PROCEDURE AND TOOLS FOR EVALUABILITY REVIEW OF ILO PROJECTS OVER US$5 MILLION

August 2014 (containing forms to fill in at end of document)

BACKGROUND

Over two-thirds of independent evaluations flag poor or non-existent monitoring and evaluation (M&E) approaches and practices as primary constraints to project effectiveness. For instance, weak practices exist in relation to documenting quality and usefulness of outputs and cost-efficiencies, as well as a lack of useful outcome-level indicators.

EVAL targets the ILO’s growing number of higher budget projects for additional support in both planning and implementing effective M&E designs that generate evidence on what works, how, why and what does not work. In its evaluation strategy and policy guidelines, the ILO Evaluation Unit (EVAL) highlights the need to better prepare projects and programmes to document their effectiveness and results.

It is for this reason that, in consultation with PARDEV, projects with budgets over US$5 million: 1) must undergo an initial M&E appraisal by EVAL of the project proposal prior to approval; 2) must undergo an evaluability review within one year of start-up; and 3) that both the mid-term and final evaluations must be independent.1

Three separate forms of support include the: i) monitoring and evaluation appraisal; ii) post-approval M&E quality check and; iii) evaluability assessment, which are all outlined below and displayed in Table 1.

Table 1. Major interventions to improve M&E practices for high-budget projects

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Timing</th>
<th>Actions</th>
<th>Outputs</th>
<th>Follow up</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;E appraisal of project proposal</td>
<td>Pre-Approval; in conjunction with PARDEV appraisal process</td>
<td>EVAL appraises results framework and M&amp;E plan of project proposals (&gt;US$5 million)2</td>
<td>M&amp;E Appraisal report sent to proposal developers; used to revise proposal</td>
<td>Appraisal and revised M&amp;E plan are reference documents for M&amp;E quality check</td>
</tr>
<tr>
<td>M&amp;E fine tuning/evaluability review</td>
<td>Within first year of project start-up</td>
<td>M&amp;E consultant contracted2 by project manager to diagnose and propose improvements to M&amp;E plan and system for project (with backstopping from EVAL or Regional or Department Evaluation Officer)</td>
<td>Revised M&amp;E plan and system of project; evaluability review report to project management and EVAL</td>
<td>Project to submit changes to EVAL within three months of consultancy</td>
</tr>
</tbody>
</table>

1 See page 15 (Box 4) of ILO’s Policy Guidelines for Result Based Evaluation.
2 See Evaluation Tool: Monitoring and evaluation plan appraisal tool in annex 1 of this note.
3 See generic TORs for M&E consultant in annex 2 of this note.
1. MONITORING AND EVALUATION APPRAISAL

Since 2011, EVAL regularly carries out M&E appraisals of project proposals over $5 million as part of PARDEV’s project appraisal process (see Annex 1 for the assessment tool). Appraisals focus on the quality of the proposed project’s M&E framework starting from its logical coherence and assumptions, and moving to its: appropriateness of assumptions; quality of proposed indicators; plans to establish baselines; setting targets and milestones; proposed means of verifying indicators and methodologies for analyzing data; M&E resources (human and financial); and partners involvement in the M&E process.

2. POST-APPROVAL M&E QUALITY CHECK

As a result of appraisals, the M&E plans and budgets of project proposals are usually improved. Major challenges, however, remain. EVAL realizes that additional M&E fine tuning is needed after projects are approved (but prior to large-scale implementation). For instance, the inception phase is critical for large budget projects of over $5 million to the success of monitoring and evaluation design, particularly with regard to adequate baseline measurement and the selection of data collection methodologies.

Once projects are approved, the M&E plan should be refined, and have a specific work plan for its timely implementation. Indicators, baselines and targets are to be finalized, and means of measuring results and impacts are to be decided upon. In most cases, data collection for initial measurements of project indicators should be completed within the first three months since the project’s start-up.

In reality, few large projects manage to do this in a timely manner, for many of the following reasons:

- Short time-frame for project implementation;
- Unpredictable timing and pace of proposal approval, start-up, and fund disbursement;
- Limited funding for M&E activities;
- Lack of consensus on project outcomes, measures, etc.;
- Lack of specialized expertise in monitoring and evaluation methodologies; and
- Limited capacities and interest in M&E among ILO constituents and partners.

It is for this reason that specialized expertise, usually in the form of external consultants, may be required. EVAL can advise on these consultancies, but cannot undertake the work directly. This can take the form of EVAL helping to develop a terms of reference for hiring a consultant in order to address any serious gaps or shortcomings found with the monitoring and evaluation practices of the project, to be conducted in advance of performance reporting and donor or ILO project reviews, with the intent of ensuring that the project’s performance and results will be adequately evaluable.

