘project performance ratings system is highly deficient’, but it ‘is currently again being reviewed by ORQR’ (AfDB 2010). This is corroborated by the AfDB’s revised Results Measurement Framework, which
points out that the Bank ‘lags significantly behind other development partners in including solid monitoring and evaluation (M&E) components in its lending operations’ (AfDB 2010c)

4.2 Does the Fund/Institution operate a results-based management approach?

The Quality assurance and Results Department (ORQR), established in 2008, has assumed overall leadership for the establishment of a results-based management culture. The flagship publication reporting development results is the Annual Development Effectiveness Review (ADER), which assesses the Bank’s operational performance and progress towards results for all operations financed by the AfDB. ADER reviews performance at four levels:

- **Level 1**: What progress is Africa making towards key development objectives (monitored via 26 indicators)
- **Level 2**: What are the AfDB’s key operational outputs and intermediate outcomes and how are they contributing to country outcomes? (monitored via pre-specified sets of Core Sector Indicators for 8 sectors, each set comprising approximately 5-10 indicators)
- **Level 3**: Is the AfDB becoming more effective at delivering outputs that produce specific country outcomes? (monitored via 6 categories with a total of 19 indicators)
- **Level 4**: Is the AfDB becoming more efficient at managing itself to make its operations more effective? (monitored via 5 areas with a total of 12 indicators)

ADER is part of a wider results-based strategy, the Results Measurement Framework (RMF). This was recently updated in a 2010 strategy paper, which aims to harmonise ‘the AfDB’s RMF with the results measurement frameworks of other multilateral development banks’ (AfDB 2010c). The new RMF aims to report on both intermediate and final project outputs, monitor closed and ongoing operations, and cover not just public sector investment, but also policy-based operations and private sector operations. The three tools used to achieve this are the ADER, published once a year, the Results Scorecard, published every quarter, and the Results Reporting System, which is intended to be a continuously updated database on which progress can be monitored. They all use the four levels of results outlined above to track overall development and Bank progress.

The new RMF strategy envisages that ‘the Bank’s independent evaluation department (OPEV) will increasingly check the Bank’s reporting at all levels to ensure the consistency and robustness of the data’ (AfDB 2010c).

The quality of the reformed RMF has not been independently assessed yet, possibly due its very recent introduction. DFID (2011) however reports positively on the reform, placing the ‘2 tier results framework […] currently being expanded to 4 tiers’ as a strength.

4.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?
The Bank works with all civil society organisations and non-governmental organisations at various levels. These include:

– CSO participation in the Bank’s Annual meetings;
– on-going consultation platform through the African Development Bank/ Non-governmental Organizations committee;
– opportunities for CSO engagement in the Bank’s projects’ implementation process;
– consultation during the environmental and social impact safeguards exercises; and
– continuous dialogue and information sharing through the Bank’s Field Offices.

During the Bank’s annual meetings in Dakar in May 2009 it was agreed that the Bank would scale up its efforts for CSO engagement and this has led to the Civil Society Consultation Forum in 2010 which was intended, in particular, to revitalize the AfDB/ NGO committee. Among other objectives, this Committee is intended to build capacity through workshops to familiarise NGOs/CSOs with AfDB processes; to set up a network to encourage information exchange; to strengthen CSO skills to engage in the AfDB project cycle and support CSO resource mobilisation. The committee consists of eleven substantive members (plus 11 alternates) of which 5 substantive members are drawn from the AfDB (AfDB, 2010b).

However, CSOs and NGOs have criticised the AfDB for its engagement with them. For instance, a report from Bank Information Centre (2007), preceding the decision in Dakar to scale-up CSO engagement, states that: ‘although the African Development Bank has a stated policy on cooperation with civil society organizations (CSOs), in reality it has little experience in dealing with CSOs’. Much more recently, these issues were discussed during the Bank’s 2011 Annual Meeting. Prior to an event on CSO engagement at this event, an AfDB concept note stated that the purpose of closer cooperation and engagement with CSOs is to:

– Foster stakeholder’s participation as a key strategy for achieving its over-arching objectives of poverty-reduction and shared growth, consistent with the organization’s key principles of client focus, ownership and results monitoring; and
– Improve effectiveness on the ground by learning about how the Bank and its Regional Member Countries (RMCs) can better work with civil society organizations to optimize project results and sustain development impact.

After this event, an AfDB press release was provided which states:

AfDB officials received a clear message from civil society representatives from various regions of Africa: more transparency is needed in AfDB policies and operations. Civil society organizations can then play a decisive role in increasing the relevance and efficiency of the institution’s policies and projects on the ground.

In his remarks AfDB Director Thomas Hurley said: “We need to do much more of this type of interaction and open the avenues for communication. We recognize that this may not have been done sufficiently in the past, but we intend to change this. Judging from the outcome of the meetings today, we need to embrace three words - transparency transparency, transparency.”.

4.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

The AfDB generally scores high on developing-country ownership. OPEV, in its evaluation of Paris Declaration Implementation of the African Development Bank (2011a), concludes that ‘the Bank has consistently promoted country ownership and partnership through its policies and strategies’ (AfDB 2011a). For instance, the Bank consciously tries to work through national institutions and planning processes (with a heavy emphasis on national budgetary support) and has also promoted national capacity building i.e. The Collaborative African Budget Reform Initiative (CABRI), the African Organisation of Supreme Audit Institutions (AFROSAI) and the African Tax Administrators Forum (ATAF). In addition, 65% of seats on Board of Directors are held by developing countries (DFID 2011). Furthermore, the Bank is ‘seen as a willing and responsive partner who stands by the government in times of political or economic crisis’ (AfDB 2011a).

This general impression is confirmed by DFID, citing that the Bank ‘often has good relations with partner governments’ (DFID 2011). The Overseas Development Institute reports similar impressions from stakeholder interviews: A Zambian business source states that ‘the AfDB is an African Development Bank - it therefore has a better understanding of Africa's situation’, while a source from the Tanzanian Government says that the ‘AfDB is directly accountable to African governments’ (ODI 2007). It concludes that ‘the AfDB is preferred as a disbursement channel because respondents feel a greater sense of ownership’ (ODI 2007).

4.5 What environmental and social safeguards are there? How effective are they?

The Bank’s environmental and social safeguards comprise a number of different documents. Firstly, environmental safeguards are contained in the AfDB’s Policy on the Environment of 2004. These apply to all AfDB lending and non-lending operations, and its goal is described as

‘first, to help improve the quality of life of the people of Africa, and secondly to help preserve and enhance the ecological capital and life-support systems across the continent of Africa’ (AfDB 2004)

Secondly, the Bank’s Involuntary Resettlement Policy of 2003 contains the AfDB’s strategy for addressing involuntary resettlement caused by Bank-funded operations in both the private and public sector. The policy places primary responsibility for planning, implementing and monitoring resettlement issues on the borrowing agency. In particular, for any significant resettlement (more than 200 people), the borrower is required to prepare a full resettlement plan. The intention of the policy is described as follows:

‘The overall goal of the Bank’s policy on Involuntary Resettlement is to ensure that when people must be displaced they are treated equitably, and that they share in the benefits of the project that involves their resettlement’ (AfDB 2003)
Besides the two strategy documents, there are two sets of guidelines for the implementation of the AfDB’s environmental and social safeguards, the Strategic Impact Assessment (SIA) guidelines on the one hand, and the Integrated Environmental and Social Assessment (IESA) guidelines on the other hand.

The SIA, introduced in 2004, is a process intended to evaluate the environmental and social consequences of any plan, policy or programme, assessing their social and environmental sustainability. The IESA guidelines on the other hand are project-focused, designed to ensure that both environmental and social issues are ‘mainstreamed’ throughout the project cycle.

The current version of the AfDB’s IESA guidelines was established in 2004. These procedures require regional member countries to prepare both an environmental and social impact assessment (ESIA) and an environmental and social management plan (ESMP) as part of the project appraisal process. In doing so, they are instructed to fully take into account the views of affected groups and NGOs. Regional member countries are also responsible for reporting back on the status of mitigation measures and the findings of monitoring programmes.

The Bank is then responsible for carrying out due diligence of both documents and in ensuring that the ESMP is implemented. This can include the provision of advice on how to enhance ESMP implementation.

In March 2011, as part of an update of the AfDB’s Integrated Safeguards System, the Bank issued a new set of guidelines for public sector Environmental and Social Assessment Procedures (ESAPs).

### 4.6 Financial management and fiduciary standards


DFID gives a generally favourable review of the AfDB’s financial management, highlighting ‘transparent allocation processes’, ‘predictable, long-term commitments’, as well as ‘extensive financial accountability policies’. However, just 60% of budget support is reported to be disbursed on schedule.

### 4.7 Mediation, arbitration, or conflict-management structures

The AfDB provides an Independent Review Mechanism (IRM) to people adversely affected by projects that are financed by the Bank. It was established in 2004, and covers public as well as private sector projects. However, while for public sector projects the IRM is empowered to check compliance against all AfDB operational policies, for private sector projects it can only review compliance against social and environmental policies.

The mechanism is composed of a Compliance Review and Mediation Unit (CRMU), and the Roster of Experts.

- The CRMU reports ‘administratively to the President and functionally to the Boards of Directors’ (AfDB website).
– The Roster of Experts is composed of 3 external experts, appointed by the Board for a five year non-renewable term. They determine, together with the Director of CRMU, the eligibility of requests for compliance review and submit a report recommending whether or not to undertake a review to the Board of Directors.

The IRM is not authorised to receive requests relating to fraud or corruption, to projects that were completed more than 12 months before the complaint was filed, or to projects where the final disbursement of funds occurred more than 12 months before the complaint was filed. Complaints relating to the adequacy or unsuitability of Bank Group policies or procedures also fall outside the IRM’s scope.
5 Asian Development Bank

The Asian Development Bank (ADB) is a multilateral regional development bank, established in 1966. It is owned by its 67 member states, 48 of which are from the Asia-Pacific region, and has its headquarters in Manila. The current president is Haruhiko Kuroda of Japan, serving since 2004. As of 2010, the ADB administers 37 trust funds, with the majority of its resources lent out at near market terms via its Ordinary Capital Resources operations. From its establishment in 1966 through to the 31st of December 2010, the ADB has lent out approximately USD 125 billion.

5.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

5.1.1 Institutional Framework

There are two levels of evaluation at the Asian Development Bank (ADB), self-evaluation conducted by those who are responsible for a strategy, programme or project; and independent evaluation, undertaken by the Independent Evaluation Department (IED).

The IED is independent of the ADB’s management, and reports to the Board of Directors via the Board’s Development Effectiveness Committee. The IED’s precursor was established in 1978, and reformed in 2003 to guarantee its independence from ADB management. To avoid conflicts of interest, IED evaluators must exclude themselves from any evaluation concerning a project, programme or strategy on which they worked, or on which they expect to work in the future.

In 2009 the IED produced a total of 87 reports, which fall into 10 different categories.

Table 4. There are ten different types of reports regularly produced by the ADB’s IED

<table>
<thead>
<tr>
<th>Type of report</th>
<th>Description</th>
<th>Number of such reports in 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Evaluation Report</td>
<td>Annual Evaluation Reports summarise evaluation reviews, report on actions following from past evaluations and comment on the performance of the ADB’s portfolio</td>
<td>3</td>
</tr>
<tr>
<td>Sector Assistance Programme Evaluation (SAPE)</td>
<td>SAPEs evaluate sector assistance, strategy, policy dialogue, ongoing and completed projects and technical assistance, as well as the ADB’s performance within a given sector in one country</td>
<td>7</td>
</tr>
<tr>
<td>Country Assistance Programme Evaluation (CAPE)</td>
<td>CAPEs analyse the entire breadth of ADB assistance to a particular country. They provide inputs to updating and preparing new country partnership strategies</td>
<td>4</td>
</tr>
<tr>
<td>Impact Evaluation Study</td>
<td>Based on the identification of relevant comparator groups and surveys of beneficiaries, these seek to evaluate project impacts</td>
<td>1</td>
</tr>
<tr>
<td>Special Evaluation Study (SES)</td>
<td>SESs are thematic evaluations, focusing on a specific topic such as governance, gender, capacity building or the environment</td>
<td>5</td>
</tr>
<tr>
<td>Project/Programme Performance Evaluation</td>
<td>These evaluate the design, implementation, and performance of projects or programmes, and are usually conducted 3 years after project completion</td>
<td>10</td>
</tr>
</tbody>
</table>
Technical Assistance Performance Evaluation (TAPE)  
TAPEs are project evaluations for technical assistance projects, usually covering multiple projects in the same report  
0

Evaluation/Knowledge Briefs (EKB)  
EKBs summarise insights and lessons on current issues, and describe selected ADB projects relevant to these topics. Examples include energy efficiency, reducing emissions from transport projects, and GHG implications  
3

Validation Reports  
Validation Reports certify project and programme completion reports (self-evaluations)  
48

Other Evaluation Reports  
This category includes books and other publications such as case studies, sector and thematic papers, and syntheses of evaluation findings  
6

Source: Annual Report of the Development Effectiveness Committee, ADB 2010

Monitoring during the project lifecycle is undertaken by ADB’s project divisions who review both the physical implementation progress as well as monitoring achievement of development objectives in close coordination with the borrower and the executing agencies. If a project has significant environmental or social issues, ADB will often require the borrower to submit regular monitoring reports in addition to standard progress reports.

The engagement of CSOs in M&E is scant according to the 2006 ADB Special Evaluation Study on the “Involvement of Civil Society Organizations in Asian Development Bank Operations”. The study states that whilst CSO involvement in ADB operations is increasingly diverse, involvement in strategically important areas, such as policy advocacy and monitoring and evaluation, is comparatively rare.

5.1.2 Perceived effectiveness of M&E

An external review of the IED conducted in 2008 found that the reform of 2003 had been effective:

‘the overall quality and usefulness of IED work has improved considerably since it became independent in 2003 and generally appears to be at least at the same level of quality as at other MDBs’ (ADB 2008)

5.2 Does the Fund/Institution operate a results-based management approach?

5.2.1 Project level results-based management

In 2004 the ADB adopted a so-called Project Performance Management System (PPMS), judging projects against 5 general criteria (abbreviated REESI).

- **Relevance**, consistency of a projects impacts and outcomes with the government’s development strategy, and the ADB’s strategy;
- **Efficacy** (Effectiveness), achievement of outcome, as compared against the objectives set at project approval;
- **Efficiency**, comparing achieved outputs with inputs used;
– **Sustainability**, likelihood that human and financial resources can support the achieved results in the long term; and
– **Institutional Development**, the extent to which the project has improved the enabling environment of the country.

There is no fixed set of project-level indicators; instead the planning of each project involves designing a set of Project Monitoring Indicators, tailored to measure how well the project achieves the five criteria outlined above. Design guidelines for project-level indicators specify the following criteria (abbreviated SMART): Indicators should be **Specific, Measurable, Attributable, Relevant, and Timebound** (the due date for target achievement/the deadline must be specified and known).

### 5.2.2 Country- and Bank-wide results-based management

The overall effectiveness of PPMS is not clear.

The 2009 annual report of the ADB’s Development Effectiveness Committee reports that ‘management [needs to] improve indicators of development results, emphasising that monitorable indicators would aid in the effective evaluation of development results’ (ADB 2010). This suggests that the design of Project Monitoring Indicators could be improved.

On the other hand, DFID’s Multilateral Aid Review (2011) highlights a good performance in this area: a ‘strong results system [was] introduced in 2008 at HQ and at country strategy level’, and there is ‘evidence that this is now driving management incentives to focus on results in programme design and implementation. In sum a ‘strong central focus on results and delivery’ (DFID 2011). DFID particularly draws attention to the ‘internal online dashboard view of performance against the results framework, with traffic light colours used to denote areas of progress and concern’ (DFID 2011). This is reported to be an effective tool: ‘Senior management regularly refer to this dashboard and hold managers accountable for performance on red and amber lights. In our country visits we found that managers were actively using this tool to identify and address problems’ (DFID 2011).

