**Annex 4 - UNCDF Strategic Framework 2018 – 2021: Evaluation Plan**

1. Introduction

UNCDF is required under its Evaluation Policy to establish a ‘multi-year evaluation plan that is aligned with its strategic plan, and a biennial costed programme of work for evaluation concurrent with its overall evaluation budget’.[[1]](#footnote-1)

This Annex describes the broader objectives that the evaluation function in UNCDF is expected to meet over this period as well as the main approaches that will be followed to achieve these objectives.

It also describes UNDCF’s plans for continuing its partnership with UNDP’s Independent Evaluation Office, the continued participation of its Evaluation Unit in the United Nations Evaluation Group and other international initiatives in development evaluation, as well as collaboration where possible with its key development partners in the design and implementation of its evaluations.

It concludes with a proposed indicative Evaluation Plan for the period 2018 - 2021.[[2]](#footnote-2)

2. Evaluation in the Strategic Framework 2018 - 2021

In its Strategic Framework, UNCDF makes clear its intention to continue to conduct external independent evaluation of selected key programmes and projects at the mid-term and final points of implementation. It also commits to working with partners to undertake thematic and impact evaluations that consider the long-term effects of finance on the lives and livelihood of women, and more broadly, the development of the communities in which they live.[[3]](#footnote-3)

The Strategic Framework and its accompanying Integrated Results and Resources Matrix (IRRM) and Theory of Change establish a very clear framework for evaluation in UNCDF, setting out a series of key expected results at the impact, outcome and output levels and a series of impact pathways that UNCDF intends to follow – working closely with its implementing partners - to achieve those results. In turn, UNCDF programmes and projects are designed using theories of change and results frameworks specific to the intervention and the context in which the intervention is being rolled out.

Taken together, this constitutes a rich and dynamic set of expected results, partnerships and broader assumptions that are fertile ground for any evaluation plan that seeks to validate and explore further the development results being reported by individual programmes and projects, as well as the relevance and appropriateness of UNCDF’s thematic and strategic focus more generally.

3. Type of evaluation proposed

The Evaluation Plan below includes fifteen evaluations: twelve programme and project evaluations and two thematic evaluations to be conducted by UNCDF’s Evaluation Unit during the course of the next Strategic Framework.[[4]](#footnote-4) The seven programme and project evaluations that are scheduled for 2018 and 2019 have been costed. Budgets for the remaining evaluations will be confirmed during implementation of the Plan.

*Project and programme evaluations*

These twelve evaluations will cover many of the major global thematic initiatives that UNCDF is currently implementing, continuing the trend under the 2014 – 2017 Evaluation Plan where evaluations were planned for all Global Thematic Initiatives which in 2017 constituted 58% of the budget of all of UNCDF’s total programmes and projects. Measured more specifically as a proportion of UNCDF’s current and projected programme and project portfolio, the twelve evaluations will represent a projected evaluation coverage of around 35%; when an additional thirteen evaluations of UNCDF’s work as part of broader joint programmes by UN partners – most notably UNDP - are added, this takes the projected evaluation coverage of UNCDF’s work in the 2018 – 2021 period close to 75%.

In proposing the evaluations included below, UNCDF applied a number of lenses. First, it carefully reviewed existing commitments to evaluation contained within programme documents agreed with UNCDF’s partners and funders. Second, UNCDF sought to ensure that evaluations would support strategic reflection on progress in implementing its Strategic Framework, and that the evaluations would capture the results of a representative cross-section of programmes and projects to be implemented by the UNCDF’s two Practice Areas over the coming four years. Finally, the choice of evaluation was also made in recognition of the partnership nature of a number of UNCDF’s interventions with the proposed evaluations intended to yield information on the results of UNCDF’s work with a number of UN partners, most notably: UNDP (in the case of PFIP, CleanStart, and DRC Actif); UNDP and UN Women (in the case of IELD), and UNHCR (in the case of the Financial Inclusion for Forcibly Displaced Persons project).