The evaluable of monitoring and evaluation systems and practices is intended to guide the development of sound and practical approaches for measuring the progress and effectiveness/impact of ILO’s largest technical cooperation projects. The generic TOR for hiring a consultant outline the general rationale and approach taken by the project in developing M&E frameworks, then presents the steps to be undertaken by the consultant to conduct the proposed M&E assignment (see Annex 2).
3. EVALUABILITY ASSESSMENT

In exceptional cases for large projects above $5 million that do not improve their M&E system as a result of the various measures outlined above, an evaluability assessment may be called for by EVAL or the concerned line-manager. Information on this is available in EVAL Guidance Note 11, Using the Evaluability Assessment Tool, and, Guidance Note 12 Dimensions of the Evaluability Instrument. The evaluability assessment is to be financed from project funds reserved for independent evaluation (Budget Line 16.50).

ANNEXES

Annex 1 - MONITORING AND EVALUATION APPRAISAL TOOL FOR PROJECT PROPOSALS OVER US$ FIVE MILLION

[In this pdf version of the guidance, the attached template cannot be filled in. Click here to get access to a template to fill in the appraisal tool.]

Annex 2 - GENERIC COMPONENTS OF TERMS OF REFERENCE FOR M&E CONSULTANT
ANNEX 1 MONITORING AND EVALUATION APPRAISAL TOOL FOR PROJECT PROPOSALS OVER US$ FIVE MILLION

PROJECT PROPOSAL STAGE  

<table>
<thead>
<tr>
<th>Title of project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of project</td>
</tr>
<tr>
<td>Budget size</td>
</tr>
<tr>
<td>Project duration</td>
</tr>
<tr>
<td>Proposal authors</td>
</tr>
<tr>
<td>Potential donor</td>
</tr>
<tr>
<td>Assessors</td>
</tr>
<tr>
<td>Date assessed</td>
</tr>
</tbody>
</table>

Introduction

Monitoring and evaluation (M&E) appraisal is the analytical review of the design and formulation of the project’s plan for monitoring and evaluating performance and impact. As part of ILO’s quality assurance process, all project proposals with budgets above $5 million need to be appraised by ILO’s Evaluation Unit (EVAL) for the quality and completeness of the monitoring and evaluation (M&E) plan, including reserved budget as a prerequisite before donor submission.

Scope and criteria for the appraisal: The M&E appraisal process reviews the project proposal in terms of:

- Internal logic and assumptions;
- Quality of indicators;
- Baselines;
- Targets;
- Milestones;
- Feasibility of means of verification/measurement and methods;
- Human and financial resources;
- Partners’ participation;

Based on the following scale, project proposal M&E appraisals will be rated against each of the criteria listed in the enclosed tables. The ratings are intended to raise attention to potential problems. Comments indicate how improvements can be made.

(1) Unsatisfactory quality  (2) Satisfactory quality  (X) Not relevant to project
(3) High quality
# 1. INTERNAL LOGIC AND ASSUMPTIONS

<table>
<thead>
<tr>
<th>Question</th>
<th>Quality assessment criteria</th>
<th>Rating</th>
</tr>
</thead>
</table>
| 1.1 Has the situation been properly analysed?                          | - A problem statement has been formulated  
- The target population has been differentiated  
- Stakeholders have been identified                                                                                                                                  |        |

Comments:

| 1.2 Does the document contain satisfactory immediate objectives / project outcomes? | - Immediate objectives (IOs) denote observable performance  
- IOs describe the conditions under which the performance is to be observed  
- IOs describe the standard which must be met in order for the performance to be considered acceptable (criteria) |        |

Comments:

| 1.3 Does the document contain a strategy or Theory of Change for dealing with the problem? | - There is a logical connection between the project’s situation analysis, activities, objectives and outcomes |        |

Comments:

# 2. QUALITY OF INDICATORS, BASELINES, TARGETS AND MILESTONES

<table>
<thead>
<tr>
<th>Question</th>
<th>Quality assessment criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Are indicators logically related to the IOs?</td>
<td>- There is a logical fit between indicators and outcomes</td>
<td></td>
</tr>
</tbody>
</table>

Comments:

| 2.2 Is Baseline information collected for each indicator?              | - A baseline exists for each indicator                                                                                                                                                                                      |        |

Comments:

| 2.3 Are targets established for each indicator?                        | - Targets were computed by adding amount of change desired to baselines                                                                                                                                                   |        |

Comments:

| 2.4 Are milestones identified for each indicator?                      | - Milestones were computed by dividing the targets into time-bound increments                                                                                                                                             |        |

| 2.5 Can data be gender-disaggregated?                                  | - Indicators, baselines, targets and milestones will permit gender disaggregation                                                                                                                                           |        |