In addition, the annual Development Effectiveness Review, which reports on progress against the results framework, ‘is recognised as being candid, credible and comprehensive, enabling and encouraging shareholders to raise concerns with senior management’ (DFID 2011). It monitors progress against the Bank’s long term strategic framework, Strategy 2020, covering all projects financed by the ADB’s ordinary capital resources and the concessional Asian Development Fund.

### 5.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

There are two main avenues for CSO involvement in the ADB’s operations, firstly Community-Driven Development (CDD) projects, and secondly the NGO and Civil Society Centre (NGOC).

Community-Driven Development is defined by the ADB as ‘an approach that gives control over planning decisions and investment resources for local development projects to community groups’ (ADB 2006). A
2006 review of CDD activity found that 28 out of a total of 339 projects between 2001 and 2005 could be labelled as CDD projects. The report also found that ‘there is generally still limited staff and institutional capacity to undertake CDD in ADB, especially in comparison with the World Bank and the IDB’ (ADB 2006). A further problem identified by the 2006 report is that the ADB does not have the most appropriate lending instruments for CDD: ‘World Bank experience points to the importance of multiphase and flexible lending instruments […]’. In ADB, no such lending instruments were available in the portfolio review period (2001-2005)’ (ADB 2006). The efficiency of CDD in engaging CSOs may therefore be limited.

The ADB’s second way of involving CSOs is reported to be more successful. NGOC has 5 full time staff, publishes annual reports, and serves to engage with NGOs and CSOs. The 2009 NGOC annual report states that:

- more than 160 civil society representatives attended the 2009 annual ADB meeting in Bali,
- ‘nearly two-thirds of ADB’s loans, grants and related project preparatory technical assistance [in 2009] included documented, planned civil society participation’ (ADB 2011b),
- ‘civil society organisations and advocacy networks are actively consulted in the development and review of the country partnership strategies’ (ADB 2011b).

This points to a successful engagement with CSOs and NGOs via the NGOC.

However, there has recently been some negative feedback with regards to NGO involvement in the review of the ADB’s Accountability Mechanism. The Bank handed over its working paper to the Board of Directors only two days after the deadline for public comments. According to a statement by the NGO Forum on ADB, ‘an analysis of the content of the W-paper shows that hardly any civil society recommendations were taken up’ (NGO Forum on ADB 2011). The extent to which this incident is representative of ADB responsiveness to NGO suggestions is difficult to ascertain.

5.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

DFID’s Multilateral Aid Review (2011) rates the ADB highly on developing country ownership. A very strong partnership with governments is cited: ‘the bank has a strong Asian character and developing members have major influence on ADB’s direction’ (DFID 2011). This reflects its efforts to disburse aid through national budgets (89 per cent compared to the Paris Declaration target of 85 per cent), the use of national financial reporting procedures and conditionality which is linked to government’s own agreed benchmarks or indicators (MOPAN, 2011).

This is supported by comments from a study conducted by the Overseas Development Institute. A source from the Bangladesh Civil Service is quoted saying that the ‘ADB often tries to understand the needs of the recipient country and that makes the difference’ (ODI 2007). A source from Bangladeshi civil society says ‘ADB has the advantage of having a Country Director who is an Asian’ (ODI 2007). However, some negative feedback is given by the Bangladeshi government: ‘ADB … impose more conditions and very often intervene in our domestic issues. This kind of intervention hampers our development very much’ (ODI 2007).
5.5 What environmental and social safeguards are there? How effective are they?

The ADB has a comprehensive set of environmental and social safeguards, amalgamated into a single policy with the 2009 Safeguard Policy Statement (SPS). The aim expressed in the SPS is to ‘avoid, minimise, or mitigate harmful environmental impacts, social costs, and to help borrowers/clients strengthen their safeguard systems’ (ADB 2011b). DFID’s Multilateral Aid Review praises the ADB on this issue, citing its ‘robust safeguards’ (DFID 2011).

The SPS applies to all ADB-financed and/or ADB-administered projects and their components, regardless of the type of financing; projects funded by a loan, grant, or other means, such as equity or guarantees, are all covered. The Safeguard Policy Statement places three obligations on project developers:

– identify and assess impacts early in the project cycle,
– make plans to avoid, minimise, mitigate or compensate for potential adverse impacts, and if necessary implement them, and
– inform and consult affected people during project preparation and implementation.

The Environment and Social Safeguard Division of the ADB is responsible for compliance with the safeguards. Adversely affected parties, should they feel that safeguards have been violated, can make use of the Accountability Mechanism to report violations of the SPS and to express their grievances.

5.6 Financial management and fiduciary standards

The DFID Multilateral Aid Review analyses the financial management of the Asian Development Fund, which constitutes the ADB’s concessional loan programme and accounts for ca. 20% of the ADB’s total financial volume. In general, DFID considers it to have ‘good financial management policies which enable a range of flexible responses’ (DFID 2011). The following features are noted in particular:

– The use of rules-based processes to allocate resources, including the possibility of multi-year commitments within any four year replenishment cycle, gives certainty to investors
– Poorly performing programmes are investigated, subjected to remedial action, and may be cancelled, enhancing overall portfolio impact
– However, there is only limited flexibility to reallocate resources at the country level, preventing beneficial re-allocations from being implemented

5.7 Mediation, arbitration, or conflict-management structures

The ADB’s conflict management structure is the Accountability Mechanism, designed to provide access for people who are adversely affected by ADB-assisted projects, and to report noncompliance with ADB policies and procedures. It operates in two phases; firstly a consultation phase, aimed at solving complaints in mutual agreement between the parties concerned. Secondly, should the consultation phase fail to produce

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5 This phase was formerly named ‘problem solving phase’, but renamed to avoid the impression that the ADB is capable of addressing and resolving every problem.
an agreement, a compliance review phase, in which an ADB team inspects projects and reviews whether or not they are in compliance with all relevant guidelines.

If a project developer is found to be in breach of any guidelines or safeguards, remedial action may be imposed. The Accountability Mechanism empowers the Compliance Review Panel (which handles the second phase) to monitor the implementation of remedial action. Furthermore, the resulting monitoring reports may be published.

An internal working paper, produced as part of an on-going review of the Accountability Mechanism, highlights the following strengths and weaknesses, shown in table 5 below:

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
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<tbody>
<tr>
<td>— Pioneer in introducing the Problem Solving Function (consultation phase)</td>
<td>— Lack of direct access to compliance review. The consulting phase before the compliance review phase has put off certain stakeholders who wanted to access compliance review directly.</td>
</tr>
<tr>
<td>— Emphasis on independence and effectiveness</td>
<td>— Uncertainty on site visits. Stakeholders suggest that the ADB should continue to insist on site visits, while some investors claim that the ADB has no basis to insist on mandatory site visits. This creates uncertainty as to whether stakeholders can expect site visits or not in future grievance cases</td>
</tr>
<tr>
<td>— The monitoring mandate enhances credibility</td>
<td></td>
</tr>
</tbody>
</table>

Source: ADB 2011a

DFID (2011) also rates the grievance redress mechanism highly, citing ‘strong mechanism for redress of grievances from people directly affected by AsDF projects’ (DFID 2011).
6 Climate Investment Funds

The Climate Investment Funds are a set of programmes to deliver low carbon, climate resilient development established and run by the Multilateral Development Banks (MDBs). The CIFs comprise the Clean Technology Fund (CTF), which finances projects and programmes that contribute to demonstration, deployment and transfer of low carbon technologies, and the Strategic Climate Fund (SCF). The SCF has sub-programmes on:

- adaptation (the Pilot Programme for Climate Resilience, or PPCR) which supports developing countries to integrate climate risk and resilience into their core development planning, and will provide substantial programmatic resources to public and private sector investments;
- renewable energy in low income countries (Scaling-up Renewable Energy Programme, or SREP) which will demonstrate the economic, social and environmental viability of low carbon development pathways for low income countries in the energy sector; and
- forestry (Forest Investment Programme, or FIP) which supports developing countries’ efforts to reduce deforestation and forest degradation (REDD) and promotes sustainable forest management that leads to emission reductions and the protection of carbon reservoirs.

Around USD 6.3bn has been pledged to the CIFs, to be disbursed over a number of years. The CIFs will cease to operate once a new climate finance architecture is agreed through the UNFCCC process.

6.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

Each MDB will follow its own procedures for monitoring and evaluation of funds.

In addition, there will also be annual reporting of the Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) targeted programs to the Trust Fund Committees. This will be supplemented by an independent evaluation of the operations of the Trust Funds and the impacts of its activities after three years of operations which will be carried out by the independent evaluation departments of the MDBs. Results achieved through the funds will be published and publicly available.

Given that the CIFs have only recently been established, there is no evidence available yet on the effectiveness of the M&E arrangements nor of the extent to which CSOs will be involved in that M&E not devolved to the individual MDBs.

6.2 Does the Fund/Institution operate a results-based management approach?

The main tool that the Trust Fund committees will use to assess impact, outcomes and outputs of CIF-funded activities is the Results Frameworks for each program or fund. This is based on a ‘logic model’, developed separately for each of CIF programmes and funds (CTF, SREP, PPCR and FIP). These set out the overall global outcome expected (in 15-20 years); the transformative impact expected in particular countries (in 10-
15 years); the ‘catalytic replication outcomes’ expected in 5-10 years and hence the outcomes and outputs required from CIF projects and programs. The results framework then combines these ‘results statements’, at different levels, with particular indicators. These indicators consist of a combination of quantitative and qualitative metrics and will focus on environmental aspects, as well as aspects of sustainable development and poverty reduction.

The CIF website states the results frameworks have been established with the following principles:

– **The results frameworks are living documents** – they are intended to serve as a basis for moving forward in developing investment plans and related projects and programs.

– **They can be field tested** – both the underlying logic models and related results framework are based on a set of assumptions that can be tested on the basis of experience in the pilot countries. The possibility that revision of the logic models and the results frameworks might be needed in light of the experience gained is acknowledged.

– **Consistency with existing national and MDB frameworks** - the proposed results frameworks are designed to operate within: (i) existing national monitoring and evaluation systems; and (ii) the MDBs’ own frameworks. It is intended that the development of parallel structures or processes for monitoring and evaluation will be avoided.

– **Flexible and pragmatic approach** – CIF intends that the proposed frameworks will be applied flexibly and pragmatically taking into account pilot country circumstances e.g. in selecting relevant indicators and subsequent reporting. It is stressed that a trial-and-error learning approach is explicitly encouraged.

– **Data collection and reporting standards** - In order to be able to aggregate country-level results at the program level (investment plans), a set of core indicators will be measured using compatible methodologies.

As the results frameworks are only being established now, it is too early to ascertain the extent that they are being adopted and or influencing the operation and management of the CIFs.

**6.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?**

The CTF and SCF trust fund committee and the PPCR sub-committee allow four representatives from civil society organisations to be ‘active observers’ in its meetings – ‘**in recognition of the importance of effective dialogue and linkages with its partners**’ ⁶. These representatives are identified through a self-selection process designed and managed by RESOLVE. They may request the floor to make verbal interventions, request the co-chairs to add agenda items and recommend external experts to speak on specific agenda items.

⁶ Other active observers in the CTF trust fund include 2 private sector representatives, the GEF, the UNFCCC, UNDP, UNEP, contributor countries other than members and recipient countries for which an investment plan, program or project has been approved. In the SCF trust fund, the active observers are similar with the exception that two indigenous peoples’ representatives are also invited but that contributor countries and recipient countries are not invited. In the PPCR sub-committee, the list of representatives is the same as for the SCF except that it also includes a representative from communities dependent on adaptation to secure livelihoods.
However, not all sessions are open to observers. Deliberations over investment plans take place in closed ‘executive sessions’ which are only open to government members of the committee and the MDBs. This has been criticised for making it difficult to understand how investment decisions are reached (Nakhooda, 2010).

Annual ‘Partnership Fora’ are held to allow stakeholders to discuss the strategic direction, results and impacts of the CIFs.

In a review of NGO-CSO participation by the CIF, civil society stakeholders engaged in the CIF process expressed concerns that the civil society participation provided for so far has not been as substantive as it could have been. According to a letter from civil society representatives following the first Partnership Forum, a number of factors including limited time, often irrelevant questions and the use of inappropriate methods and devices for collecting participant inputs made it extremely difficult for CSO representatives to participate effectively and make substantive contributions. This created an impression in some participants that the Partnership Forum was merely allowing for “token public participation”.

Consistent with this, Sharma (2010) critiques the CIFs’ engagement with civil society as sporadic, biased towards ‘global’ civil society rather than local communities and grassroots organisations, and under-resourced; furthermore processes or redress mechanisms to ensure concerns are addressed are lacking. Bretton Woods (2011a) points to the failure to develop a designated mechanism for civil society organisations participation prior to the development of investment strategies, which are already under way.

However, others contacted in the review indicated that the decision to undertake the research was a clear and positive indication that the prospect of civil society participation in the CIF process, and how to achieve it, is being taken seriously.

6.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

The organizational structure of the CTF and SCF Trust Fund Committees (as well as SCF sub-committees) is equally balanced between donor and developing countries. All decisions are made by consensus and if a consensus is not possible, the proposal is postponed or withdrawn.

While the governance arrangements have been considered to be more favourable to promoting developing country ownership than some previous models, especially the global Multilateral Development Banks, the CIFs have been criticised for the model which only allows funding to be delivered through MDBs. An approach which would allow direct access i.e. in-country entities such as national and local governments, representative civil society bodies, indigenous peoples’ groups and other entities is generally considered to be more effective at promoting country ownership. In the case of the CIFs, this has been compounded, in the eyes of some critics, by a lack of emphasis given to capacity building to national entities, leading to MDBs dominating the delivery of a project/programme (Kreft and Saballos, 2011).

DFID (2011) perceives that on partnership behaviour, the CIFs have demonstrated strong performance in relation to governance structures and the way that they have been designed in principle, but that in practice feedback has been more mixed. In particular, it notes the need to improve engagement of developing country
stakeholders beyond governments. CIF (2011) acknowledges the need for improvement in this regard and notes that this is an area it will be placing more emphasis on in future.

6.5 What environmental and social safeguards are there? How effective are they?

In the context of the CIFs results frameworks, a Strategic Environment, Gender and Social Assessment (SEA) (CIF, 2010) was recently conducted to ensure that information on CIFs environmental and social effects is collected so that positive effects can be fully enhanced and any potential negative effects are monitored and managed appropriately. Given that each CIF program is at different levels of development, the SEA focuses on key upcoming decision-making points for the programs and aims to provide information specifically related to these points, rather than be comprehensive in scope. The objective of the Strategic Environmental and Social Assessment of the CIF (as a whole) was to assess whether any of the CIF programs could adversely affect accomplishment of other CIF programs’ objectives and if so, provide recommendations on how to better monitor and manage this risk.

One of the SEA proposals is a “dashboard” of indicators for each CIF program (that capture, technology, environmental, social, and gender aspects) and suggests that they be measured at a country level continuously over the investment lifetime and beyond to assess program impact and outcome. It is also recommended that identification of project level indicators be left to the country and MDB teams with the caveat that project level indicators should feed into the national indicators measured at the level of the results framework.

Unsurprisingly DFID (2011) scores the CIFs as ‘strong’ in terms of environmental sustainability. It recognises the inclusion of gender equality in the results framework but on account of the poor performance of the MDBs in this area, it scores the CIFs as ‘weak’ in this area. It scores the CIFs as ‘unsatisfactory’ in dealing with fragile states as a result of the lack of a specific framework for dealing with these countries and MDBs perceived poor performance in working in these countries.

