

Evaluation Mandate and Policy for the EEA and Norway Grants

This mandate and policy enter into force on 19 October 2021 and replace the evaluation mandate of 12 April 2011

1. Evaluation mandate

One of the functions of the *Financial Mechanism Office (FMO)* is to initiate and manage external evaluations of the EEA and Norwegian Financial Mechanisms (hereafter 'EEA and Norway Grants'). These evaluations are supplementary to and distinct from evaluations carried out by National Focal Points, Programme Operators, Fund Operators, or other entities in the Beneficiary States.

The evaluation function at the FMO is guided by this mandate and policy.

2. Definition and purpose

Evaluations are systematic and objective external assessments of ongoing or completed EEA and Norway Grants programmes, funds, themes, strategies, policies, or processes, and of their design, implementation, and/or results (hereafter referred to as "evaluation subject"), in relation to one or more of the internationally agreed evaluation criteria:

- Efficiency
- Effectiveness
- Coherence
- Relevance
- Sustainability
- Impact

For the purposes of this document, the term "evaluation" encompasses evaluations, rapid assessments, and external reviews.

Evaluations serve two primary purposes, which are not mutually exclusive:

- 1) **Promoting learning** and informing decision making within the institutions involved in the Grants, and improving future performance and results:

A strong culture of evaluation is a prerequisite for a learning organisation. Evaluations serve course-corrective decision-making by way of evidential data collection, reflection and analysis, as well as impartial judgement. All evaluations should drive organisational learning.

- 2) **Promoting accountability** to the taxpayers (upward accountability) and to the end beneficiaries (downward accountability):

In addition to learning, evaluations help hold the Grants accountable to stakeholders, including the donors, their taxpayers, and citizens of the countries where the Grants are implemented.

While all evaluations contribute to building a body of knowledge and sharing it, the emphasis on learning and accountability varies between different evaluations.

For evaluation purposes to be met, the FMO must:

- ensure that the content of the evaluation programme and the subsequent Terms of Reference frame and guide evaluations in a way that produces new knowledge;
- facilitate access to relevant information;
- ensure that relevant stakeholders are involved throughout the evaluation process; and
- disseminate evaluation findings and recommendations to the relevant stakeholders in an open and timely manner.

3. Evaluation function

Evaluation is distinct from other functions in the oversight spectrum, such as financial and compliance audit, whereas there are commonalities between evaluations and programme performance audits. Evaluation differs also from monitoring, which is part of FMO's programme management responsibility.

The evaluation function establishes an open and self-reflecting culture with the objective of continually improving the setup and implementation of the EEA and Norway Grants¹. It feeds into management and decision-making processes and makes an essential contribution to managing for results, by informing the planning, programming, budgeting, implementation and reporting cycle. It aims to improve the achievement of results, optimise the use of resources, and maximise the impact of the Grants' contribution.

The FMO submits to the FMC an annual evaluation plan and budget² for approval. The plan is prepared in consultation with relevant internal and external stakeholders. The annual plan includes a short explanation of each planned evaluation's purpose, scope and estimated budget. Together with the annual plan for approval, the FMO submits, for information, a tentative plan for the following calendar year.

Both the evaluation function of the FMO and individual evaluations should be adequately resourced, and budgets should be commensurate with ambitions.

¹ This encompasses the Regulations, the accompanying Guidelines, guidance documents, the totality of the Grants-funded interventions, and the related processes.

² The budget for evaluations commissioned by the FMO is a dedicated budget line in the FMO administrative budget.

4. Evaluation principles

FMO evaluations comply with the following mutually reinforcing core principles, in line with OECD's guidelines.

Credibility. Evaluations are grounded in objectivity, openness, and rigorous methodology. Credibility is enhanced when impartiality is maintained across all stages of the evaluation process.

Independence. The principle of independence has both ethical and structural dimensions. The evaluation process is free from undue political influence and/or organisational pressure. Evaluation is free from undue influences that distort or bias the conduct of the evaluation process or the findings and recommendations it generates. Evaluators are independent from the entity (or entities) being evaluated, including its policy, operations and management functions, as well as intended beneficiaries.

Utility. Evaluations must be relevant and timely to organisational learning, decision making, and accountability for results. Evaluations are designed, conducted and reported to meet the needs of the intended users. Conclusions, recommendations and lessons are clear, relevant, targeted and actionable so that the evaluation can be used to achieve its intended learning and accountability objectives.

Transparency. The evaluation findings and recommendations are presented in an accessible format and systematically disseminated internally and externally for learning and follow-up actions and to ensure transparency.

5. Reporting to the FMC

Based on the final report of each evaluation, the FMO prepares a memo and a response to each recommendation addressed to the FMO, stating explicitly whether the FMO agrees or disagrees with it and which action it plans to take to follow up. Such a memo is submitted to the FMC within a reasonable time following the completion of an evaluation. The FMC makes the final decision on which recommendations to follow up.

Annex to the Evaluation Mandate and Policy: Evaluation Process

For each evaluation, the FMO prepares the Terms of Reference in consultation with the relevant stakeholders, selects the Contractors, and is responsible for the quality assurance of the evaluation process and deliverables.

To conduct evaluations, the FMO selects a Contractor (evaluation team) in accordance with FMO procurement procedures and rules in place at any given time. The members of the evaluation team possess a mix of evaluative skills and thematic knowledge. Gender balance is considered, and the team includes local experts where relevant. The selected Contractor gets access to all relevant information sources in the FMO.

The Contractor delivers a draft inception report that outlines the methodologies and timeframe of the planned evaluation. The methodology includes specification and justification of the design of the evaluation and the techniques for data collection and analysis.

Following data collection and analysis, the Contractor delivers a draft final report (and any other intermediate reports specified in the contract) within the time agreed in the evaluation contract. This draft is circulated for comments among relevant stakeholders, including the FMC, to correct any errors and misunderstandings. The Contractor addresses the comments in the final report.

The evaluation report answers all the questions detailed in the Terms of Reference for the evaluation. Where this is not possible, the Contractor provides explanations in the report.

The evaluation report explains any limitations in process, methodology or data, and discusses reliability and validity. It indicates any obstruction of a free and open evaluation process which may have influenced the findings. Any discrepancies between the planned and actual implementation and products of the evaluation are explained.

Any unresolved differences of opinion between the evaluation team and the stakeholders who provided comments to the draft report are acknowledged in the final report.

Based on the final report, the FMO prepares a memo and a response to each recommendation addressed to the FMO, stating explicitly whether the FMO agrees or disagrees with it and which action it plans to take to follow up. Such a memo is submitted to the FMC within a reasonable time following the completion of an evaluation.

Final evaluation reports are published unless otherwise agreed in the Evaluation Plan prior to commissioning an evaluation. Dissemination activities are carried out to communicate evaluation findings, recommendations, and lessons learned in a timely manner, using a variety of approaches to target different audiences.