Comments:

# 3. MEANS OF VERIFICATION/MEASUREMENT AND METHODOLOGIES

<table>
<thead>
<tr>
<th>Question</th>
<th>Quality assessment criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Does the document propose the appropriate combination of annual reviews, mid-term and final evaluations?</td>
<td>- The proposal conforms with ILO evaluation policy guidelines by including the appropriate amount of annual reviews, mid-term and final evaluations</td>
<td></td>
</tr>
</tbody>
</table>

Comments:
| 3.2 Is monitoring and evaluation conducted in a systematic manner? | • A monitoring and evaluation plan has been developed |
| Comments: |
| 3.3 Are the data collection and analyses methods technically adequate? | • The methods proposed will lead to valid and reliable propositions |
| Comments: |

### 4. HUMAN AND FINANCIAL RESOURCES

| 4.1 Is the budget for the evaluation properly expressed in the project budget? | • The evaluation budget is on a separate line of the project budget |
| Comments: |
| 4.2 Are there adequate financial resources in the evaluation budget? | • The monitoring and evaluation budget is adequate for the size and duration of the project |
| Comments: |
| 4.3 Are there adequate human resources? | • A member of project management has been designated to be responsible for M&E issues |
| Comments: |

### 5. PARTNERS’ PARTICIPATION AND USE OF INFORMATION

| 5.1 Was the proposal designed in a participatory manner? | • Constituents and other stakeholders were involved in designing the document |
| Comments: |
| 5.2 Was information from previous evaluations used to design the proposal? | • Lessons learned from past evaluations have been used to design the project |
| Comments: |
| 5.3 Is there a plan for evaluation reporting and dissemination? | • Evaluation results will be communicated to constituents and stakeholders in a timely fashion |
| Comments: |
ANNEX 2 GENERIC COMPONENTS OF TERMS OF REFERENCE FOR M&E CONSULTANT

KEY OBJECTIVES

- Identify useful methods for defining and evaluating impacts and good practices;
- Document good practices for planning M&E, and for monitoring implementation and performance; and
- Provide technical support to project managers in order to develop their M&E operations.

SCOPE FOR CONSULTANT

Prior to the assignments, EVAL will collect from all projects the relevant documentation and will conduct a preliminary stock-taking of the M&E plan, system and activities to date. A summary of each project along with the materials will be provided to the consultant at the start of the assignment. The consultant will spend a minimum of five days conducting a review of each project in at least one of the countries where the project is being implemented.

The consultant will analyze each project’s log frame approach, to identify the logic between the activities, outputs, objectives and risks/assumptions. Since log frames are rarely documented explicitly or adequately, much of the underlying logic and assumptions will need to be identified. Review information sources and gather different points of view on project logic.

Review the definitions, key questions, methodological approach, and initial preparations made, including baseline measures, by the project to assess the effectiveness and impact of the project, and determine the soundness of the approach in terms of the future evaluability of project impact.

The consultant will gather information on monitoring and evaluation and capacities of key partner organizations for each project, in addition to determining existing useful linkages, information exchanges and other collaboration in the M&E area.

The consultant will consider the overall institution building context for monitoring and evaluating the project ex post in order to determine the sustainability of M&E information and practices. The ownership of the project’s results by national constituents, as evidenced through implementation planning, monitoring and reviewing, will be considered as will the interest and support of national senior stakeholders for assessing the impact, cost effectiveness, or other means of determining project results.

The consultant will consider the quality of the information, the appropriateness of the Management Information System (MIS) for storing and safeguarding the data, and use of this information by project stakeholders and in performance reports.

The consultant will review the causal logic and results-level linkages between the DWCP and the project. The complementarity of the DWCP/CPO monitoring plan and the project M&E
plan for large projects need to be well integrated to save costs and avoid duplication. Suggestions for improvements should be made as needed.

The management of risk involves active monitoring of assumptions and known or predictable risks. The quality of the risk analysis at project design and assessment of importance and likelihood sets the framework for subsequent monitoring during implementation. The consultant will review the logical fit of the risk management plan and monitoring mechanisms aimed at tracking and testing assumptions.

The consultant will review the resources and management arrangements for implementing the M&E plan to ascertain feasibility and appropriateness and make recommendations for improvements if needed.

For all of the above, the consultant will identify good practices and also specific improvements that should be made to the M&E system, giving specifics for acting upon these recommendations.

The consultant will also identify major risk areas and means of addressing these, and may recommend overall changes to ILO’s design and quality control system for M&E of large projects.