6.6 Financial management and fiduciary standards

The International Bank for Reconstruction and Development serves as the Trustee for the Climate Investment Fund (CIF). It holds in trust, as a legal owner and administrator, the funds, assets and receipts that constitute the Trust Funds of the CTF and SCF. In its role as trustee, it provides a number of services including:

– financial and risk management;
– cash flow management;
– investment management;
– donor and MDB relationship management as related to the financial transactions of the CIF Trust Funds;
– provision of key financial information to the CIF Administrative Unit;
– accounting and reporting to the CIF Trust Fund Committees;
– commitments and cash transfers to the MDBs; and
– IT infrastructure for managing the Trust Funds.
Each MDB is responsible for the use of funds transferred by the Trustee in accordance with its own policies, guidelines and procedures and the decisions of the Trust Fund Committees. The Trustee requires periodic financial reports from the MDBs, as agreed to by the Trustee and the Trust Fund Committees.

DFID (2011) perceives that the CIFS should perform well on financial resource management. Whilst it is too early to assess actual performance on project-level financial management, it notes in particular the strong audit function within the CIFs. However, others have expressed concerns about the possible conflict of interest that arises from parts of the World Bank acting as both Trustee and as one of the Implementing Agencies (Bretton Woods, 2011b).

### 6.7 Mediation, arbitration, or conflict-management structures

No information on conflict-management policy has been found.
7 GAVI

GAVI is a global health partnership that brings together governments from developing and industrialised countries, established and emerging vaccine manufacturers, non-governmental organisations, research institutes, UN Agencies, the Bill and Melinda Gates Foundation and the World Bank to scale up immunisation in the poorest countries.

GAVI’s mission is to save children’s lives and protect people’s health by increasing access to immunisation in poor countries. It provides support for new and underused vaccines, injection safety, civil society support and health systems. Its strategy is based on four principal objectives: to (i) accelerate the uptake and use of underused and new vaccines; (ii) contribute to strengthening the capacity of integrated health systems to deliver immunisation; (iii) increase the predictability of global financing and improve the sustainability of national financing for immunisation; and (iv) shape vaccine markets. It has also helped develop a number of innovative finance mechanisms such as the International Finance Facility for Immunisation (IFFIm) and the pilot Advance Market Commitment (AMC) for pneumococcal diseases.

Its annual spend in 2010 was approximately USD 0.9bn and is predicted to increase over the next 5 years (to approximately USD 1.5bn per annum).

7.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

7.1.1 M&E framework

In contrast to some other organisations, evaluation within GAVI is undertaken internally, although the evaluation policy (GAVI, undated a) notes that ‘the evaluation processes should as much as possible be independent from stakeholders and the policy making processes’. On most occasions, evaluations are undertaken by third party contractors. Staff members and contractors who worked on the programme/policy are not allowed to be responsible for its evaluation.

GAVI has an Evaluation Advisory Committee to assist the Board in fulfilling its responsibilities in respect of the oversight of GAVI’s organisational and programmatic evaluation activities. The Committee serves the Board in an advisory function. It has a majority of independent evaluation experts and a minority of Board members. In addition, at least one member of the seven members must be a CSO representative.

GAVI undertakes a number of different types of evaluation:

– **Formative and summative.** A formative (or mid-term) evaluation is conducted at an early point in the implementation phase of a programme, to provide feedback so as to improve implementation. A summative evaluation is conducted at the end of the period of activity to assess whether anticipated outcomes were produced and the impact of the activities. These evaluations are intended to inform other interventions.
– **Internal, external and participatory.** Internal evaluations are carried out by staff within the GAVI Alliance. External evaluations are carried out by outside entities, whether or not they are funded by GAVI. Participatory evaluations are those evaluations in which representatives of agencies and stakeholders work together in designing, carrying out and interpreting an evaluation. GAVI’S M&E policy statement expresses a preference for this form of evaluations. It also notes that most of GAVI’s evaluations are undertaken by external consultants due to resourcing constraints.

The December 2010 GAVI Alliance Civil Society Constituency Charter also states that, inter alia, CSOs may be involved with monitoring/evaluating immunization or child health programs although no further detail is given.

### 7.1.2 Effectiveness of M&E

A particularly important aspect of GAVI’s operations is that its work is delivered by Implementing Agencies (WHO, Unicef, World Bank). A recent CEPA report (2010), evaluating GAVI’s performance in the period 2006-2009/10, suggests that this structure has created challenges in undertaking monitoring and evaluation:

– On the one hand, implementing agencies tend to see themselves as providers of technical support rather than grant providers or funders. Consequently, their primary concern may not be on the effective use of donor money and / or fiduciary accountability
– On the other hand, CEPA reports that there is little evidence that the GAVI Secretariat uses Annual Performance Review’s (APRs), which are currently compiled by Implementing Agencies, for anything more than administrative purposes.

In response to these shortcomings, CEPA recommend prioritising country monitoring within the Secretariat with practical suggestions including:

– Timeliness and completeness of APRs should clearly be the responsibility of country level Partners and should be monitored against agreed KPIs. It identifies a potential role for GAVI in providing training/technical assistance to a country through its Partners (or appointed consultants) to help those whose APRs have been found to be incomplete/ inconsistent or repeatedly not submitted on time.

– Introduction of a presumption that APRs should incorporate all information about performance that is available to GAVI Implementing Partners in country. The intention is to strike a balance between the need for WHO/ UNICEF to work closely with, and maintain the confidence of, the Ministries of Health and their role as GAVI Partners.

– That the Secretariat should become more proactive in reviewing and acting on country monitoring information – working with Country Partners.

The GAVI Secretariat (GAVI, undated b) has acknowledge this historic weakness and noted that it is currently developing an online platform for countries to complete the Annual Progress Report and transmit it to the GAVI Secretariat. It is intended that this will facilitate the proactive use of the data to support learning and decision making.
7.2 Does the Fund/Institution operate a results-based management approach?

CEPA’s recent evaluation report into GAVI’s operations (CEPA, 2010) notes that

“There is a relative absence of regular and systematic recording of GAVI Activity, Program Activity and Output data, and of clearly defined performance indicators / metrics (preferably ‘output’ and ‘outcome’ based) against which performance across the organisation can be monitored ... The absence of systematic tracking of performance and GAVI’s inability to capture and produce basic financial and performance information monitoring continues to create inefficiencies and risks for the organisation.’

GAVI is currently introducing data warehousing systems that will allow it to track performance and hence place greater emphasis on quantified results within its M&E system. Nonetheless, the Secretariat’s response to the CEPA report states that (GAVI, undated b) ‘The Secretariat agrees with the evaluation’s finding that there has been a lack of comprehensive analysis of data collected to inform monitoring and evaluation of programmes.’

7.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

The GAVI Alliance currently provides two types of grant support to promote civil society participation:

– CSO type A support which is available to all GAVI countries and aimed at strengthening the coordination and representation of CSOs at country and regional levels.
– CSO type B support which provides funding for CSOs in ten pilot countries to help implement health system strengthening (HSS) plans or the comprehensive multi-year plan for immunisation (cMYP). This is additional to the main funding streams GAVI provides to countries and the intention is that it is integrated into the existing GAVI window for health system strengthening.

However, CEPA (2010) reports that:

‘The Civil Society Organisation (CSO) support program has been slow to take off on account of some fundamental design and implementation issues ... It is yet to contribute substantively to enhancing CSO engagement in immunisation and health systems across GAVI countries’

Some of the specific challenges that CEPA consider have restricted CSO engagement include:

– the lack of flexibility created by the need for governments to apply on behalf of CSOs (in contrast to, say, the Global Fund, see section 9, where CSOs can apply directly;
– a lack of clarity in program objectives and definition of CSOs;
– cumbersome application processes in the context of small grant sizes;
– unclear selection of Type B pilot countries;
– limited publicity of the program in countries; and
– delays in approval and disbursement.

CEPA also notes that many of the CSO M&E indicators are input or process driven and that this would need to improve before CSO’s could make direct applications for funds.

In response to this criticism, the GAVI Secretariat notes that:

‘The Secretariat accepts that the Civil Society Organisation support programme has been slow to take off on account of some fundamental design and implementation issues, particularly in relation to Type A support. The Secretariat has been working with CSOs to develop a new programme.’

Potentially in response to these criticisms, the GAVI Alliance Civil Society Constituency Charter was published in December 2010. This states that CSOs may be involved with:

- delivering immunization or child health care packages in-country
- providing technical assistance in design and implementation of immunization or child health programs
- monitoring/evaluating immunization or child health programs
- mobilizing communities to increase demand for immunization or child health care
- advocating/lobbying for immunization or child health care issues
- emphasizing childhood immunization as a human rights issue
- undertaking operational research
- teaching and training health care personnel

In addition to the role that CSOs take in specific initiatives, GAVI has a Civil Society Forum which functions through periodic in-person meetings and an email listserv. Representing this forum, CSOs have one seat on the Alliance Board; which rotates to a new CSO representative (and alternate) every two years. This individual is supported by a Core CSO Steering Committee of up to 15 CSO representatives, excluding the Board member. The Steering Committee distills broader CSO feedback from the Civil Society Forum into specific inputs for the Board representative and alternate, and is designated to represent CSOs in ongoing GAVI Alliance policy and programme work.

**7.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?**

CEPA (2010) reports that GAVI is perceived to be doing well in terms of country ownership. In contrast to programmes implemented directly by WHO/UNICEF/WB etc. GAVI’s application process requires sign off of the programme from the Ministry of Health. This provides flexibility to governments to define the funding priorities/activities and allows funds to be channelled through existing government systems. This is perceived to set GAVI apart from the bilateral and multilateral donors.
DFID (2011) notes that direct beneficiaries do not have a direct voice in GAVI’s governance structure.

7.5 What environmental and social safeguards are there? How effective are they?

DFID (2011) reports that on environmental management, GAVI adheres to WHO rules and regulations and encourages good country practice in waste management, though countries are ultimately responsible; that GAVI does not have a mandate on climate change; and that GAVI promotes WHO environmental regulations but does not have a mandate for leading or monitoring this. It also notes that it has adopted a gender policy and action plan but that it is too early to determine the effectiveness of its implementation and that it adopts its implementation for working in fragile states, without having a specific fragile state policy.

7.6 Financial management and fiduciary standards

DFID (2011) reports that GAVI’s financial management is generally strong and transparent with evidence of recent improvements and safeguards although lessons on financial management and tracking of cash based investments are still to be effectively implemented. It particularly notes the existence of a proactive finance and audit committee, an internal auditor appointment and a robust transparency and accountability policy.

7.7 Mediation, arbitration, or conflict-management structures

No information on conflict-management policy has been found to date.
8 Global Environment Facility

The Global Environment Facility (GEF) addresses global environmental issues while supporting national sustainable development initiatives.

The GEF partnership has a unique structure. Its governing structure is composed of the Assembly, the Council, the Secretariat, ten Agencies, as well as a Scientific and Technical Advisory Panel (STAP) and the Evaluation Office. The Assembly consists of all 182 member countries and meets every 3-4 years to review general policy and evaluate the performance of the GEF. The Council represents the main decision-making body of the GEF and consists of 32 member from both donor and recipient countries. However, the GEF also serves as a financial mechanism to global conventions like the UNFCCC and the Convention on Biological Diversity and receives their guidance. The Secretariat coordinates the overall implementation of the GEF activities which is then implemented by ten agencies that design, develop and implement the GEF programme. These agencies are: ADB, AfDB, EBRD, FAO, IABD, IFAD, UNDP, UNEP, UNIDO and the World Bank.

The GEF has allocated USD 8.8 billion, supplemented by more than USD 38.7 billion in co-financing, for more than 2,400 projects in more than 165 developing countries and countries with economies in transition.

8.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

GEF (2010) clearly identifies different roles and responsibilities for monitoring as opposed to evaluation. Monitoring is defined as ‘a continuous or periodic function that uses systematic collection of data, qualitative and quantitative, for the purposes of keeping activities on track.’ It is broadly the responsibility of the GEF Secretariat and its implementing agencies. Evaluation is defined as the ‘systematic and impartial assessment of an activity, project, program, strategy, policy, sector, focal area, or other topic’ and is broadly the responsibility of the Independent Evaluation Office and/or the independent evaluation units of GEF agencies.

GEF (2010) identifies nine types of evaluation studies.

- **project evaluations**—either before, during or after the project;
- **program evaluations**—evaluations of a set of interventions that collectively have a set of objectives.
  These include evaluations of the GEF focal areas, operational programs, or strategic priorities;
- **country program evaluations**—of one or more agencies’ portfolio of projects and activities, and the assistance strategy behind them, in a partner country;
- **impact evaluations**—of the long-term effects produced by an intervention, intended or unintended, direct or indirect;
- **cross-cutting and thematic evaluations**—of a selection of interventions with a common theme. These include studies that assess topics of GEF operational programs, such as participation, gender, capacity building, policy, or technology;
- **process evaluations**—evaluations of the internal dynamics and processes of participating organizations, instruments, mechanisms, and management practices;
– **ad hoc evaluations reviews**—of programs and processes that do not require a full evaluation but do need independent assessment; and
– **overall performance studies**—of the GEF, connected to the GEF replenishment and Assembly cycles. These address overriding issues such as the global impact and benefits of GEF programs, as well as GEF institutional arrangements, policies, strategies, programs, and priorities.

It also identifies that monitoring can take place at three levels:

– **project** level—mainly of implementation process and activities, the delivery of outputs, and progress toward outcomes;
– **portfolio** level—mainly of trends in implementation and outcome i.e. the short- or medium-term effects of an intervention’s outputs. This includes monitoring of focal areas and overall results for the GEF as well as monitoring of institutional issues; and
– **national and global** level—mainly of global environmental impact, based on independent data gathering and analysis by national bureaux of statistics and/or international bodies and organizations

Responsibility for undertaking these different forms of M&E is split between the GEF and its agencies: agencies and their partners execute project, program, and portfolio M&E with GEF (either the Secretariat or the Independent Evaluation Office accordingly) responsible for the other M&E. However, as the GEF Council can choose which agencies to work with, the GEF guidance sets out minimum standards for all M&E financed by GEF. In addition, advice on scientific and technical matters is provided by the GEF Scientific and Technical Advisory Panel (STAP).

The independence of the GEF Evaluation Office is ensured in a number of ways. For instance, the GEF Council has direct access to the Director of Evaluation; the GEF Secretariat has no right to approve, hold back, request changes, or otherwise modify such draft and final evaluation reports which are issued simultaneously to the GEF Council and the GEF CEO without any prior clearance.

Any evaluation and performance reports presented to the GEF Council require a management response. The GEF Council will then review both the Evaluation Office reports and the management responses and take any necessary decisions; and give guidance to the GEF on policies or an appropriate plan of action within specific time frames. There is also a systematic follow-up to evaluations, including dissemination of evaluation reports, management responses and follow-up reports.

In terms of CSO involvement in M&E the GEF Council decided at its meeting in April 1996 to approve a policy on public involvement in GEF-financed projects calling for involvement in three related, and often overlapping processes: (a) Information dissemination: the availability and distribution of timely and relevant information on GEF-financed projects; (b) Consultation: the sharing of information among governments, GEF agencies and other stakeholders; and (c) Stakeholder participation: the collaborative engagement, as appropriate, of stakeholders in the identification of project concepts and objectives, the selection of sites, the design and implementation of activities and the monitoring and evaluation of projects.

In relation to this, GEF (2010c) states that CSOs have been involved with the GEF in monitoring GEF funded projects along with other operations including governance and policy formulation and development through CSO representation at consultations and Council meetings and project preparation and execution in
countries. However, the available evidence suggests that this may not have been wholly successful: GEF (2010b) states the need to further develop strategies that incorporate stakeholder participation throughout the project cycle, including project design, implementation, and monitoring and evaluation.

Thus, there are consequently signs that the role of CSOs in M&E is valued by the GEF if not wholly operational.