Methodologically speaking, the evaluations proposed combine elements of both outcome and process evaluation. These are intended not only to validate and further explore results at the level of UNCDF’s direct partner organisations, but also to assess programme contributions to system and market development in the development sectors in which UNCDF intervenes as well as - where appropriate – impacts on the livelihoods of men and women, girls and boys at the programme beneficiary level.[[5]](#footnote-5)

*Thematic and impact evaluation*

UNCDF appreciates the interest from its partners to understand better the longer-term effects of its development interventions, both in terms of the quality and results of the direct partnerships that UNCDF is supporting, as well as the longer-term effects of these partnerships on i) the policy and market systems that it is seeking to influence and ii) on the lives of the beneficiaries that are impacted by these changes, especially women and the communities in which they live.

As stated in the Strategic Framework, UNCDF will actively seek to cooperate with interested partners to finance and conduct at least two thematic evaluations that would address the following two questions:

* UNCDF’s performance in supporting the move from innovation to scale and the effects of its interventions at the broader policy and market systems level over time across the organization;
* UNCDF’s performance in making finance work for poor, under-served and vulnerable populations, especially women and youth in the LDCs and the effects on the lives and livelihoods of women and the development of communities in which they work;

These evaluations will be designed in line with relevant international good practice such as the recently published CGAP guidance on *Measuring Market Development[[6]](#footnote-6)* in inclusive finance (to which UNCDF contributed) and which provides guidance on how best to design the evaluation of complex systems such as those that UNCDF is seeking to influence.[[7]](#footnote-7)

UNCDF will also explore the commissioning of more targeted thematic evaluations around the performance of key UNCDF development instruments – such as its Local Development Fund or its cross-practice diagnostic tools – over a longer-term period. These evaluations could focus on the broader effectiveness and impact of these instruments, including elements of *ex post* evaluation: i.e. the extent to which development results are sustained over time once UNCDF programmes have come to an end.

4. Evaluation and Research

In addition to the evaluation activities proposed in the Plan, UNCDF will continue over the period of this Strategic Framework to maintain its focus on development research activities as a way to generate additional information on the results and impacts of its work. This will be complementary to the evaluation results being generated under the Evaluation Plan under the responsibility of the Evaluation Unit.

Examples of such initiatives – to be conducted where appropriate with the support of the Evaluation Unit – include, for example, current work by the UNCDF/UNDP Pacific Inclusive Finance Programme (PFIP) to develop a tool to measure and validate the impacts on customer behaviour from the use of digital financial services in a similar way to the approaches adopted by well-known research approaches.[[8]](#footnote-8) UNCDF plans to explore the adoption of this tool across other digital financial services (DFS) programming in 2018 - 2019, as well as the possibility of developing a similar tool for capturing the effect of savings on women’s and girl’s economic empowerment.

In the field of local development finance, the Evaluation Unit will support the ongoing work on structural transformation of least-developed country economies, including the importance of local fixed capital formation and local fiscal space for transformative development and how to measure this in a meaningful way. The Evaluation Unit will also support the wider research on the interface between space, location and development – which is at the heart of the local development finance approach.

More generally, UNCDF will continue to actively track and remain informed by the results of key research and evaluation from its broader policy and research peer networks such as those commissioned by the international financial institutions, or research universities that are working in the same areas as UNCDF.

5. Collaboration with UNDP’s Independent Evaluation Office (IEO) and other external partners

In line with the UNDP Evaluation Policy, to which UNCDF is party, UNCDF greatly appreciates its partnership with the Independent Evaluation Office from which it receives support and guidance on evaluation quality and approaches, as well as – where relevant -  additional evaluation coverage in areas where UNDP and UNCDF are working closely together.  To this end, and as a complement to the findings emanating from its own evaluation function, UNCDF will continue to seek - wherever appropriate – inclusion of its joint work with UNDP in the IEO’s Independent Country Programme Evaluations, as well as IEO thematic evaluations that touch on areas of UNCDF specialization.