**METHODOLOGY**

The study will involve four complementary data collection and review activities:

1) Document review, including project proposals, work plans, communications, minutes of stakeholder meetings, and other information sources;

2) Stakeholder consultations with several key informant interviews, either through email, telephone, or in person;

3) Review of national M&E activities of ILO constituents, UN and implementing partners; and

4) Stocktaking of existing M&E plans and systems to identify capacities and needs.

The desk review and initial interviews will suggest a number of findings that in turn will point to additional issues and information to find. The M&E appraisal checklist can also help to guide the analysis. Key steps being followed in the analysis are:

a. Mapping of logic and analysis of indicators:
   - Analyze the context (social, political and economic information to help understand why and what the problems are that ILO seeks to address;
   - Review the logic and each intended outcome, as well as the baseline or starting conditions, specified indicators and targets (if these are not documented, attempt to compile through interviews or other communications what these should be);
   - Note key partners for each outcome that should be involved in M&E knowledge exchange;
   - For each outcome, identify the logical fit between activities, major outputs, indicating the time frame for each and how these align with the targets, milestones, and proposed measurements;
   - For each outcome, review the identified risks and assumptions as well as adequacy of mitigation plans; and
b. Choice and fit of the project with the CPO results framework and monitoring plan:
   • Analyze whether the planned results and monitoring indicators are relevant to our national constituents and UN partners;
   • Analyze the alignment of project indicators with those used by ILO constituents and partners. Determine if fit is sound and if not, how it could be improved; Analyze the effort made to manage risk, including uncertainty about resource levels and use by ILO constituents and partners;
   • Make a critique of the logic/fit of major actions and outputs with the intended outcomes;
   • Analyze the strategic fit of the ILO in the area of the outcome; its comparative advantages in terms of expertise and level of effort; its partners and the potential to influence policy and decision making processes; and
   • Analyze the scope and quality of tripartite participation in M&E and how they are using the information.

c. Methodological approaches for defining and measuring impact:
   • Theories of change and logic models are vital to monitoring results and pathways to impact. Most development initiatives are grounded in theory and assumptions. By developing a theory of change based on logical and conceptual models, managers can be better assured that their programmes are delivering the right activities for the desired outcomes. Most impact evaluations are based on these same conceptual assumptions so impact monitoring very often can directly support impact evaluations.
   • In many cases, evidence of the impact from specific interventions or factors can be generated through well designed monitoring approaches built upon theory of changes and logic models. A monitoring approach of outcomes and impact is designed prior to implementation of interventions so that an initial measure of key conditions can be made. This initial baseline measure can then be compared to similar measures at well-defined periods of time.
   • The design of an impact monitoring system may include control groups, and the data gathered may support an impact evaluation, however, with impact monitoring, the data collected is used to make real time decisions on improvements. Impact-focused monitoring approaches also can test key assumptions made within the pathway of moving from inputs to outputs and beyond. Such monitoring during implementation is very practical when rapid feedback is needed on whether assumptions are valid. Because new directions may be needed during implementation, such monitoring usually involves basic methodologies and flexible designs.
   • Monitoring of outcomes and impact is particularly attractive because it can include low-cost and relatively low-tech monitoring methods, being suitable for many project contexts where time, resources and technical skills are insufficient to support more involved approaches. Impact monitoring has the additional advantage of being fairly transparent and supporting participatory engagement of stakeholders in discussions on the way forward.
d. Operational risk management:
   - Analyze whether there is evidence that the ILO's interventions are configured to be gradually and effectively handed over to national partners; and the extent to which the approach will lead to national ownership through improved capacity, will, and an enabling environment (changed laws, policies, behaviors, budgets);
   - Determine whether the ILO has articulated an exit or transition strategy for its support;
   - Analyze the actions taken to design and implement a knowledge management strategy with national partners and civil society;
   - Consider the adequacy of resource mobilization to support future work;
   - Determine the extent to which the ILO is working coherently to jointly support outcomes, and whether this was efficient, while also avoiding duplication, inconsistencies, and fragmentation; and
   - Consider the likely cost-effectiveness of ILO’s work in relation to each outcome and major output.

e. Efficiency of organizational arrangements:
   - Analyze the work planning, implementation management and reporting practices of the M&E system set up so far or still being planned;
   - Make a critique of the communication practices with project stakeholders, both internally and externally;
   - Analyze the match between supply and demand for technical expertise to support the M&E plan; and
   - Take note of any concerns related to the transparency and integrity of the operations.

OUTPUTS

There should be 3 principle outputs of the appraisal:

1. A revised set of M&E plans, including baseline and milestone data, or a clear indication of how the project is collecting these;

2. Short findings reports for each of the project outcomes including specific suggestions for improvements; and

3. A summary overview of issues, with recommendation of systemic improvements for the project and office to make.