8.2 Does the Fund/Institution operate a results-based management approach?

All projects and programmes are required to adopt a monitoring system, including planning for relevant performance indicators, that are SMART i.e. Specific, Measurable, Achievable (and attributable) Relevant (and realistic) Time bound (and timely, trackable and time-bound). This, in turn, is intended to allow evaluations to be based on five criteria: relevance, effectiveness, efficiency, results and sustainability.

Although DFID (2011) perceives that GEF performs well in terms of results management, GEF has recently announced a renewed focus in this area (GEF, 2011b). This will require each individual project or programme to submit an annual Project/Program Implementation Report (PIR). The results framework for each individual project will be aligned with the ‘focal areas’ results framework, each of which are in turn aligned with the GEF corporate results framework. The PIRs will be used as the basis for discussion on portfolio performance and to prepare an Annual Monitoring Report (AMR) to the GEF Council on the health of the portfolio.

GEF has recently announced that it intends to particularly focus on improving its results-based framework in three areas:

– Portfolio Outcome Monitoring at both the focal-area and the corporate-level to identify and measure outcome results achieved during the life of the project;
– Portfolio Process Monitoring to track GEF efficiency and effectiveness based on indicators and targets established in the corporate results framework; and
– Learning, Knowledge Management to strengthen knowledge creation, sharing and use of lessons learned to better inform GEF strategies, policies, and project development. This will include developing tools, guidance and standards, and strengthening analytical capacity, especially in terms of assessing results and progress towards learning objectives.

To achieve this GEF has recognised that it will be necessary to invest in order to:

– strengthen and update the tools and systems needed to capture standardized information;
– strengthen the Secretariat’s ability to collect and report on portfolio-level outcome and output indicators; and
– strengthen knowledge management of the GEF at the portfolio level.

This will necessitate establishing and implementing an updated annual monitoring review process, upgrading and integrating portfolio monitoring in IT systems, developing tools to enhance portfolio monitoring.
developing a knowledge management strategy and developing internal guidance on RBM and knowledge management.

8.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

CSOs and NGOs have both a role in GEF governance and are also entitled to receive grants from GEF’s Small Grants Programme. Despite this involvement, a number of concerns have been made about the engagement of CSOs.

8.3.1 CSOs as grant beneficiaries

GEF’s Small Grant Programme (SGP) pays grants directly to community-based organizations (CBOs) and non-governmental organizations (NGOs). The maximum grant amount per project is USD 50,000, but averages around USD 20,000 – USD 35,000 (GEF, 2011a). To date, the program funding from the GEF is approximately USD 401 million. In addition, the program has raised USD 407 million from other partners in cash or in-kind equivalents.

The programme is intended to encourage and support the participation of communities, local people, NGOs, CBOs (community-based organizations), and other stakeholders in all aspects of programme planning, design and implementation i.e. formulation of country programme strategies; development, presentation and execution of project concept papers; influencing government environment policies etc.

8.3.2 CSO involvement in GEF governance

Since 1994, it has been agreed that five NGO representatives should attend GEF Council meetings, and a further five NGO representatives should observe Council discussions (on closed circuit television). These representatives may make interventions on specific agenda items and present written statements at the invitation of the Chair but do not have decision making authority (CIF, 2009).

In addition, the GEF NGO network constitutes a formal relationship between the NGOs and the GEF Secretariat, Council Assembly. The role of the GEF NGO network is to allow NGOs to contribute to the shaping of GEF policies and provide feedback on the implementation of programmes. The structure consists of around 600 members, with ‘Regional Focal Points’ (RFPs) elected periodically from among members in a particular region, who develop annual programs of activities within each region. The NGO network has three objectives:

– to enhance the role of civil society in protecting the global environment
– to strengthen GEF Program implementation through enhanced partnership with Civil Society
– to maintain and enhance the capacity of the GEF NGO Network

The GEF-NGO network organises a CSO consultation before every GEF council meeting.

8.3.3 Concerns over the role of CSOs
A 2005 report (GEF, 2005) indicated that the network was ‘ineffective’ and that its status was ‘precarious’. Some of the key constraints preventing its effective use include:

- insufficient resources with GEF reported to have ‘consistently discouraged or rejected any additional funding requests’
- a lack of strategy by the GEF Secretariat and Council for engaging the NGO Network
- a lack of adherence to the Network’s Guidelines by RFPs and a lack a long-term vision in implementing their general goals as stated in the Guidelines

The GEF-NGO network also reported a number of concerns about the extent to which CSOs were engaged by GEF in November 2009 (Parish, 2009). These included:

- poor or restricted access for NGOs to GEF funds (with the percentage of projects executed by CSOs falling from 19% during GEF 3 to 9% during GEF 4)
- inadequate consultation as reflected, for instance, in the lack of standardised procedures for consultation on projects after approval by the GEF council
- a limited voice in governance aside from at the GEF Council
- the complexity caused by different GEF agencies having different procedures making it difficult for CSOs to engage
- a fragmented outreach and dissemination strategy

DFID (2011) implies that there has been some improvement since these critiques, which may be partly as a result of the restructuring of the GEF-NGO network, noting that the GEF Secretariat is ‘expanding partnership working’ to include civil society and that this includes the provision of resources.

### 8.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

In terms of governance, 18 (16 from developing countries and 2 from Central and Eastern European or Former Soviet Union countries) of the 32 members of the GEF Council are beneficiary countries. Voting is based on a double weighted majority basis requiring 60% of participants and 60% of contributions (CIF, 2009).

In terms of fund disbursement, GEF’s policy to enhance and ensure country ownership has been in place for 5 years and, GEF considers it to be ‘bearing fruit’ (GEF, 2011b). The key component of this is that no project will be considered if it is not supported by a letter from the country operational focal point indicating that this project is in line with national priorities and objectives. To promote this further, countries have been encouraged to undertake the ‘National Portfolio Formulation Exercise’ to help identify a set of project ideas that can best utilize the funds available to them from the GEF. This provides countries with up to USD 30,000 to help them organise stakeholder consultations to ensure that their choice of potential projects is validated in their societies. GEF reports that over thirty countries have shown an interest in the NPFE of which some have requested financial support (and some have done it on their own).
Despite this, DFID (2011) reports that there is a perception among a small number of countries that GEF is ‘supply-driven’. This may reflect the lack of ‘direct access’ to GEF grants for developing country governments or institutions (on the whole).

8.5 **What environmental and social safeguards are there? How effective are they?**

GEF does not have a social safeguards policy in place, but relies on those of its implementing agencies. DFID (2011) notes that this reliance means that there is considerable inconsistency in approach. DFID (2011) also criticises GEF’s own guidance on gender policies as not being specific enough.

GEF (2011) has acknowledged some of these weaknesses and is in the process of developing policy for gender mainstreaming, along with environmental and social safeguards in the context of expanding the GEF partnership. This policy will require that entities that propose to implement projects with GEF resources demonstrate that they meet the provisions of these safeguards, including having appropriate gender mainstreaming policies, in addition to meeting minimum GEF fiduciary standards.

8.6 **Financial management and fiduciary standards**

The GEF Trust Fund is administered by the International Bank for Reconstruction and Development as Trustee. In this role, the IBRD performs certain administrative, accounting, financial reporting and treasury services related to trust fund activities on behalf of the Secretariat.

The GEF Council has established minimum fiduciary standards for its agencies relating to audit, financial disclosure, procurement etc. As of June 2010, four agencies - AfDB, EBRD, IADB, and the World Bank – had met these standards with the other six meeting most of the criteria established and having monitorable action plans in place to achieve full compliance.

8.7 **Mediation, arbitration, or conflict-management structures**

The Secretariat provides Conflict Resolution services. The purpose of this service is to enhance the overall GEF internal climate of transparency, effectively mediate and resolve any issues raised, as well as to manage and build knowledge on what these issues are. A Conflict Resolution Commissioner at the Secretariat reports directly to the CEO. Government agencies, CSOs and other stakeholders may raise an issue of importance to the GEF operations, launch a complaint, or ask for a dispute settlement, by sending a formal request directly to the CEO.
9 Global Fund

The Global Fund is a global public/private partnership that raises and disburses funds to prevent and treat HIV/AIDS, tuberculosis and malaria. The fund is the largest multilateral funder of the health related MDGs, having approved a total of USD 21.7 billion to 150 countries. DFID (2011) reports that it contributes 25% of all disbursements for the HIV response, 60% of external financing for TB control and 70% of Malaria international financing. It is estimated that the Global Fund has saved 6.5 million lives through providing AIDS treatment for 3 million people, anti-tuberculosis treatment for 7.7 million people and the distribution of 160 million insecticide-treated bed nets for the prevention of malaria.

9.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

Although the Global Fund Secretariat is tasked with overseeing monitoring and evaluation, it has no staff located outside its headquarters in Geneva. Rather Local Fund Agents (LFAs) are contracted by the Global Fund to monitor implementation at a country level. LFAs are responsible for providing recommendations to the Secretariat on the capacity of the Principal Recipients (PRs) chosen to manage Global Fund financing, the soundness of requests for the disbursement of funds and the result reports submitted by PRs.

An M&E toolkit for the three diseases has been developed by a wide range of institutions. The purpose of the toolkit is to provide in one place the essentials of agreed-upon best practices as well as references to key materials and resources. The toolkit includes descriptions of the major indicators, how they fit into general monitoring and evaluation, and frequently asked questions and answers.

It is noteworthy that this toolkit stresses the importance of developing a unified national M&E system that enables input from all relevant national stakeholders to be incorporated. Specific mention is made of the fact that reporting from civil society and the private sector should also be an integral part of the national M&E and that a unified M&E system would support and facilitate coordination and communication between groups involved in the national response to HIV, TB and malaria. The Toolkit recognises the value of shared planning and execution of data collection and analysis and dissemination of data in reducing overlap in ME activities and improving cooperation between groups, resulting in more efficient use of resources.

The Technical Evaluation Reference Group (TERG) is an advisory body providing independent assessment and advice to the Board of the Global Fund. The TERG advises the Global Fund Secretariat on evaluation approaches and practices, independence, reporting procedures and other technical and managerial aspects of monitoring and evaluation at all levels. Membership of the TERG is drawn from a range of stakeholders, including practitioners, research institutions, academics, donor and recipient countries, and non-governmental organizations. From 2007-2009, the TERG provided oversight for the Five-Year Evaluation and presented the final report, the Synthesis Report to the Global Fund Board at the 19th Board meeting in May 2009 (Macro International, 2009). The TERG is currently chaired by a CSO representative, Dr Lola Dare, Chief Executive Officer, Centre for Health Sciences Training, Research and Development (CHESTRAD) Ibadan, Nigeria.
DFID (2010) notes that there is ‘strong corporate performance reporting, including good evidence for flagging poorly performing grants’.

9.2 Does the Fund/Institution operate a results-based management approach?

There is a strong results-based philosophy within the organisation although concerns have been raised about its increasing complexity.

During grant negotiations, the Principal Recipient, the Local Fund Agent and the Global Fund Secretariat agree on a performance framework to cover years one and two of implementation. A new performance framework is negotiated at each phase of grant renewal (usually after two years, with a possible additional renewal after five years). The performance framework is the formal statement of the performance expected over the lifetime of the grant as signed in the grant agreement, covering:

- output, outcome and impact indicators (linked to the overarching long-term goals and objectives of the proposal with outcomes and impacts covered from the end of year two onwards)
- baselines and targets
- reporting frequencies (every three, six or 12 months, depending on the grant)
- expected disbursement dates

The five year evaluation of the fund (Macro International, 2009) reports that this Performance-Based Funding (PBF) system has contributed to a focus on results at all levels of the Global Fund, resulting in a positive bias for action and an internal culture of accountability. However, while it found a strong commitment to a results-based culture, it expressed concern that the system had become increasingly complex with a focus on short-term metrics addressing mainly project inputs and outputs as opposed to development outcomes and impacts. Further, it noted that while the system generates extensive data, it often failed to provide the key elements of information required to inform judgments on effectiveness. The efforts of the Global Fund to improve the system were found to have compounded the complexity, contributing to inconsistent application of the model.

It noted a particular challenge was the inadequate information system and monitoring and evaluation capacities in beneficiary countries critically limiting the feasibility of the performance-based funding approach espoused by the Global Fund.

9.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

The Global Fund has a clear vision for strong CSO engagement but the evidence suggests that this has been more successfully realised in terms of the governance structures for the Fund as a whole with less success in building durable relationships with CSO at the level of implementation and operation, although there have been improvements. Overall, an ODI report (2007) assessed the extent to which the Global Fund promotes ownership by civil society as ‘moderate to high’.
9.3.1 Governance arrangements

In terms of fund governance, the Fund’s Foundation Board – which sets policies and strategies and makes funding decisions – includes five representatives from civil society (of 20 total voting board members). These five must include one NGO from a developing country, one NGO from a developed country and one NGO who has direct experience with at least one of three focal illnesses. These representatives are determined by the groups they represent with consistency of participation explicitly provided for i.e. civil society organizations are expected to name alternate delegates to ensure consistent participation. Reaching a decision requires a majority among two groups: one group consisting of the 8 donor representative and 2 private sector representatives; a second group consisting of 7 developing country representatives and 3 NGO representatives.

A further channel of influence is provided by the Partnership Forum which is described as ‘an innovative model of consultation and broad discussion’ (Global Fund website, 2011). The Partnership Forum provides review and feedback on the progress of the Fund, develops recommendations on Global Fund strategy, policy and practice and mobilises and sustains political commitment to take action to fight the three diseases of focus for the Global Fund.

The five year evaluation report (Macro International, 2009) describes the Global Fund’s engagement of civil society at this level (in conjunction with the private sector and other development organisations) as ‘unprecedented and largely successful’.

9.3.2 Operational relationship

However, there has been less success in the engagement of civil society organisations, both in terms of their role within the Country Co-ordinating Mechanisms (see below for further discussion on the CCM) as well as using CSOs as grant recipients. For instance, Global Fund (2008) reports that although it recommends that nongovernmental organizations (NGOs) represent at least 40 per cent of the Country Co-ordinating Mechanism (CCM) membership, in half of the countries studied for the publication, this quota was not met. Likewise Macro International (2009) reports differing views on the effectiveness of civil society engagement.

A number of reasons for this relative lack of success have been suggested:

- an willingness on behalf of some CSOs to closely partner with government, given concerns that this may undermine their obligation to counter-balance government perspectives (Global Fund, 2008);
- scepticism/lack of acceptance by some governments about the benefits and costs of CSO collaboration and of sharing the levers of governance with CSOs (Global Fund, 2008; Macro International, 2009);
- networking weaknesses making it difficult for CSOs, especially in remote, rural regions, to engage in a process that requires a degree of centralisation (Global Fund, 2008); and
- a lack of capacity on behalf of CSOs, especially with respect to the requirements resulting from the Global Fund’s Performance Based funding mechanism (Macro International, 2009)

CSOs are typically grant recipients at the sub-recipient level i.e. they receive grants originally provided to Principal Recipients.
In an attempt to overcome these challenges, the Global Fund has started to provide funding for the establishing and operation of CCMs and has also adopted a policy of encouraging ‘dual-track Principal Recipients’ i.e. the use of both a governmental and a non-governmental Principal Recipient.

9.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

The Global Fund’s Foundation Board consists of seven representatives from developing countries, alongside eight representatives from donors and five from civil society and the private sector. As noted above, reaching a decision requires a majority among two groups: one group consisting of the 8 donor representative and 2 private sector representatives; a second group consisting of 7 developing country representatives and 3 NGO representatives.

The defining feature of the Global Fund’s approach to promoting country ownership is the Country Coordinating Mechanism (CCM). These are country-level multi-stakeholder partnerships that develop and submit grant proposals to the Global Fund based on priority needs at the national level. After grant approval, they oversee progress during implementation. They include representatives from both the public and private sectors, including governments, multilateral or bilateral agencies, non-governmental organizations, academic institutions, private businesses and people living with the diseases.

