INTRODUCTION

LuxDev's internal evaluation policy is built on the principles, criteria and terminology of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). The use of these internationally recognised standards guaranties the quality and allows the practices' harmonisation and alignment, in accordance with the aid effectiveness principles. It contributes to the goals of the Busan Partnership for effective Development Cooperation, in particular: (i) ownership of development priorities by developing countries, (ii) focus on results, (iii) transparency and accountability to each other. It facilitates both the comparison of evaluations in different countries and the implementation of joint evaluations.

This document aims to inform (i) on one hand LuxDev staff and evaluators on LuxDev's expectations towards evaluations and (ii) on the other external stakeholders who want to know the role that LuxDev assigns to evaluation.

LuxDev attaches a particular importance to evaluation. Indeed, the Luxembourg Development Cooperation strategy foresees to:

- strengthen its evaluation practices by increasing the use of innovative approaches to improve results and impact measurement as well as extension to joint evaluations with its partners;
- develop clear processes for capitalising on learning from evaluations and integrating findings and recommendations into future work.

Reference is also made to the Luxembourg Ministry of Foreign and European Affairs' (MFEA) evaluation policy, version 2015.

AIM

- **improving the quality of our work:** the concern for a continuous improvement is part of LuxDev's culture. The evaluation is a key element in a quality management system. It is an essential tool enabling us to reflect on our actions and look at them critically, in order to better advance thereafter. Evaluation helps to learn lessons and to identify good practices. It allows the Agency to learn, to capitalise and thus to strengthen its knowledge management system;
- **providing information on our work's effectiveness:** the effectiveness of Development Cooperation is a major issue. The evaluation provides the Agency with the necessary information to communicate evidence to the donors and the general public on results achievement and in meeting its obligation to be accountable. The evaluation thus allows the Agency to be credible and the Luxembourg Development Cooperation to meet its international commitments;
- **enhance transparency and mutual accountability:** whatever approaches, methods and instruments we use for our interventions, the achievement of outcomes is a shared responsibility between LuxDev and its counterparts. The evaluation is a time to take stock and strengthen dialogue.

GUIDING PRINCIPLES

The guiding principles are as follows:

- **systematisation:** The evaluation process forms an integral part of the Agency's management, and the convention signed with the Luxembourg government, foresees that, unless agreed otherwise between the parties, development cooperation actions are evaluated through independent evaluations, that usually take place at mid-term and at the end of an intervention;

- **impartiality and independence:** The Agency's evaluation process is piloted by the Evaluations, Quality and Knowledge Management (EQKM) Department. This department is independent of the programmes directorate and reports directly to the managing director. Its position within the Agency's organisational structure enables the EQKM department to carry out its work impartially and independently. This strengthens the evaluations' credibility and reduces the risk of conflict of interest. If the evaluation leads to differing views, they are collected, discussed and if necessary annexed to the evaluation report;

- **use of external experts:** LuxDev systematically uses consultants and consultancy companies to carry out evaluations and takes care, in particular, to make use of local experts within evaluation missions. This external view strengthens the impartial and independent nature of evaluations, and the presence of local experts contributes to the understanding of the local and regional context, as well as fosters local ownership of the evaluation;

- **partnership:** evaluation provides a special opportunity for exchange and reflection between all stakeholders of an intervention. It is a joint learning exercise. The counterparts' involvement in evaluations helps to promote an evaluation culture and to strengthen the skills and capacities in the partner countries. In order to move towards a shared responsibility, as far as possible, the Terms of Reference and draft reports are shared for review and comments with the counterparts or discussed/approved within the steering committee meetings (see also section on feedback). The projects or programmes share the reports final versions with the counterparts in partner countries;

