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Evaluation Policy 2024–2028

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Photos

Cover photo: Smoked fish at a market in Tombo, Sierra Leone. Author: Pétur Skúlason Waldorff.

Photo page 10: Blackboard in school in Namayingo District, Uganda. Author: Erla Hlín Hjálmarsdóttir.

1. Background

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

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

Evaluations should contribute to evidence-based policy and decision making, as well as development and organizational effectiveness. Evaluations also serve as an important tool for accountability and provide Icelandic taxpayers and stakeholders in partner countries with information on the utilization of funds and results of Icelandic development cooperation.

Iceland’s policy for development cooperation 2024–2028 is results-based and evaluations are an essential part of keeping track of and demonstrating results. Internal Affairs within the Ministry for Foreign Affairs has the mandate to conduct evaluations looking at the whole portfolio of development initiatives and funding under Icelandic ODA. The main purpose of the evaluations is to provide independent, objective and transparent assessments of development interventions, to strengthen accountability for development results and provide lessons learned for future planning and decision-making.

This evaluation policy shall be reviewed and updated periodically, not later than by the end of year 2028 to ensure that the evaluations meet applicable international standards. Separate operational guidelines are made available to practitioners and administrators for the purpose of ensuring high quality and standardized evaluation practice.

2. Evaluation principles and criteria

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

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

¹ See further: <https://www.oecd.org/development/evaluation/qualitystandards.pdf>. In the case these standards are updated and new ones issued by OECD DAC, subsequent versions shall be relied on in this policy.

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

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

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

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

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

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

3. Scope and type of evaluations

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

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

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

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

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

In evaluations of multilateral organizations and their use of core contributions, Iceland shall work within the partnership of contributing nations and the evaluation set-up of the multilateral organization in question, internal or external, such as the multilateral organization performance assessment (MOPAN). Iceland may also make its own evaluations of institutions and operations, if deemed appropriate.

3.1 Cross-cutting issues

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

3.2 Ethical considerations

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

4. Operational principles

4.1 Independence and credibility

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

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

Key elements of credibility are considered to include transparent evaluation processes, inclusive approaches involving relevant stakeholders and robust quality assurance at entry and exit.

4.2 Involvement of local stakeholders

Evaluations conducted in partner countries shall strive to include local evaluators as members of the evaluation team. The purpose is to ensure necessary local insight into the evaluation work and to strengthen local evaluation expertise.

Iceland uses evaluation reference groups (ERGs) as one way to involve local stakeholders in the evaluation process. ERG is a group of key internal and external evaluation stakeholders who act as advisors during the evaluation process, and review and comment on the draft Terms of Reference (TOR), inception and evaluation reports.

4.3 Communication and dissemination

Disseminating results and recommendations from evaluation studies is vital to their usefulness. The MFA recognizes this and has the following processes in place for communication and dissemination of results:

- Meetings with stakeholders where key messages from evaluations are clearly communicated and discussed.

- Publication of all evaluation reports and management responses on-line for public access.⁴
- Reports in English are published in the OECD DAC Evaluation Resource Centre (DEReC).
- Press releases about key findings of evaluation results to the media, and relevant information portals at the Directorate and the MFA.
- Summary of evaluations set forth in MFA’s annual report to Parliament.
- Other efforts to disseminate results, as appropriate, such as via social media, in seminars and other relevant forums.

For the duration of the policy, new ways to communicate evaluation results shall be explored and tested. This may include online, searchable reports, podcasts and summaries with visual interpretation of results.

4.4 Management responses and follow-up

A management response is prepared for all evaluations, addressing findings, conclusions and recommendations from each evaluation. This response shall be prepared promptly in cooperation by the operating unit after the evaluation is concluded. The management response outlines actions taken to respond to recommendations set forth in evaluation reports, identifies the party responsible as well as timeline for actions. As a general rule, Internal Affairs collects management response six weeks after the publication of evaluations.

Internal Affairs shall work with the relevant operational unit at the MFA and other stakeholders to ensure that recommendations adopted from the evaluation reports are incorporated in project cycles and addressed in future decisions and policy making. Key lessons from evaluations will be collected, analysed and shared on a regular basis, and Internal Affairs will provide an overview of recommendations adopted, two years after the publication of the respective evaluation report.

⁴ Internal assessments that involve sensitive personnel matters, or financial audits that entail confidential information shall not be released to the public.

5. Institutional setup

Evaluations are initiated, prepared and managed by Internal Affairs within the MFA. Objectives and roles of Internal Affairs are outlined in the [Handbook on Internal Affairs](#), published by the MFA. While maintaining consultation with the Chief of International Development and other responsible managers and implementors of Iceland's Policy for International Development Cooperation, the unit is independent, and the Chief of Internal Affairs reports directly to the Permanent Secretary of State. Chief of Internal Affairs has the primary responsibility to ensure that the DAC guidelines and procedures for evaluations, as well as other applicable standards, are upheld, that the evaluation function is fully operational and duly independent, and that the evaluation work is conducted according to the highest professional standards.

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

5.1 Work processes

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

At the beginning of each fiscal year, following a feasibility assessment and consultations with operational units and key partners, the Chief of Internal Affairs shall submit for approval to the Permanent Secretary of State, an **annual evaluation plan** for the following year, well as an indicative multi-year plan. This annual plan also outlines specific efforts to be made for the following year. Evaluation guidelines, templates and checklists to ensure standards are complied with, shall be published in the MFA quality handbook and adhered to.

During the planning and design phase of evaluations, Internal Affairs shall prepare a **terms of reference (ToR)** document, where the purpose, scope and

objectives of the planned evaluation is outlined. Further, resources, time, reporting requirements and other expectations regarding the process and products is set forth. Inception report may be used to further determine evaluation design and scope.

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

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