The CCM is a unique approach that is broadly considered to have promoted developing country ownership. The 5 year evaluation report concluded that the CCM model, which allows for significant variation between countries, was ‘one of the most positive contributions of the Global Fund’ (Macro International, 2009). It particularly noted that it had resulted in a range of partnerships with governments, international and local NGOs, faith-based organizations, the private sector, and organizations of persons living with HIV/AIDS. ODI (2007) scored the organisation as ‘moderate to high’ for the extent to which it promoted ownership by government and the extent to which it aligned to government policies.

However, it has also been noted that the CCM’s systems and requirements can place heavy burdens on developing countries, especially as they sometimes duplicate existing in-country institutions, and the systems and requirements of the CCM often take precedence over in-country procedures (DFID 2011; Macro International, 2009). As a consequence Macro International (2009) concludes that the CCMs have yet to generate sufficient developing country ownership that they would continue to be used in the absence of the Global Fund.

9.5 What environmental and social safeguards are there? How effective are they?

The Fund has no stand-alone environmental strategy although policy discussions on the impacts of climate change have been held (DFID, 2011). The Fund uses the same business model in both fragile and non-fragile states which has led to challenges in some fragile states where there is weak local capacity (DFID, 2011). DFID calls for greater flexibility and responsiveness in dealing with fragile states. Although there is a
thorough assessment of the gender relevance of all proposals, the evidence suggests that the quality of proposals in addressing gender issues has been poor.

9.6 Financial management and fiduciary standards

The Global Fund’s Trustee manages the organization’s money, which includes making payments to recipients at the instruction of the Secretariat. The Trustee is currently the World Bank.

The Office of the Inspector General is intended to provide the Global Fund with independent assurance over the design and effectiveness of controls in place to manage the key risks impacting programs and operations. This includes audit, inspection, counter-fraud, investigations, assurance validation and function reviews. The Office is an independent unit reporting directly to the Board for strategic direction, reinforcement and accountability. The IG may conduct and report on any audit, investigation or other oversight work he or she deems appropriate consistent with the Board’s direction. It has the authority to access all books and records maintained by the Global Fund as well as all books and records relating to grants made by the Global Fund, seek information from personnel involved in GF projects and obtain independent professional advice. According to DFID (2011), standards for financial management and audit are very high. However, the time between grant approval and disbursement is not quick enough resulting in a large ‘cash balance’ on the Global Fund’s books. DFID perceives that more needs to be done to guard against misuse of funds and for it to become a more efficient user of its financial resources.

9.7 Mediation, arbitration, or conflict-management structures

An appeal mechanism has been established for applicants whose proposals are not approved for funding by the Board, providing them with the possibility of having this decision reconsidered by an Independent Appeals Panel.
10 Inter-American Development Bank

The Inter-American Development Bank (IDB) has 48 members, of whom 26 are borrowing countries from Latin America and the Caribbean. The bank has two lending windows: the Ordinary Capital (OC) lending at near market rates; and the Fund for Special Operations (FSO) providing concessional loans and grants to the poorest countries.

The FSO supports five countries: Bolivia, Guyana, Haiti, Honduras and Nicaragua. Haiti, the only low income country in Latin America and the Caribbean, has now been categorised separately with its own resources in order to respond to the devastating earthquake of January 2010.

In 2009, the IDB approved 165 new operations totalling USD 15.9bn for 2009. This is similar in volume to the World Bank in the region. The IDB’s focus is on economic growth, climate change and sustainable cities. It provides loans for infrastructure projects, particularly for energy, transportation and water resources.

In March 2010, IDB members voted for a general capital increase (GCI) and FSO replenishment, aimed at enabling the bank to sustain lending at USD 12bn per annum while providing an additional USD 2bn for Haiti. The GCI includes a number of policy and management reforms which will be implemented over three years, including increasing the poverty focus, improved development effectiveness, and better capital management.

10.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

10.1.1 Institutional Framework

The Inter-American Development Bank (IDB) is overseen by the Office of Evaluation and Oversight (OVE). The OVE is independent, reporting directly to the board of directors. The planning of its work programme, its budgeting process, the formulation of terms of reference, staffing of evaluation teams, execution of evaluations and the approval of reports are all independent from the IDB’s management.

The OVE evaluates the Bank’s strategies and policies, as well as its programs, activities, and systems. The findings of these evaluations are used in the design, appraisal and execution of new operations.

The OVE’s work programme for 2011-12 is structured into four categories of evaluations, plus the development of evaluation capacity both within the bank, and throughout the region. The four categories are summarised in table 6 below.
Monitoring and evaluation frameworks and the performance and governance of international funds

Table 6. The IDB’s OVE is planning to conduct 4 different types of evaluation in 2011-2012

<table>
<thead>
<tr>
<th>Type of evaluation</th>
<th>Description</th>
<th>Number of studies scheduled for 2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight Study</td>
<td>A systematic review of M&amp;E systems, project, country or bank-wide. The guiding questions concern ‘whether Bank interventions are designed to generate meaningful information on results, whether they are monitored […] and whether supervisory and control processes are adequate’</td>
<td>3</td>
</tr>
<tr>
<td>Country Program Evaluation</td>
<td>An evaluation of the IDB’s performance in a given country. These are mandatory in advance of the preparation of each new country strategy document</td>
<td>7, incl. Haiti and Brazil</td>
</tr>
<tr>
<td>Sector, Thematic, and Ex-post Evaluation</td>
<td>A review of the IDB’s approach (which may or may not be written up as a formal strategy) to a sectoral and thematic issue across multiple countries. These are area based on a number of ex-post evaluations of completed projects from a given sector or theme</td>
<td>7</td>
</tr>
<tr>
<td>Policy and Instrument Evaluation</td>
<td>Whereas strategies define approaches and priorities, policies define limits to action. Instruments refer to channels through which lending can be disbursed. Examples of past Policy and Instrument Evaluations include ‘Evaluation of New Lending Framework’, or ‘An Evaluation of IDB Lending Modalities’</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: IDB 2010a, and Vivid Economics

The M&E Network was launched by the Program to Implement the External Pillar of the Medium-Term Action Plan (PRODEV) in June 2005 with the participation of 200+ high and mid-rank country officials responsible for the monitoring and evaluation processes. The objective of the network is to enable analysis of the achievements and difficulties encountered during the institutionalization of M&E Systems, both at the national and sub-national levels. This is an open group that meets annually and that invites anyone who is interested to participate. It is not clear to what extent CSOs participate in this Network.

More broadly, the extent to which CSOs are engaged within the M&E arrangements is difficult to ascertain from the available literature which suggests that such involvement may be limited.

10.1.2 Perceived effectiveness of M&E

Bank-level M&E is praised as effective and independent. DFID’s Multilateral Aid Review highlights that ‘there is an independent evaluation and lesson learning culture’ (DFID 2011).

Project-level M&E on the other hand is recognised to be of a lower standard. An OEV report from 2009 finds that ‘out of 147 projects, only 23 had an adequate monitoring and evaluation system’ (IDB 2010b). The identification of objectives and risks is identified as a particular weakness: only 8 out of 147 projects were rated ‘adequate’ for identification of objectives, and only 6 for identification and mitigation of risk.

10.2 Does the Fund/Institution operate a results-based management approach?
10.2.1 Institutional Framework

Since 2009, the IDB has converted its method for drafting both its (annual) Country Program Documents, and its (multi-year) Country Strategies to a results-based outlook. Since a number of Country Studies are not yet up for re-drafting, the full implementation of results-based management is expected for 2013.

At the Bank-level, the IDB has adopted the ‘Bank’s Results Framework 2012-2015’, a single comprehensive set of indicators to measure the Banks (and the regions) overall performance. Targets are broken down into 4 macro-targets, and 80 micro targets, structured into three categories.

Macro targets include

- Lending to small and vulnerable countries (current: 27%, 2015 target: 35%)
- Lending for poverty reduction and equity enhancement (current 40%, target 50%)
- Lending to support climate change initiatives, sustainable energy and environmental sustainability (current 5%, target 25%)
- Lending to support regional cooperation and integration (current 10%, target 15%)

The 80 micro targets are structured into the following three categories:

- Regional Development Goals (23 indicators)
- Bank Output Contribution to Regional Development Goals (27 indicators)
- Operational Effectiveness and Efficiency (30 indicators)

These indicators are summarised and used for management tasks via the annual Development Effectiveness Overview, the Balanced Scorecard, and Business Reviews. The 30 indicators in the Operational Effectiveness and Efficiency category in particular are used to track the success of lending activity, and to intervene as early as possible in failing projects.

The sources for these indicators are given as ‘Corporate Databases (Operational and financial systems), Progress Monitoring Reports (PMR), and External Feedback System (EFS)’ (IDB 2009).

Akin to the M&E Network, the Management for Development Results (MfDR) Network started in October 2006 to enable members of the Civil Society and NGOs specialized in MfDR to engage in constructive dialogue with their government counterparts, mainly from finance and/or planning ministries. The Network’s main goal is to discuss common challenges, enabling discussions and exchange of ideas during an event that represented an enriching learning experience for both parties and fosters a more specific and educated demand towards development results. Today, more than 140 members of the civil society and NGOs comprise this Network.

10.2.2 Perceived effectiveness of results-based management

DFID praises the IDB’s results system, noting a ‘strong results systems introduced at headquarters and country level’, with a ‘good focus on results and delivery’ (DFID 2011).
10.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

The IDB uses a variety of tools to actively reach out to civil society. Its website features a ‘civil society portal’, bringing together all relevant features of the website that may be of use to NGOs and CSOs. It also regularly publishes a Civil Society newsletter, summarising its engagement with civil society, writing up projects that may be of particular interest, and highlighting relevant IDB publications.

Furthermore the IDB invites contributions from civil society stakeholders when drafting major strategy documents, posting on-going consultations on its website. There are also opportunities for CSO/NGO involvement around the annual Board of Governors’ Meeting of the IDB. The 2011 meeting in Calgary for example featured a seminar about ‘The Role of Civil Society in Building Sustainable Prosperity in Latin America and the Caribbean’, a Youth Day Conference showcasing CSO youth projects, and a public consultation of the IDB’s private sector strategy.

The IDB also operates a number of Civil Society Consulting Groups (ConSOCs), though it is unclear how effective they are. A ConSOC is defined as a forum for ‘exchanging information, strengthening dialogue, and facilitating ongoing consultations between the IDB and the civil society organizations’ (IDB website). However, ConSOCs have no legal status, and ‘should not be treated as a substitute mechanism to those already available at the IDB. Also, ConSOCs should not be seen as a dependent unit of the Bank’ (IDB website).

On top of the ConSOCs, the IDB has held an annual Civil Society Meeting since 2000. The most recent one was held on 4th and 5th November 2010 in Ecuador, involving 150 participants from 26 countries (the Bank is owned by 48 countries, but only 26 countries are eligible to receive loans).

However, the effectiveness of these measures is unclear. DFID states that, although the IDB has ‘very strong partnerships with governments, but mixed partnerships with other donors and civil society’.

10.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

The DFID review points out that the IDB has ‘very strong partnerships with governments’ but that ‘some partners [are] concerned about bureaucracy and limited decentralisation’ (DFID 2011). The Bank rates high on accountability, with a ‘strong new policy on disclosure and the publishing of relevant documentation’ (DFID 2011)

10.5 What environmental and social safeguards are there? How effective are they?

The IDB approved new safeguards for indigenous people in 2007, complementing the existing Women in Development framework.
The Bank has approved an Environment and Safeguards Compliance Policy (2006), as well as implementation guidelines for this policy (2007). With regards to environmental protection, there are two key elements:

- **Environmental Mainstreaming**, consisting of 7 directives, covering the integration of environmental analysis into the existing framework of country planning and strategies.

- **Environmental Safeguards**, consisting of 17 directives covering the main phases (Design – Preparation - Execution) of any projects. Directives cover such topics as ‘Natural Habitats and Cultural Sites’ or ‘Hazardous Materials’, but also procedural matters such as ‘Bank Policies’, ‘Consultations’, and ‘Supervision and Compliance’.

To ensure compliance, IDB policies are included in project contract documents, operating or credit regulations, or in project bidding documents. During project implementation, compliance is safeguarded by the MICI (Independent Consultation and Investigation Mechanism).

The IDB committed to an independent evaluation of the implementation of its 2006 Environment and Safeguards Compliance Policy, which was conducted by the Independent Advisory Group on Sustainability in 2011. The overall assessment was positive, stating that ‘all in all the activities of the Bank’s Environment and Social Safeguards Group (ESG) arguably have moved the Bank into the front ranks of the MDBs’ (Independent Advisory Group on Sustainability 2011). While policy was commended, implementation was criticised in parts: ‘the IAG found several critical distortions and deficiencies in the implementation of the policy. Importantly, these have little to do with the scope and language of the policy itself. Instead, they relate to the manner in which the Bank has chosen to carry it out’ (Independent Advisory Group on Sustainability 2011).

### 10.6 Financial management and fiduciary standards

According to DFID’s multilateral aid review, the IBD’s financial management is ‘good’. Its strengths include ‘strong improvements in portfolio management, the availability of budget support and multi-year commitments, and a robust financial accountability process’ (DFID 2011). The lack of penalties for poorly performing programmes has been cited as a weakness, and it also identified room for improvement on transparency.

### 10.7 Mediation, arbitration, or conflict-management structures

The IDB has recently (Feb 2010) implemented an Independent Consultation and Investigation Mechanism (MICI or ICIM). Its mission is defined as overseeing ‘compliance with the IDB’s environmental and social policies’. Reports are submitted to the public and to the IDB’s board of executive directors, and it functions independently of the IDB’s management.

MICI replaced a prior mechanism, called the Independent Investigation Mechanism, which was established in 1994. While the MICI is currently investigating 10 complaints, the Independent Investigation Mechanism investigated a total of 5 complaints over its lifetime. However, due to its recent creation, no in-depth
evaluation of MICI’s effectiveness has been found. DFID, in its Multilateral Aid Review, counts it as a strength, describing MICI as ‘a new and robust mechanism for redress of grievances’ (DFID 2011).
11 International Finance Corporation

The International Finance Corporation (IFC) is part of the World Bank Group (reviewed in Chapter 14). The IFC focuses on private-sector led development, by financing private sector investment, mobilizing capital in international financial markets and providing advisory services to businesses and governments.

The IFC is the largest Development Finance Institution (DFI) making up approximately 38% of global DFI investments and it is the only multilateral DFI with a global reach (DFID 2011). It emphasises five strategic priorities for maximizing its sustainable development impact:

- Strengthening its focus on frontier markets, particularly the SME sector;
- Building long-term partnerships with emerging global players in developing countries;
- Addressing climate change, and environment and social sustainability activities;
- Addressing constraints to private sector investment in infrastructure, health, and education; and
- Developing domestic financial markets through institution building and the use of innovative financial products.

IFC has two key business components - the investment programme and the advisory programme: The investment programme provides loans, equity, guarantees and other financial products to the private sector on which it expects to make a return. It is expected to commit in the range of USD 12 billion to USD 13.4 billion in 2011 with a projected growth of 6 per cent per annum thereafter. The advisory programme provides advisory services to private companies and to developing country governments. IFC’s advisory programme covered 736 projects with expenditures of USD 268 million in 2010.

11.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

11.1.1 Institutional Framework

Evaluation at the International Finance Corporation (IFC) is overseen by the Independent Evaluation Group (IEG) of the World Bank Group. The IEG is fully independent: it does not fall into the IFC’s line management structure, and reports to the World Bank Group’s Board of Directors, which is the highest governing body of the IFC. Its reports go straight to the Board without management’s pre-clearance; its budget and work programme are decided in concert with the Board; and it has unrestricted access to all records and staff in conducting its evaluations.

The goals the IEG pursues in its evaluations are accountability and learning lessons: the IEG is to provide an objective assessment of the results of the IFC’s work and to identify and disseminate lessons learned from experience. The IEG also reviews and evaluates other institutions within the World Bank Group.