- **feedback:** an evaluation is not an end in itself, but must be useful to both the counterparts and Luxembourg Development Cooperation's operational teams. At the end of every mission, a restitution is done to the counterparts, the project/programme, a representative of the Luxembourg MFEA (or other donor, if the funds do not come from Luxembourg) and any other technical and/or financial stakeholders. Evaluation reports are intended primarily to the steering committees and/or the intervention's coordinating mechanisms. Discussions based on the provisional reports take also place during a debriefing meeting attended by the head of mission organised in principle in Luxembourg by the EQKM department. In theory, representatives of the programme's directorate (programmes advisers and/or experts) as well as representatives of the MFEA (or other donor) attend these debriefings. The fact that the EQKM department is within the general management facilitates the dissemination and use of lessons learned within the Agency;

- **transparency:** a transparent policy and an appropriate communication of evaluation results are essential to the evaluations' utility. LuxDev's website gives information on the evaluations conducted by the Agency. The evaluation reports are available on the intranet and the executive summaries of the evaluation reports are published on the Agency's website. Access to the full report can be requested by email to the Agency (evaluations@luxdev.lu);

- **capitalisation:** as part of evaluation feedback, a form for the lessons learned and action points following an evaluation (AMC_11) is available for projects/programmes for the mid-term evaluations. The operational teams together with the counterparts do the follow up of the evaluation's recommendations. The conclusions and recommendations are discussed with the counterparts to determine what action will be taken and who will be responsible for its implementation. The lessons learned and the recommendations from the final evaluations are used and/or capitalised on one hand by the Headquarters' experts and on the other during the formulation of future interventions.

EVALUATION CRITERIA

The evaluation criteria are defined as follows in the glossary of key terms in evaluation and results-based management of the OECD-DAC:

- **relevance:** the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies;
- **efficiency:** a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results;
- **effectiveness:** the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance;
- **sustainability:** the continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

> **Note:** The impact evaluation, namely measuring the long-term effects arising from the development actions, relating to the development objective in the logical frameworks, does not form an integral part of LuxDev's evaluation system, but is the responsibility of the MFEA.
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> However, LuxDev is flexible to adjust the analysis to the requirements and requests of other donors.

- cross-cutting aspects:
  - gender equality,
  - governance for development,
  - environment and climate change.

These cross-cutting issues, to which Luxembourg Development Cooperation attaches a special importance, are assessed in all evaluations and are systematically evaluated in depth if they have been defined as "principal" objective (marker 2) or "significant" (marker 1) in the technical and financial document (cf. Quality Manual FOR_36 rules for applying OCDE-DAC markers).

- application of the principles of aid development effectiveness:
  - measures taken to place capacity strengthening at the heart of the project/programme,
  - measures taken for harmonisation and alignment,
  - measures taken to ensure the partnership - ownership,
  - mutual accountability.

Every evaluation will in particular analyse to what extent these fundamental principles of the agenda on development effectiveness have been taken into account in the formulation and the implementation of the development action.

INTERNAL INDEPENDANT EVALUATION

LuxDev realises only independent internal evaluations. It is important to recognise that independence does not mean isolation. The operational teams (Programmes advisers, chief technical advisers, technical assistants, resident representatives, counterparts, etc.) as well as the Programme Directorate experts give their comments on the terms of reference and the draft evaluation report. The arbitration is done by the general director, who signs also the contracts within his signature threshold.

In principle, LuxDev systematically carries out intermediary evaluations (conducted in principle at mid-term) and final evaluations. The operational evaluation modalities are laid down in the technical and financial document. Depending on the changing context during implementation, the modalities may be adjusted by mutual agreement between the Luxembourg government (or other donor) and the Agency.

As part of the programme/sectorial approach, joint evaluations conducted with other agencies and/or donors, should be privileged if possible. Considering the principles of ownership and alignment, an evaluation can also be delegated to the counterpart responsible for the execution of a programme (in most cases a technical ministry).

In these cases, LuxDev's procedures and documentation do not apply. Through dialogue and support-advice, LuxDev will ensure that these evaluations are carried out in accordance with the internationally recognised standards.

INTERACTION WITH EXTERNAL EVALUATIONS

The external evaluations are piloted by the MFEA:

- strategic evaluations during or at the end of an intervention for a programme or indicative cooperation programme identification;
- mid-term review of the indicative cooperation programme;
- sectorial or thematic evaluation, country evaluations possibly carried out jointly with other donors;
- meta evaluations[1];
- ex-post evaluations[2];
- impact assessments;
- etc.