With a view to ensuring the transparency of UNCDF’s evaluation results, UNCDF will continue in line with its commitments under the Evaluation Policy to present the key evaluation results and activities of its evaluation function in the IEO’s Annual Report on Evaluation to the Executive Board. This report will also include the results of the systematic external assessment by the IEO of every completed UNCDF evaluation before its publication on UNDP’s Evaluation Resource Center in line with UN norms and standards for evaluation. Finally, the IEO will conduct, and finance 50% of, the final evaluation of UNCDF’s Strategic Framework 2018-2021 which will inform the drafting of UNCDF’s subsequent planning framework.

With a view to maximizing the relevance and utility of its evaluation work, UNCDF will also continue – wherever possible – to work with its development partners in the design and conduct of its evaluation programme. This can take the form, for example, of joint evaluations such as the mid-term evaluation of the *Making Access to Finance More Inclusive for Poor People* programme in Lao PDR[[9]](#footnote-9) that was commissioned in direct support of a broader country evaluation being conducted by Australia’s Department of Foreign Affairs and Trade in 2016. It could also include participation in the evaluation itself – such as the evaluation of UNCDF’s *Local Development Support Programme* in Niger also in 2016 - in which government officials from the Ministry of Decentralisation of Niger participated as members of the evaluation team in the data collection part of the exercise. UNCDF will also seek to ensure – where appropriate – coverage of its work in relevant UNDAF evaluations looking *inter alia* at the quality of cooperation between UNCDF and other UN partners.

Finally, and as in previous years, UNCDF’s Evaluation Unit will continue to support actively the work of the United Nations Evaluation Group from which it will seek guidance and support in implementing its evaluation plan in line with UN norms and standards for evaluation. It will also continue to build partnerships with other entities in the international system working on topics of interest and relevance to UNCDF, such as the evaluation offices of the international financial institutions, OECD expert working groups on measurement as well as regional evaluation associations such as the European Evaluation Society. Taken together, this will help ensure that UNCDF’s methods and approaches to evaluation remain up-to-date and relevant to the task of effectively evaluating the development objectives that UNCDF has committed to in its Strategic Framework.

6. Proposed evaluation plan 2018 – 2021

The table below presents the indicative evaluation plan for the period 2018 – 2021 which was drawn up on the basis of the process described above.

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| **UNCDF EVALUATION PLAN 2018 - 2021**  |
| **Year** | **Project Title** | **Country / Region** | **Programme Duration** | **Practice Area** | **Type of Evaluation** | **Start Date** | **End Date** | **Budget** |
| 2018 | Shaping Inclusive Finance Transformations (SHIFT) SAARC | SAARC | 2016-2021 | FIPA | Mid-Term Programme Evaluation  | Q4 2018 | Q2 2019 | 100,000 |
| 2018 | IELD | GTI | 2016 - 2021 | LDFP | Mid-Term Programme Evaluation  | Q4 2018 | Q2 2019 | 100,000 |
| 2019 | Uganda/Development Initiative in Northern Uganda | Uganda  | 2017-2022 | LDFP | Mid-Term Project Evaluation  | Q3 2019 | Q1 2020 | 70,000 |
| 2019 |  Programme de renforcement des capacités institutionnelles des collectivités (PRCIC) | Burundi | 2013-2018 | LDFP | Final Project Evaluation  | Q4 2019 | Q2 2020 | 80,000 |
| 2019 | Pacific Financial Inclusion Programme (PFIP)  | GTI  | 2014 - 2018 (likely extension - 2020) | FIPA | Final Programme Evaluation  | Q4 2019 | Q2 2020 | 100,000 |
| 2020 | LoTUS | GTI | 2018-2022 | LDFP | Mid-Term Programme Evaluation  | Q1 2020 | Q3 2020 | TBC |
| 2020 | Municipal Finance Programme | GTI | 2015 - 2020 | LDFP | Mid-Term Programme Evaluation  | Q2 2020 | Q4 2020 | TBC |
| 2020 | CleanStart  | GTI | 2012-2020 | FIPA | Final Programme Evaluation  | Q2 2020 | Q4 2020 | TBC |
| 2020 | BTCA  | GTI  | 2014 - 2020 | FIPA | Final Programme Evaluation  | Q1 2020 | Q3 2020 | TBC |
| 2020 | UNCDF’s performance in supporting its interventions move from innovation to scale and the effects of this on the broader market and policy systems in which it intervenes\* | UNCDF Global | 2014 - 2020 | Global | Thematic Evaluation | Q3 2020  | Q1 2021 | TBC |
| 2020 | Assessment of how UNCDF makes finance work for women and girls and the effects of this on their lives and livelihoods\* | UNCDF Global | 2014 - 2021 | Global | Thematic Evaluation | Q4 2020 | Q2 2021 | TBC |
| 2021 | DRC Actif  | Congo  | 2017-2021 | FIPA | Final Project Evaluation  | Q1 2021 | Q3 2021 | TBC |
| 2021 | Financial Inclusion for Forcibly Displaced Persons programme | GTI  | 2018 - 2022 | FIPA | Mid-Term Programme Evaluation  | Q1 2021 | Q3 2021 | TBC |
| 2021 | PoWER | GTI | 2018 - 2022 | FIPA | Mid-Term Programme Evaluation  | Q1 2021 | Q3 2021 | TBC |
| 2021 | Independent Evaluation of UNCDF’s Strategic Framework | UNCDF Global | 2018 - 2021 | Global | Thematic Evaluation | Q2 2021 | Q3 2021 | 100,000+ |