The IEG uses a number of different tools to evaluate performance. These are summarised in table 7 below.
Monitoring and evaluation frameworks and the performance and governance of international funds

Table 7. The IFC uses four different tools to evaluate performance at the IFC and the World Bank Group

<table>
<thead>
<tr>
<th>Type of evaluation</th>
<th>Description</th>
<th>Number of reports per year</th>
</tr>
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<tbody>
<tr>
<td>Project Reviews</td>
<td>All projects are required to fill out self-assessment reports, which are in turn reviewed by IEG staff. About 25% of all projects (~70 a year) are subject to a Project Performance Assessment Report (PPAR), conducted by IEG staff and usually involving field trips. These PPARs are said to be 'similar to the completion evaluations carried out by many development agencies'</td>
<td>~70</td>
</tr>
<tr>
<td>Country Assistance Evaluations (CEA)</td>
<td>CEAs examine WBG performance in a particular country, usually covering the previous 4-5 years. Conformity with the WB’s Country Assistance Strategy (CAS) and overall effectiveness of the specific CAS are evaluated</td>
<td>~10</td>
</tr>
<tr>
<td>Sector and Thematic Review</td>
<td>These examine WBG performance in a lending sector (e.g. agriculture) or a thematic area (e.g. poverty, gender) over the previous 5-10 years. General conformity with WBG policy and good practice are checked, as well as the overall development effectiveness of the Bank’s activities</td>
<td>~6</td>
</tr>
<tr>
<td>Process Review</td>
<td>Process Reviews are usually produced in response to a Board request, to evaluate an on-going activity such as aid coordination. This category also includes the Annual Review of Operations Evaluation, which investigates the effectiveness of evaluation processes, and the Annual Review of Development Effectiveness, a meta-evaluation that provides a comprehensive assessment of the WBG’s development effectiveness</td>
<td>~2-3</td>
</tr>
</tbody>
</table>

Note: The number of reports per year refers to evaluations across the entire World Bank Group, not just the IFC
Source: IFC website, World Bank website, and Vivid Economics

Evaluation of individual projects, plus monitoring during those projects is the responsibility of the IFC. To meet its monitoring obligations, the IFC requires company submits regular reports on financial as well as social and environmental performance, and information on factors that might materially affect the enterprise. Ongoing dialogue during supervision is intended to allow IFC to support clients, both in terms of solving issues and identifying new opportunities. The project’s contribution to development against key indicators identified at the start of the investment cycle is also tracked.

The extent to which the IFC actively involves CSOs in M&E activities as a general rule is unclear. The IFC states that its stakeholders range from communities and NGOs at the project level, to governments and civil society at the global level and that the extent to which the IFC engages with particular groups varies depending on the issues at hand, which stakeholders are most directly affected by IFC operations, and the opportunities offered by collaboration.

11.1.2 Perceived effectiveness of M&E

The quality of independent review at the IFC is perceived to be very high. According to the DFID Multilateral Aid Review, the ‘Independent Evaluation Group provides a high quality and independent evaluation function’ (DFID 2011). The IFC is furthermore reported to take on board recommendations arising from evaluations. This is confirmed by a 2010 IEG evaluation itself:

‘At IFC, the level of adoption of IEG recommendations has increased significantly since 2004 and is now close to 90 per cent. IEG recommendations have been
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consistent with the direction of IFC’s evolution and have pointed to specific changes that management later adopted’ (IEG 2010a)

11.2 Does the Fund/Institution operate a results-based management approach?

11.2.1 Institutional Framework

The IFC is committed to measuring development results, and uses them to guide its strategic management decisions. According to Lars Thunell (IFC CEO), ‘measuring the results of our work is critical to understanding how well our strategy is working’. The main results measuring system used at the IFC is the Development Outcome Tracking System (DOTS), introduced in 2005, and updated in 2009. It tracks the development results of all active operations, aiming to do so continuously, across four performance areas. These are explained in table 8 below. In order to allow for better comparison and analysis, the IFC has ‘standardized these indicators by sector’ (IFC DOTS website), and examples of common indicators are also given in table 8.

<table>
<thead>
<tr>
<th>Performance Area</th>
<th>General indicators or benchmarks</th>
<th>Examples of specific indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Returns to investors and financiers</td>
<td>– Return on investment capital – Return on equity – Project implemented on time and on budget</td>
</tr>
<tr>
<td>Economic</td>
<td>Returns to society at large</td>
<td>– Numbers of connections to basic services – Loans to small enterprises – People employed – Tax payments</td>
</tr>
<tr>
<td>Environmental and social</td>
<td>Performance against the IFC’s Environmental and Social Sustainability Performance Standards</td>
<td>– Improvements in environmental and social management – Effluent or emission levels – Community development programs</td>
</tr>
<tr>
<td>Private sector development impact</td>
<td>Improvement for the private sector beyond the project company</td>
<td>– Replication of similar projects throughout the private sector</td>
</tr>
</tbody>
</table>

Source: IFC 2011 and Vivid Economics

The IFC’s results-based approach is highly praised by reviewers: ‘IFC has a clear results based strategy based around its five strategic pillars and monitors progress through its corporate scorecard’; and the ‘IFC’s results framework is recognised as a leading example among development finance institutions’ (DFID 2011).

11.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?
The IFC does not have a separate CSO policy over and above the CSO strategy of the World Bank Group. However, it participates in the World Bank Group’s CSO outreach and interaction programmes, which are explained in greater detail in Section 14.3 below. One example of this is the 2008 Civil Society Organization Policy Forum, which the IFC organised in the wider context of the World Bank Group’s Spring Meetings.

DFID gives the IFC a mixed review in CSO participation. On the one hand ‘Existing policies require client companies to engage with affected communities prior to project approval through disclosure of relevant project information, consultation and informed participation. IFC is reviewing its policy to strengthen beneficiary voice with particular focus on vulnerable groups’ (DFID 2011). On the other hand however, ‘country and project level evidence suggests collaborative efforts are more limited’ (DFID 2011).

11.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

According to the Bretton Woods Project (2010), ‘historically the IFC has been […] heavily dominated by wealthy countries’. Recent reforms have improved the shareholding structure, increasing the overall developing country stake by 6 per cent. However, this still leaves Developing and Transition Countries with 39.48 per cent, significantly less than half (IFC 2010).

On a local level, beneficiary ownership and involvement does not seem to be a core IFC strength: ‘at country level […] there is evidence that IFC’s strategy, objectives, results and partners are not always locally disclosed to the public. This can limit local stakeholders’ ability to hold IFC to account’ (DFID 2011).

11.5 What environmental and social safeguards are there? How effective are they?

In 2006 the IFC adopted a comprehensive safeguards framework, the ‘IFC’s Policy on Social & Environmental Sustainability’ (IFC, 2006). The central safeguard statement in this document is:

‘Central to IFC’s development mission are its efforts to carry out its investment operations and advisory services in a manner that “do no harm” to people or the environment. Negative impacts should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated or compensated for appropriately.’ (IFC 2006) [highlights Vivid Economics]

This general principle is implemented via 8 performance standards, defining clients’ responsibilities for managing their environmental and social risks. These in turn are supplemented by an Access to Information Policy, articulating the IFCs commitment to transparency, and allowing affected parties, NGOs and CSOs to participate in the monitoring of the environmental and social performance standards.

The eight performance standards are:

– PS1: Social and Environmental Assessment and Management Systems
– PS2: Labor and Working Conditions
– PS3: Pollution Prevention and Abatement
– PS4: Community Health, Safety and Security
– PS5: Land Acquisition and Involuntary Resettlement
– PS6: Biodiversity Conservation and Sustainable Natural Resource Management
– PS7: Indigenous Peoples
– PS8: Cultural Heritage

Client-compliance is through a two-step process: In a first step, ‘if the client fails to comply with its social and environmental commitments, as expressed in the social and environmental conditions for investment, IFC will work with the client to bring it back into compliance to the extent feasible’ (IFC 2006); This may be followed up by a second step, ‘if the client fails to re-establish compliance, IFC will exercise remedies as appropriate’ (IFC 2006).

The IFC’s compliance with these safeguards, and the extent to which the IFC enforces them in its clients, is in turn enforced via the independent Ombudsman (CAO). The CAO is generally assessed to be a ‘strong mechanism for redress of grievances’ (DFID 2011), and is described in detail in sub-section 11.7 below.

However, an IEG evaluation shows that this comprehensive framework is not being implemented as well as it could be. The IFC’s monitoring and supervision of these safeguard policies is reported to be ‘lower than appraisal quality’ (IEG 2010b). The 2010 IEG Report on Safeguards and Sustainability Policies highlights that ‘supervision of client implementation of action plans and reporting needs to improve’ (IEG 2010b).

On the other hand, the DFID Multilateral Aid review states that the IFC has a ‘strong environmental safeguards policy’ (DFID 2011), and does not mention its implementation as a weakness. Social safeguards score less well, especially on gender issues: ‘Strategic corporate targets do not yet include a gender target’ (DFID 2011)

The perceived strength of the IFC’s safeguards is reflected by the fact that it has been adopted by the European Bank for Reconstruction and Development in 2008.

11.6 Financial management and fiduciary standards

According to the DFID multilateral aid review, the ‘IFC’s financial management is very good’ (DFID 2011). Its main strengths are described as follows: at the IFC, ‘Financial management, independent audit and transparency are very strong’; and the ‘IFC has effective mechanisms in place and is responding to specific shareholder concerns such as the portfolio product mix’ (DFID 2011).

However, a key weakness cited by DFID highlights the IFC’s reluctance to enter more fragile contexts: ‘The IFC has historically underused some of its more catalytic or frontier financial products such as guarantees, but is starting to use these more’ (DFID 2011).

11.7 Mediation, arbitration, or conflict-management structures

The Compliance Advisor Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Established in 1999,
it responds to complaints from project-affected communities with the goal of enhancing social and environmental outcomes on the ground. CAO reports directly to the president of the World Bank Group, who is also the president of the IFC. It is not part of the line management structure of the IFC or MIGA, and thus independent. Staff contracts restrict staff from obtaining employment with IFC or MIGA for two years after they end their engagement with CAO, further enhancing its independence. The Office of the CAO is physically located in a secure area, and only CAO staff have direct access, ensuring the confidentiality of ongoing investigations.

DFID deems the CAO a ‘strong mechanism for redress of grievances’ (DFID 2011).
12 International Fund for Agricultural Development

IFAD is a specialised agency of the United Nations and an international multilateral financial institution dedicated to eradicating rural poverty in developing countries. IFAD’s goal is to empower the poor rural population in developing countries to achieve higher incomes and improved food security.

IFAD works directly with smallholder farmers and local communities to ensure that poor rural people have better access to, the skills and organisation they need to take advantage of natural resources, natural resource management and conservation practices, agricultural technologies and effective production services, financial services, markets for agricultural inputs and produce, as well as opportunities for rural off-farm employment and enterprise development. IFAD also facilitates the access of the rural poor to local and national policy and programming processes.

It programmed USD 855m in 2010 and is one of the top three multilateral institutions working in agriculture in Africa, where almost 50% of its loans and grants are allocated. IFAD’s Executive Board consists of 32 member states. Eight are from the developing country group, 8 are from the OPEC group, which includes Indonesia, Nigeria and Venezuela and 16 are OECD members. IFAD’s last (8th) replenishment resulted in an overall increase of 67% to USD 1.2 billion over the three-year period 2010 – 2012. Its annual programme is on a steady increase: in 2008 it was USD 650m; in 2009 it was USD 717m; in 2010 it was USD 855m and the forecast for 2011 is USD 1 billion. In 2011, in addition to its USD 1 billion programme, IFAD will manage USD 0.5 billion for other financiers and mobilise an estimated USD1.15 billion of external resources.

12.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

12.1.1 Institutional Framework

The main body for undertaking evaluations of the International Fund for Agricultural Development is its Independent Office of Evaluation (IOE). A reform in 2003 granted the formerly called Office of Evaluation comprehensive independence, and changed its name to IOE. It reports directly to the Board, its director is appointed, renewed or removed by the Board, and its budget is approved annually by the Board. The IOE’s director is authorised to issue reports to IFAD management, the Board, and the public at large without seeking the clearance of any official outside IOE. This constitutional arrangement guarantees the IOE substantial independence.

The IOE conducts three types of evaluations, plus an annual report. These are summarised in table 9 below, and only cover country and corporate level. Project-level M&E is conducted by implementing partner agencies.
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Table 9. The IFAD’s IOE conducts a variety of different types of evaluations

<table>
<thead>
<tr>
<th>Type of evaluation</th>
<th>Description</th>
<th>Number of reports per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Report on Results and Impact of IFAD operations (ARRI)</td>
<td>The ARRI is a summary document, consolidating the evaluations conducted throughout the previous year. It also examines one thematic area that merits further attention</td>
<td>1</td>
</tr>
<tr>
<td>Corporate Level Evaluation (CLE)</td>
<td>These evaluations assess the results of IFAD-wide corporate policies, strategies, business processes and organisational aspects. They are expected to generate results that can be used in the crafting of new policies and strategies. Past examples include ‘IFAD’s rural finance strategy’, or ‘IFAD’s Performance with regard to Gender Equality’</td>
<td>1-2</td>
</tr>
<tr>
<td>Country Programme Evaluations (CPE)</td>
<td>CPEs assess a country’s project portfolio, non-lending activities (policy dialogue, partnership building, knowledge management), and COSOP (Country Strategic Opportunities Programme) performance. These assessments form the building blocks for the drafting of new COSOPs</td>
<td>3-4</td>
</tr>
<tr>
<td>Project Evaluations</td>
<td>Pre-2010 these were assessments involving interim and completion evaluations, as well as synthesis reports on selected topics across projects. 2011 onwards, IOE’s role in project evaluation has been reduced to the verification of project completion reports</td>
<td>5-10</td>
</tr>
</tbody>
</table>

Source: IFAD website and Vivid Economics

IFAD’s guide for project M&E makes strong reference to the need for participatory M&E systems. However, the guide recognizes that although the performance of the numerous grass-roots projects funded by IFAD has improved in many aspects over the years, external evaluations continue to report weaknesses in the projects’ Monitoring and Evaluation (M&E) systems, in particular in the way impact M&E is carried out and used at project management and policy level. The guide is therefore identified as a facilitator of the development and use of effective and participatory M&E systems as tools for impact-oriented management, shared learning process and accountability. The guide provides specific examples of different project M&E systems, including examples that rely on NGO support in more decentralised systems.

12.1.2 Perceived effectiveness of M&E

The quality of corporate and country-level M&E is perceived to be of a very high standard. The Multilateral Organisation Performance Assessment Network (MOPAN) highlights the IOE’s independence, saying that ‘both survey respondents and the document review indicated that the independence of the evaluation unit is a strength’ (MOPAN 2011). DFID’s Multilateral Aid Review also cites the IOE’s independence, and also praises quality: ‘IFAD has a fully independent Office of Evaluation that strives to be at the forefront of good practice in evaluation’ (DFID 2011).

However, while corporate and country-level M&E (conducted by IOE) is seen to be excellent, there are some persistent weaknesses in project-level M&E. The 2006 Annual Report on the Results and Impacts of IFAD produced by IOE identified ‘the performance of M&E systems as a recurrent weakness in IFAD-supported projects and programmes’ (IFAD 2010). This is re-iterated in the 2010 ARRI: ‘Some key aspects that limit efficiency include […] weak project-level M&E’ (IFAD 2010) with a particular concern that project-level data collection is limited. Some improvement is seen in individual countries: ‘In Mozambique […] project M&E has significantly improved over time’ (IFAD 2010).
12.2 Does the Fund/Institution operate a results-based management approach?