Internal and external evaluations have different but complementary goals. External evaluations typically use the results of internal evaluations. It is therefore important that there is close cooperation in the programming of the two types of evaluation.

Furthermore, there is an increasing focus on joint evaluations. The participatory nature of the evaluations plays an important role and fully engages/commits the different partners throughout the process while still guaranteeing independence and impartiality.

FUNDING

Internal evaluations are funded through the intervention budgets (projects and programmes). External evaluations are funded by the MFEA. For joint exercises, shared funding is made.

THE RECRUITMENT OF THE EVALUATORS

A special procedure makes the services acquisition uniform and fluent (ACQ_37). Tools and models exist model for terms of reference, briefing checklist, model for evaluation report, model for tender dossier, etc.

This procedure is not mandatory in cases where LuxDev delegates the evaluation to its partner or in case of joint evaluations with other agencies or donors. As part of a joint exercise directed by the MAEE, the Ministry's procedures apply.

QUALITY

The quality of the reporting and of the terms of reference is ensured through the standardisation as well as the critical review, on the one hand by the operational teams and on the other by the experts from the programme's directorate. The head of the EQKM department ensures the evaluation consistency and independence and the general director arbitration, if necessary.

As part of the initial training provided to the field staff (technical assistant, chief technical adviser, etc.), a discussion session on monitoring and evaluation is foreseen. This allows the Agency to inform staff about the internal evaluation policy, to strengthen skills as well as to exchange with project/programme staff on the subject.

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1 Evaluations designed to aggregate findings from a series of evaluations (according to the glossary of key terms in evaluation and results-based management, OECD-DAC).

2 Evaluation of a development intervention after it has been completed (according to the glossary of key terms in evaluation and results-based management, OECD-DAC).

DEFINITIONS

- **evaluation:** 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 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 (according to the glossary of key terms in evaluation and results-based management, OECD-DAC);

- **monitoring:** A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds (according to the glossary of key terms in evaluation and results-based management, OECD-DAC);

- **knowledge management:** the knowledge management is a conscious strategy aimed at getting the right knowledge to the right people at the right time, and helping people share and put information into action in ways that strive to improve organisational performance. Knowledge management needs to focus on creating a culture of knowledge-sharing and learning (according to the glossary for knowledge management of the Swiss Agency for Development and Cooperation);

- **capitalisation:** the knowledge capitalisation is the creation of a knowledge heritage. Capitalisation seeks to capture and formalise knowledge in order to better preserve and promote their dissemination and use (as defined by the public research centre Henri Tudor, Luxembourg).

REFERENCE DOCUMENTS

- *stratégie générale de la Coopération luxembourgeoise au développement - en route pour 2030*;

- *politique sur les évaluations, 2015, La Coopération luxembourgeoise*;

- *convention entre l'État du Grand-Duché de Luxembourg et l'Agence luxembourgeoise pour la Coopération au développement « LuxDev »*;

- evaluating development Cooperation, summary of key norms and standards, second edition, 2010, OECD-DAC network on development evaluation;

- glossary of key terms in evaluation and results-based management, OECD-DAC;

- guidance for managing joint evaluations, DAC Evaluation Series, OECD;

- *orientations relatives à la gestion des évaluations conjointes*, 2006, OCDE;

- evaluation feedback for effective learning and accountability, 2001, OECD;

- Paris declaration on aid effectiveness, 2005;

- Accra agenda for action, 2008;

- Busan partnership for effective development Cooperation, 2011;

- glossary for knowledge management and capacity development of the Swiss Agency for Development and Cooperation, referring to Probst, Raum, Romhardt: *Wissen managen. Wie Unternehmen ihre wertvollste Ressource optimal nutzen, Frankfurter Allgemeine Zeitung GmbH, Frankfurt am Main*, 1997; W&F.