\* *Conduct of these evaluations will be contingent on UNCDF finding partners willing to help finance them*

*+ Co-financed by the UNDP IEO*

1. <http://web.undp.org/evaluation/policy.shtml>, Point 55 (c) [↑](#footnote-ref-1)
2. It should be noted that in line with the requirements of the Evaluation Policy, the first two years of the Plan are costed. Depending on the size of UNCDF’s portfolio and its success in raising resources to implement the broader objectives of the Strategic Framework, however, the content and focus of the Plan may change. [↑](#footnote-ref-2)
3. UNCDF Strategic Framework 2018 – 2021, point 103. [↑](#footnote-ref-3)
4. A third thematic evaluation – the Independent Evaluation of UNCDF’s Strategic Framework – will be conducted by UNDP’s Independent Evaluation Office in 2021. [↑](#footnote-ref-4)
5. Such evaluations are designed using theory – based techniques which require evaluation consultants or firms commissioned by UNCDF’s Evaluation Unit to validate or reconstruct programme theories of change and then hone in through targeted evaluation questions on specific expected results and the ‘how’ and the ‘why’ these results are being achieved (or not) during the evaluations themselves. Evaluation teams are expected to fully respect good practice in the conduct of international development evaluation, including the need for transparent, triangulated data collection and systematic assessment of programs’ performance in supporting gender equality and the empowerment of women. In recent external assessments, the appropriateness of the design and conduct of these evaluations has been validated with scores of either ‘satisfactory’ or ‘highly satisfactory’ by UNDP’s Independent Evaluation Office. [↑](#footnote-ref-5)
6. http://www.cgap.org/sites/default/files/Technical-Guide-Measuring-Market-Development-Oct-2017\_0.pdf [↑](#footnote-ref-6)
7. For example, to evaluate the impact of the types of intervention UNCDF is supporting on market and policy systems, the guidance emphasizes the importance of using theory-based approaches to measure changes at the system level overall while leaving open – resources permitting - the option for experimental or quasi-experimental evaluation design for more targeted evaluation questions, where it is possible to establish from the outset of an intervention a credible counter-factual control group that can be tracked over time alongside the treatment group.

 [↑](#footnote-ref-7)
8. For example, PFIP is currently working with a research firm: Bankable Frontier Associates that is well known for its previous work on financial diaries tracking changes in the behaviour of the recipients of financial inclusion services over time. [↑](#footnote-ref-8)
9. http://www.uncdf.org/article/948/mid-term-evaluation-of-the-making-access-to-finance-more-inclusive-for-poor-people-mafipp-migration [↑](#footnote-ref-9)