12.2.1 Institutional Framework

IFAD is committed to a results-based philosophy, and implements them throughout its projects. There are two elements to its results-based framework: firstly a Performance-Based Allocation System (PBAS), introduced in 2003, which deals with the allocation of funds and technical assistance to countries and regions; secondly, Results-Based Country Strategic Opportunities Programmes (RB-COSOP), dealing with country-level strategy.

PBAS takes into account performance as well as needs, and allocates resources in three year cycles (termed allocation periods). Over time the criteria of PBAS have been amended so to fit better with IFAD’s mission, including for example replacing indicators covering the whole population with indicators covering the rural population.

RB-COSOPs serve a number of different functions, including setting overall country strategy, ensuring alignment between IFAD and country government objectives, outlining a risk management strategy, and setting out a performance management framework. Within the performance management framework, evaluations of projects and programmes are conducted against 5 categories with a total of 12 criteria. The five categories and their associated criteria are:

- **Project performance**: including relevance, effectiveness, and efficiency
- **Rural poverty impact**: including household income and assets, human and social capital and empowerment, food security and agricultural productivity, natural resources and the environment, and institutions and policies
- **Other performance criteria**: including sustainability, and promotion of pro-poor innovation, replication and scaling up
- **Overall project achievement**
- **Performance of partners**: including government and NGO/CSO performance

12.2.2 Perceived effectiveness of results-based management

The assessment of IFAD’s results-based management system is mixed. On the one hand, DFID states that ‘IFAD has a strong results framework that covers the entire results chain from input to impact and is used to track and improve performance’, and that ‘IFAD is a committed advocate of Management for Development Results’ (DFID 2011). On the other hand, as mentioned above, IFAD’s IOE considers that its project-level data collection remains weak.

12.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

IFAD offers a variety of avenues for NGO and CSO involvement, and its articles commit it to cooperating closely with NGOs and civil society (article 8). Due to its traditionally low level of country representation, IFAD is experienced in working with a variety of NGOs and CSOs to help extend its reach into rural areas.
At the corporate level, NGOs can apply for observer status at the Governing Council, the highest decision-making authority at IFAD. There is also an IFAD/NGO Consultation Steering Committee, meeting twice a year, and a Farmers’ Forum, meeting every other year, which is described as a ‘bottom-up process of consultation and dialogues between farmers’ and rural producers’ organizations, IFAD and governments’ (UN NGLS website).

IFAD also works closely with NGOs/CSOs at the project and country level. According to the UN, ‘most collaboration between NGOs and IFAD has been at the project level’ (UN NGLS website). IFAD works with a variety of types of NGOs and CSOs:

- field level development NGOs with expertise in field work and outreach to rural poor populations;
- NGOs/CSOs not directly working with the poor, but supporting them with services such as research, technical assistance, information sharing and networking; and
- advocacy NGOs/CSOs that promote rural poverty reduction and can influence policy making processes.

Engagement with NGOs and CSOs at both the corporate and the project level is reflected in DFID’s positive assessment in this area: ‘IFAD is based on partnership and a participatory approach. It works directly with […] local communities in developing, implementing and monitoring projects’ (DFID 2011).

12.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

IFAD is generally seen as a very cooperative and trusted institution, aiming to involve its beneficiaries in the disbursement of aid. For instance, within its results-framework, it explicitly assesses whether projects are fully aligned with national strategies and measures the extent to which governments and other stakeholders have led and have been involved in project design.

DFID points out that ‘good partnerships with developing country governments are fundamental to IFAD’s way of doing business’, and moreover that ‘IFAD is a trusted partner of developing countries’. There is a ‘strong sense of ownership […] demonstrated through contributions to projects’. IFAD is reported to make a conscious effort in this area, with DFID reporting that ‘IFAD has a distinct focus on … increasing the voice of beneficiaries’ (DFID 2011).

12.5 What environmental and social safeguards are there? How effective are they?

IFAD’s objectives are the alleviation of rural poverty, improved food production, and improved nutrition, all with a focus on the rural poor. Given this set of objectives, social safeguards are strongly emphasised in IFAD’s Lending Policies and Criteria, while environmental safeguards are not mentioned in the main body of the document (though they do feature in the annex). However, a recently introduced (May 2011) Environment and Natural Resource Management Policy has specifically taken up environmental concerns, and addresses them with a set of policies and safeguards.
IFAD is aware of the extent to which its activity depends on the context in which it operates, and stresses the need to pay attention to social structures. Project-level guidance policies point out that ‘the impact of IFAD’s activities upon rural poverty depends not only on those activities themselves, but also on the economy and social structures. It is, therefore, necessary to understand the dynamics of each society’ (IFAD 2006).

Its social and environmental safeguards are highlighted as effective by DFID, saying that ‘Environmental and Social Assessment Procedures are in place and […] its work in the area is consistently strong across the portfolio’ (DFID 2011).

12.6 Financial management and fiduciary standards

IFAD’s financial management is reported to be positive overall, with mixed performance in some specific areas.

The Multilateral Organisation Performance Assessment Network (MOPAN) rates IFAD highly on financial accountability, including aspects such as audit, anti-corruption policies, risk management, and procurement, saying that ‘it was viewed to perform strongly on indicators related to financial accountability’ (MOPAN 2011).

DFID highlights IFAD’s transparent allocation system, PBAS, stating that ‘IFAD has a clear and transparent system to allocate aid that reflects the specificity of the organisation’s mandate and has good policies in place for financial accountability’ (DFID 2011). MOPAN’s assessment supports this view, asserting that IFAD was ‘recognised for making transparent aid allocation decisions, for using performance information to plan and revise strategies and operations, and for introducing performance-orientated country/regional programming processes’ (MOPAN 2011).

However, a mixed performance is noted in actual disbursement, risk management, as well as in cost control. DFID notes that ‘disbursement rates are currently low in comparison with other agencies’ and that ‘financial management needs to be strengthened, including in the area of risk’ (DFID 2011). MOPAN, again similar to DFID, observes that ‘there is still room for improvement in […] disbursements’. Finally, according to DFID, ‘administration costs are currently too high’ (MOPAN 2011).

12.7 Mediation, arbitration, or conflict-management structures

IFAD does not have a formal arbitration mechanism.
13 MDTFs

MDTFs are generally established to support specific country and/or global level strategic priorities that may be defined in national plans, UN Development Assistance Frameworks and abide by a set of common core principles and strategies, including:

- involvement of a broad range of stakeholders in decision-making (e.g. national authorities, donors, UN Organizations);
- building on existing frameworks rather than creating new, parallel structures;
- strengthening aid effectiveness through coordination and harmonization of interventions to ensure increased coherence, efficiency together with reduction of management and reporting burdens and associated transaction costs; and
- ensuring that funding, operations and implementation modalities provide for full transparency and accountability.

As there are a variety of different MDTFs, the analysis below illustrates some of the key features of MDTFs by reference to the MDTF for South Sudan. This adopted a sector-wide approach, focusing on capacity building, law and governance, economic policy and management, social services and infrastructure and livelihoods and social protection.

13.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

There are several different layers of monitoring for the Multi-Donor Trust Funds (MDTFs) which are designed to ensure progress on MDTF objectives.

At the country level, donors, United Nations agencies and the World Bank, and the Government of Southern Sudan (as well as the Government of National Unity – two MDTFs operate in tandem in Sudan) discuss progress against agreed MDTF targets twice annually.

At the project level, all MDTF-funded projects are subject to World Bank guidelines for monitoring and evaluation. This includes specific criteria, or “key performance indicators”, that guide the qualitative monitoring of each project. The Project Implementation Unit (PIU)/Project Management Unit (PMT) is expected to prepare quarterly reports which specify the activities completed, and outputs and outcomes delivered by the programme highlighting: successes; constraints; and an assessment of whether planned targets will be achieved. As governments assign implementation responsibility for certain projects to UN agencies and nongovernmental organizations, CSO representation is frequently integral to the PIU or PMT. The quarterly reports prepared also present actual against planned output targets for the quarter on a component by component basis. This analysis is expected to be supported by brief narratives and graphical illustrations. In addition to its own initiatives, during project/program implementation and after completion, the PMT/PIU relies upon the results of qualitative research drawing on the feedback from World Bank supervision missions, and/or by engaging external consultants or institutions. These draw on the PMT/PIU generated reports to gauge/advise on one or more issues:
– if the project’s/program’s essential elements are in place
– whether the project/program development objective (PDO) and other targets are likely to be met
– any unexpected developments that have arisen
– impact on project/program beneficiaries and whether positive impacts can be sustained
– feedback on steps needed to enhance a project/program as implementation progresses.

The Operations Evaluation Department of the World Bank also conducts an ex-post evaluation of each project.

The MDTF Administrator publishes a report every six months which consolidates the progress of each MDTF financed project/program. This typically includes:

– main achievements, constraints and actions taken
– the MDTFs portfolio of projects
– key events and performance benchmarks
– financial and operational status
– results of any Monitoring and Evaluation

13.2 Does the Fund/Institution operate a results-based management approach?

During implementation, each project/program implementation team monitors and evaluates progress and results against a work plan and results framework. At least once a month, the Project Implementation Unit (PIU)/Project Management Unit (PMT) team members meet to discuss progress in implementing the detailed work plan developed at the commencement of the project/program. The specific aims of these meetings are to monitor timeliness in the completion and delivery of scheduled activities and outputs respectively, and highlight exceptions.

In addition to the above, the final project proposal (FPP)/project appraisal document (PAD) contains a simplified results framework which sets out the expected linkages between project/program interventions and the Project’s/Program’s Development Objective (PDO). This framework delineates outcome and output indicators for each PDO and associated intermediate outcomes. These provide a basis for collecting evidence which determines whether or not a project/program is achieving its PDO. To avoid collecting redundant, or an excessive volume of under-utilised data, indicators are expected to:

– correspond to the PDO/intermediate outcome/output
– be credible
– be derived from reliable data that is currently or can be easily collected
– be straightforward

Each indicator is linked to baseline and target values. A baseline value represents the value of the indicator at the outset of, or prior to, implementation of a project/program. The project design team ascertains each baseline through a concerted data collection effort. The team sets a target value only once a baseline is established. Target values provide a basis for monitoring, evaluating and reporting performance over time through the collection of trend data. The PMT/PIU is expected to periodically review targets for
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reasonableness, and where necessary revise them. The FPP/PAD format anticipates that arrangements for monitoring and data collection are articulated. Teams responsible for project/program are expected to be precise about: how, where and when baseline and trend data is to be collected; and who is responsible for data collation, analysis and preparation. A variety of methods might be used to collect data including mining existing data repositories, rapid appraisal methods, surveys, expert panels, key informant interviews, extraction from other data sources, ad hoc studies etc.

13.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

NGOs typically participate in MDTF activities at two main levels. Firstly, in thematic groups to discuss, review and define sectoral strategies, policies and programs. Secondly, as participants in MDTF supported projects/programs: as either direct recipients, subject to endorsement, or, in partnership with state organisations at a local, state and/or central level.

In terms of the latter, an emphasis on using NGOs in MDTF financed projects or programs is recognised as being particularly valuable when the projects have some or all of the following characteristics:

– social proximity to the community at the grassroots level
– field-based development expertise
– important specialised knowledge or skills at the community level
– ability to innovate and apply locally adapted solutions
– ability to bring grassroots experience to discussions of development on a national scale
– participatory methodologies and tools
– long-term commitment to, and emphasis on, sustainability
– cost-effectiveness.

A report prepared by a World Bank mission (AFR/OPCS Implementation Support Mission, 2010) that visited Southern Sudan from February 8-20, 2010, reported feedback from CSO/NGOs on the MDTF SS’s engagement with CSOs. This included:

– concern that the World Bank did not understand either the physical or the contracting capacity context - a health project was cited as an example where the lead agency mechanism failed due to contractor’s inability to quickly adapt to World Bank’s procurement procedures and reporting requirements

– expression of a preference to have an explicit window for channelling funds directly to them, as have their donor benefactors historically

– assertions that there has been insufficient attention by the MDTF-SS to engage proactively with NGOs to find joint solutions, and particularly, to resolve pending contract issues in a timely manner
13.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

MDTFs are established to support specific country and/or global level strategic priorities as defined in national plans, UN Development Assistance Frameworks (UNDAFs), DaO Frameworks, etc. The objective is to ensure that MDTFs reflect and respond to the needs on the ground as defined by the relevant Government partners and the UN Country Team. An MDTF and its strategic objectives are established only after consultations among UN Agencies, national governments, donors and other stakeholders. The objectives and scope of the MDTF are defined with the intention of ensuring government ownership and alignment with established regional and national priorities and plans.

The governance arrangements of MDTFs have common elements:

- a policy body, comprising national authorities, the UN (and the World Bank where it is involved) and donors, as appropriate, that sets fund policy;
- a Steering Committee or similar entity that makes funding decisions, comprising national authorities, Participating UN Organizations, and in some cases donors; and
- a technical secretariat that reviews programmes and projects submitted for funding, either by using the capacities of Participating UN Organizations grouped by sector or thematic cluster (e.g. employment, education, health, agriculture) or by establishing a stand-alone Steering Committee Support Office that will service the above two entities.

With regard to the MDTF for Southern Sudan, the report prepared by the World Bank mission team in 2010 (AFR/OPCS Implementation Support Mission, 2010) found that Government of Southern Sudan officials viewed the MDTF more favourably than they had earlier, citing increased management attention. Government officials all commented that they have reached an appreciation for a principle based system and many have begun to internalize it to achieve efficiency. However, officials expressed a strong view that an exit strategy be agreed for the MDTF-SS with its replacement having more unified modalities of assistance, and, in particular, having a greater level of government ownership.

13.5 What environmental and social safeguards are there? How effective are they?

Given the emergency nature of MDTF-funded operations, carrying out formal Environmental Assessments for each project during project preparation is not normally deemed feasible. This is the case in the MDTF-SS. Instead, sound environmental management and maintenance of social safeguards are intended to be delivered by the preparation and implementation of an Environmental and Social Management Framework (ESMF). This has been drawn up by the World Bank in conjunction with the Government of Southern Sudan. Applicable clauses of ESMF are then included in project documents and in bidding and other contract documents, as applicable.

13.6 Financial management and fiduciary standards
The funding modalities for MDTFs usually involve the appointment by UN Agencies of an Administrative Agent (AA) to act as their administrative interface with donors. The relationship between the AA and UN Agencies is governed by a Memorandum of Understanding (MoU). The AA subsequently signs a Standard Administrative Arrangement (SAA) with donors, and receives, administers and transfers donor funds to participating UN Organizations in accordance with the MOU and SAA. Participating UN Organizations assume full programmatic and financial accountability for the funds received from the AA, operating under their own individual financial regulations and rules.

A Monitoring Agent reviews financial management procedures, monitors compliance with legal covenants, participates in World Bank-led supervision missions, conducts procurement reviews and builds capacity in ministries. Findings are fed back to the governments, the World Bank, and the wider development community and form the basis for joint funding decisions. In 2005 PwC was appointed as Monitoring Agent to the Southern Sudan Fund.

In order to harmonize and strengthen the fiduciary management oversight of Multi-Donor Trust Funds (MDTFs), an Oversight Framework has been developed by the United Nations Development Group (UNDG). This framework consists of:

- a Steering Committee, or similar governance entity, at the national level, which is responsible for providing strategic guidance, oversight and monitoring of country-level MDTFs. The Steering Committee also makes funding decisions, and responds to queries and issues from the Participating UN Organizations. It is generally chaired by the Resident Coordinator and a Government representative and includes Heads of UN Agencies and may include designated donor representatives.

- a Fiduciary Management Oversight Group (FMOG) at headquarters level, which provides oversight and guidance to individual MDTFs and JPs on financial accountability, fund management, and assurance on issues of an inter-agency nature. When agreement cannot be reached at the country and/or Steering Committee level, issues may be raised to the FMOG for resolution. The FMOG also reviews deviations from the standard MOU and SAA.

- a UNDG Advisory Group at the Assistant Secretary-General level, which takes high-level policy and operational decisions relating to MDTFs. Fiduciary management matters that cannot be resolved at the FMOG level are referred on an exceptional basis to the Advisory Group.

13.7 Mediation, arbitration, or conflict-management structures

No information has been found.
14 World Bank Group

The World Bank (WB) is a multilateral development bank, established in 1944. It is owned by its 170 members, with developing countries holding 45.87% of the voting rights. The World Bank’s current president is Robert Zoellick of the US, and it is headquartered in Washington, D.C., in the US. Worldwide the Bank has more than 10,000 employees in more than 100 offices.

Besides the IBRD and the IDA, the World Bank Group comprises the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). Each constituent part follows a different mission: while the IDA focuses on the poorest countries in the world, the IBRD provides loans and support for middle-income and creditworthy poorer countries. The IFC specifically supports private-sector led development by financing private sector investment and providing advisory services to businesses and governments. MIGA promotes foreign direct investment by insuring investors against a variety of cross-border risks, and ICSID is an international arbitration body for investment disputes.

14.1 What is the framework for conducting M&E? How effective is M&E within the fund/institution?

14.1.1 Institutional Framework

The World Bank Group’s (WBG) monitoring and evaluation activities are overseen by the Independent Evaluation Group (IEG). The IEG is fully independent: it does not fall into the WBG’s line management structure, and reports straight to the World Bank Group’s Board of Directors; its reports go straight to the Board without Bank management’s pre-clearance; its budget and work programme are decided in concert with the Board; and it has unrestricted access to all Bank records and staff in conducting its evaluations.

The goals the IEG pursues in its evaluations are accountability and learning lessons: the IEG is to provide an objective assessment of the results of the Bank Group’s work and to identify and disseminate lessons learned from experience.

The IEG uses a number of different tools to evaluate performance. These are summarised in table 10 below.

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Footnote: The World Bank Group comprises the International Bank of Reconstruction and Development; the International Development Association; the International Finance Corporation’s private sector development activities; and the Multilateral Investment Guarantee Agency’s guarantee projects and services. The IFC is considered separately in this paper (see chapter 11).
Table 10. The WBG's IEG uses four different types of evaluations

<table>
<thead>
<tr>
<th>Type of evaluation</th>
<th>Description</th>
<th>Number of reports per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Reviews</td>
<td>All projects are required to fill out self-assessment reports, which are in turn reviewed by IEG staff. About 25% of all projects (~70 a year) are subject to a Project Performance Assessment Report (PPAR), conducted by IEG staff and usually involving field trips. These PPARs are said to be 'similar to the completion evaluations carried out by many development agencies'</td>
<td>~70</td>
</tr>
<tr>
<td>Country Assistance Evaluations</td>
<td>CEAs examine WBG performance in a particular country, usually covering the last 4-5 years. Conformity with the WB's Country Assistance Strategy (CAS) and overall effectiveness of the specific CAS are evaluated</td>
<td>~10</td>
</tr>
<tr>
<td>Sector and Thematic Review</td>
<td>These examine WBG performance in a lending sector (e.g. agriculture) or a thematic area (e.g. poverty, gender) over the last 5-10 years. General conformity with WBG policy and good practice are checked, as well as the overall development effectiveness of the Bank's activities</td>
<td>~6</td>
</tr>
<tr>
<td>Process Review</td>
<td>Process Reviews are usually produced in response to a Board request, to evaluate an on-going activity such as aid coordination. This category also includes the Annual Review of Operations Evaluation, which investigates the effectiveness of evaluation processes, and the Annual Review of Development Effectiveness, a meta-evaluation that provides a comprehensive assessment of the WBG's development effectiveness</td>
<td>~2-3</td>
</tr>
</tbody>
</table>

Source: World Bank Website and Vivid Economics

Project monitoring and evaluation immediately upon project completion are the responsibility of the Bank’s operation team. This includes a mid-term review of project effectiveness. At the end of a project, a World Bank operations team compiles an Implementation Completion and Results Report, with input from the implementing government agency, co-financiers, and other partners/stakeholders. The report describes and evaluates final project outcomes and compares them to expected results. In addition, the evaluation team assesses how well the entire operation complied with the Bank’s operations policies and accounts for the use of Bank resources.

In terms of CSO involvement in M&E activities, the World Bank is paying increasing attention to Community Based M&E and the importance of participatory M&E activities, particularly given the increased focus on participatory approaches to development. The World Bank states that, as a rule, M&E has often involved outside experts coming in to measure performance against pre-set indicators, using standardized procedures and tools whereas participatory monitoring and evaluation (PM&E) involves primary stakeholders as active participants and offers new ways of assessing and learning from change that are more inclusive, and reflects the perspectives and aspirations of those most directly affected. By giving stakeholders a voice, PM&E is seen as a process that is inherently more empowering.

Moreover, the World Bank’s Social Development Group states that in the context of community driven development programs, participatory monitoring (PM) activities, when used effectively, can act as a valuable management mechanism at the project level whereby primary beneficiaries and stakeholders take the lead in tracking progress toward, and achievement of, self-selected results. It is hoped that the end-result can become a continuous process of joint learning and reflection on goals and results that can assist in strengthening the relationships local governments, citizens and service providers. The process secures the social contract between the various parties and creates a governance dividend by supporting inclusion, accountability, transparency, and improving service delivery.
In practice, however, despite the World Bank’s thematic emphasis on this, it is unclear as to whether PM&E has been integrated into the Bank’s own M&E activities.

14.1.2 Perceived effectiveness of M&E
Respondents to the Overseas Development Institute’s 2007 survey have rated the WBG’s M&E system highly. A source from the Bangladeshi civil service commented that ‘The World Bank and the Asian Development Bank monitor projects very effectively and continuously’ (ODI 2007).

DFID confirms this judgement, saying that ‘evaluation is a core strength of the Bank with management required to respond to and follow up evaluation recommendations’. ‘The Independent Evaluation Group provides a high quality and independent evaluation function’ (DFID 2011).

14.2 Does the Fund/Institution operate a results-based management approach?

14.2.1 Institutional Framework
The World Bank Group is firmly committed to a results-based approach. In its own words, ‘a focus on results is at the heart of the World Bank Group’s approach to delivering programs and policy advice’ (WBG website).

This is particularly prevalent with the International Development Association (the concessionary lending window of the World Bank). The results-based approach within the IDA contains two key elements, a Results Measurement System (RMS), introduced in 2002 and reformed in 2005, and Core Sector Indicators, introduced in 2009.

The Results Measurement System (RMS) measures results on two levels, aggregate country outcomes (tier one), and IDA operations (tier two). The first tier comprises 14 key indicators, structured into four groups (growth and poverty reduction, governance and investment climate, infrastructure for development, and human development). This tier is not used to assess WBG performance; instead it is produced to keep track of the general direction of development in the long run.

The second tier is a set of 13 monitorable actions, which are given in table 11 below. These are used to assess how effective the IDA is in delivering good results.

| Table 11. Monitorable actions from the IDA’s results framework used to track agency effectiveness |
| Monitorable actions |
| 1 | Enhance quality of Country Assistance Strategy (CAS) Results Frameworks by strengthening the emphasis on results in the corporate review process |
| 2 | Monitor self-ratings in Country Assistance Strategy Completion Reports (CASCs) and their independent validation by the Independent Evaluation Group (IEG) |
| 3 | Monitor and report per cent of IDA projects with satisfactory quality at entry |
| 4 | Monitor and report per cent of operations whose outcome indicators in the Project Appraisal Document (PAD) (for investment lending) and in the Program Document (PD) (for development policy operations (DPOs)) cover key aspects of the Project Development Objective (PDO) |
5. Monitor and report per cent of first Implementation Status and Results Reports (ISRs) submitted during the fiscal year with adequate baselines for key outcome indicators

6. Monitor and report per cent of ISRs with satisfactory outcome baseline data (i.e. baseline availability for either one outcome or one intermediate outcome indicator)

7. Develop a list of uniform/standard output indicators for 4-5 sectors

8. Monitor per cent of IDA projects with satisfactory Implementation Completion and Results Report (ICR) quality

9. Monitor per cent of IDA ICRs that report on key outputs and outcomes from the results framework

10. Monitor per cent of IDA projects with satisfactory outcome ratings

11. Monitor progress on selected aggregate project outputs in four sectors: health, education, transport, and water

12. Continue to improve staff and Management incentives for implementing of the results agenda by aligning performance to results

13. A summary assessment of previous analyses of the IDA, current issues, future directions, and implications for Tier 2 metrics

Source: World Bank website and Vivid Economics

The Core Sector Indicators aggregate results from projects supported by IDA in seven sectors—education, health, roads, water supply, micro and small and medium enterprise, urban development, and information and communication technology. This more aggregated data is intended to improve the IDA’s ability to aggregate and report on results at the country, sectoral and institutional level, strengthen learning across projects, and improve the linkage between project-level and country-level results. Core sector indicators for additional sectors and themes are under discussion, and the scope of the exercise is being expanded to include the IBRD portfolio as well.

Besides the existing focus on results-based management, the World Bank is currently conducting a consultation about the introduction of a new results-based lending mechanism, P4R (Program for Results Lending). This is aimed to address demand for new and innovative lending approaches that are more flexible and provide quicker and more customized solutions. It would complement the Bank’s two existing lending instruments, investment lending and development policy lending. The key characteristics are:

- ‘financing expenditures on specific sectoral/subsectoral programmes;
- disbursing against performance and results;
- focusing on strengthening the institutional capacity that countries need to achieve results and sustain programs; and
- providing assurance that Bank financing is used appropriately and that the environmental and social impacts and risks of the program are adequately addressed’ (WB 2011).

14.2.2 Perceived effectiveness of results-based management

The results-based approach of the World Bank Group is described as strong. DFID highlights that ‘results frameworks at country level are robust’. Within the group the IFC’s results framework in particular is praised, cited as ‘IFC’s results framework is recognised as a leading example among development finance institutions’.
14.3 What are the structures for engaging Civil Society Organisations? How effective is the organisation perceived to be at engaging Civil Society Organisations?

The World Bank cooperates with CSO’s through a variety of avenues. This includes its annual ‘Spring Meetings’, which describes a series of meetings with NGOs and CSOs around the WB’s annual Board meeting. In 2011 more than 330 CSOs from 54 countries participated in these meetings. One particularly prominent Spring Meeting is the Civil Society Policy Forum, bringing together CSO representatives and WB and IMF staff to exchange views on a range of topics, such as global economic recovery, food price volatility, or climate change.

Parallel to the various types of cooperation there is a concerted outreach programme, comprising dialogue, consultation meetings and dissemination tools, at country, regional and global level.

- **Dialogues** are on-going discussions with CSO, sometimes involving roundtables, such as the recent WB-CSO Roundtables on the Food and Financial Crisis, held 6 times from 2008 to 2010, but generally proceeding outside fixed structures
- **Consultations** are described on the WB website as ‘a more structured exchange in which the Bank commits itself to ‘active listening’ and to ‘carefully considering the comments, ideas and recommendations received from civil society and other stakeholders’. Consultations are held on both the global level (when introducing major new policies or releasing major reports, e.g. the World Development Report), and on the country level (when drafting Country Assistance Strategies, or on individual Bank-funded projects)
- **Dissemination** tools involve the Spring Meetings as well as a Civil Society Engagement eNewsletter. In 2003 the Bank introduced a CSO Sponsorship Programme to sponsor 25-40 CSO representatives from developing countries to attend the Spring Meetings.

In total the World Bank has approximately 130 staff dedicated to CSO interaction, of which 80 are at country level, 40 at regional level, and around 10 at HQ level. Among other things they produce a Civil Society Engagement eNewsletter.

An internal review of WBG engagement with civil society, covering the years from 2007 to 2009, finds that ‘Bank-civil society relations have continued to improve and intensify over the last three years’, however ‘the challenge remains to streamline and scale up institutional partnerships and funding mechanisms’ (WB 2009).

14.4 What are the structures in place to promote developing-country ownership? How effective is the organisation perceived to be at promoting developing country ownership?

The Overseas Development Institute 2007 Report (‘Assessing Key Stakeholder Perceptions of the Effectiveness of Multilateral Organisations’) reports mixed views of the World Bank.

In the ‘government ownership, and ownership by other stakeholder groups’ category the WB is rated as ‘moderate’, reflecting a mixture of strong and weak performances across different countries. For example,
while ‘respondents in South Africa and Zambia rate the WB lower than the EC’, ‘respondents in India rate the WB higher than the ADB ’ (ODI 2007).

Some of the negative comments refer to excessive rigidity: ‘The World Bank is sometimes bogged down with inflexible conditionalities’, according to a Tanzanian Business source, and ‘the procedures associated with disbursement of funds are cumbersome and lead to delays’ (ODI 2007), according to a source from the Ghana Civil Service. A Ghana Business source observes that ‘The World Bank makes mistakes by being rigid but its assistance is cost effective and monitored and evaluated for effectiveness’, highlighting both perceptions of its effective M&E system, and perceptions of rigidity. Finally, according to a source from Ghanaian civil society the ‘World Bank is too controlled by ideology, very controlled by Washington’ (ODI 2007).

In terms of the overall governance of the World Bank, a report commissioned by the World Bank in 2009 (Zedillo, 2009) found that:

> the Group’s decision-making process is widely seen as too exclusive, offering many member countries too little voice and too few opportunities for participation ... certain conventions and practices have contributed to the perception that the institution is accountable and responsive only to a handful of shareholders at best.

### 14.5 What environmental and social safeguards are there? How effective are they?

The WBG safeguards are not integrated into one framework, instead contained in 10 separate policies (6 environmental, 2 social, 2 legal). One exception is at the IFC, where all safeguards were integrated into a single framework on social and environmental sustainability in 2006.

The IEG has evaluated the WBG Safeguard and Sustainability Policies in 2010, finding that overall ‘the safeguards and sustainability policies have helped to avoid or mitigate large-scale social and environmental risks in the projects financed by the WBG’ and that ‘...without the Bank’s policies the risk assessment and corresponding mitigation plans would have been less comprehensive and […] there would have been weaker environmental and social protection’ (IEG 2010b). However, supervision and monitoring of results has not been thorough. In particular it is criticised that ‘The World Bank does not have a clear framework to assess the performance and impacts of its safeguard policies’ (IEG 2010b). The assessment also recognised that the safeguards ‘inhibit client ownership’ (IEG 2010b). It reports that concerns were expressed by clients about ‘the rigidity and cost of the Bank’s requirements’ (IEG 2010b).

The IFC’s Sustainability Framework (2006), covering environmental and social issues, is described in detail in section 11 above. It is seen as an example of best practice, and has been adopted by the European Bank for Reconstruction and Development in 2008.

### 14.6 Financial management and fiduciary standards

In general the financial management of the World Bank Group is rated highly.
At the IDA, ‘Financial accountability processes and policies are robust’ according to DFID (2011). There is also ‘capacity to reorient resources to better performing areas’, allowing IDA to use its resources in the most effective way. The possibility of multi-year commitments further enhance the impact of IDA funds. However, some drawbacks are also pointed out: ‘its instruments are difficult to operate in fragile states’, and ‘the lack of flexibility in its instruments prevents a strong score’ (DFID 2011).

14.7 Mediation, arbitration, or conflict-management structures

The Compliance Advisor Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA). It responds to complaints from project-affected communities with the goal of enhancing social and environmental outcomes on the ground. CAO reports directly to the president of the WBG, it is not part of the line management structure of the IFC or MIGA, and thus independent. Staff contracts restrict staff from obtaining employment with IFC or MIGA for two years after they end their engagement with CAO, further enhancing its independence. The Office of the CAO is physically located in a secure area, and only CAO staff have direct access, ensuring the confidentiality of on-going investigations.

DFID deems the CAO a ‘strong mechanism for redress of grievances’.
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