



REDUCING DISPARITIES | STRENGTHENING COOPERATION

Results Guideline

Rules and Guidance on How to Design, Monitor and Evaluate Programmes, Manage Risks, and Report on Results

Adopted by the Financial Mechanism Committee on 9 February 2017

TABLE OF CONTENTS

| | |
|--|-----------|
| I. INTRODUCTION..... | 1 |
| II. ABOUT THE EEA AND NORWEGIAN FINANCIAL MECHANISMS..... | 2 |
| III. RESULTS-BASED MANAGEMENT..... | 3 |
| 1. What is results-based management? | 3 |
| 2. Why results-based management? | 3 |
| 3. What are results? Figure 1: Results chain..... | 4 |
| 4. What is intervention logic?..... | 4 |
| 5. What is the link between results and risks? | 5 |
| 6. How to measure results..... | 5 |
| 7. Attributing results..... | 6 |
| 8. The programme model of the EEA and Norwegian Financial Mechanisms 2014-2021 | 6 |
| IV. RESULTS-BASED MANAGEMENT THROUGH THE PROGRAMME CYCLE . | 8 |
| Programme preparation phase..... | 9 |
| 1. Prepare the concept note..... | 9 |
| 2. Develop the results framework | 15 |
| 3. Develop a risk assessment and mitigation analysis | 26 |
| 4. Enter into programme agreement | 30 |
| Programme implementation phase | 31 |
| 1. Identify potential projects | 31 |
| 2. Conduct monitoring..... | 35 |
| 3. Report on progress/results..... | 39 |
| 4. Evaluate programmes..... | 41 |
| Programme completion | 47 |
| V. ANNEXES..... | 48 |
| 1. Glossary of results-based management terminology..... | 48 |
| 2. Results framework template | 50 |
| 3. Checklist for results frameworks | 51 |
| 4. Mandatory risk assessment and mitigation analysis template | 52 |
| 5. Suggested monitoring plan template/example | 53 |
| 6. Suggested monitoring report template..... | 54 |
| 7. Mandatory evaluation plan template..... | 55 |
| 8. Suggested template for terms of reference for evaluations | 56 |

I. INTRODUCTION

With reference to the Regulations on the implementation of the European Economic Area (EEA) Financial Mechanism and of the Norwegian Financial Mechanism 2014-2021 ("the Regulations"), this Guideline defines how to manage for results and risks in the planning, implementation and completion of programmes under these funding mechanisms.

The primary objective of this Guideline is to ensure that the relevant stakeholders – National Focal Points (NFPs), Programme Operators (POs), Donor Programme Partners (DPPs), project promoters, donor project partners, and staff of the Financial Mechanism Office (FMO) secretariat – are provided with the detailed rules and obligations to complement the Regulations, and to assist them with recommendations in designing, implementing and reporting on programmes.

This Guideline is complementary to the Regulations. In case of conflict between this Guideline and the Regulations, the provisions of the Regulations shall prevail.

After having studied the Guideline, you should be able to:

1. Understand the main concepts of results-based management
2. Design the intervention logic (results framework) for a programme
3. Identify and analyse risks and decide appropriate mitigating actions
4. Harmonise calls for proposals with the programme's intervention logic
5. Monitor, report, and evaluate programme results

Highlighted rules are indicated by **!**

References to the Regulations are placed in speech bubbles



A new information system (GRACE – Grants Administration and Collaboration Environment) is currently under development. Once the system is operational, all mandatory templates provided or referenced in this Guideline (such as the Concept Note template, the results framework template, the risk assessment and mitigation analysis template, etc.) will be integrated into it, allowing (and requiring) the National Focal Points and Programme Operators to make submissions through the system.

Until the system is ready, the National Focal Points and Programme Operators shall use the downloadable versions of the templates provided or referenced by this Guideline.

II. ABOUT THE EEA AND NORWEGIAN FINANCIAL MECHANISMS

Through the EEA and Norwegian Financial Mechanisms (FMs), Iceland, Liechtenstein and Norway work closely with 15 EU Member States in Central and Southern Europe and the Baltics (beneficiary states)¹ to help **reduce social and economic disparities** and **strengthen bilateral cooperation**.

The priority sectors and programme areas funded in the period 2014-2021 reflect the priorities set out in the EU '[Europe 2020](#)' strategy – the European Union's ten-year growth strategy for smart, sustainable and inclusive growth – and the 11 thematic objectives set out in the EU's cohesion policy. Support to these sectors is, thus, aimed at contributing to sustainable growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion.

EEA and Norwegian Financial Mechanisms 2014-2021

For the funding period 2014-2021 an amount of €2.8 billion is available for 15 beneficiary states. The funding is spread over the following five priority sectors:

- 1) Innovation, Research, Education and Competitiveness
- 2) Social Inclusion, Youth Employment and Poverty Reduction
- 3) Environment, Energy, Climate Change and Low Carbon Economy
- 4) Culture, Civil Society, Good Governance, and Fundamental Rights and Freedoms
- 5) Justice and Home Affairs

This funding period builds on the successes of the 2009-2014 period and reinforces the results and risk approach introduced in that period.

The programme development process has been improved to ensure a clearer focus on the particular challenges experienced in each beneficiary state. Strategic planning and involvement of all relevant stakeholders in programme design contributes to better complementarity and synergies between the funding from EEA and Norwegian FMs and other funding resources in the beneficiary states. This increases the impact of the FMs and ensures their more effective and efficient use.

The priority sectors and programme areas for the period 2014-2021 have been streamlined and the EEA and Norwegian FMs now focus on identical priority sectors and programme areas (with the exception of the Social Dialogue - Decent Work programme area). There is a commitment to further strengthen bilateral and international cooperation.

Bilateral cooperation will be ensured through donor partnerships both at programme and project levels, as well as through substantial bilateral funds set aside in each of the beneficiary states. Moreover, international partnerships with organisations such as the Council of Europe (CoE), the Organisation for Economic Cooperation and Development (OECD) and the EU Fundamental Rights Agency (FRA) will bring expertise and added value to cooperation in relevant areas.

¹ Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia.

III. RESULTS-BASED MANAGEMENT

Alice in Wonderland was told that, “If you don’t know where you’re going, any road will get you there.” This lack of direction is what results management aims to solve. It is about choosing a destination first, then deciding on the route, checking progress against a map and making adjustments, as required, in order to achieve the desired results.

1. What is results-based management?

Results-based management is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of the desired results. The approach focuses on achieving specified outputs and outcomes, measuring performance, learning and adapting, as well as reporting on achievements.²

Results-based management is:

- identifying and analysing the problem/issue that needs to be addressed;
- defining realistic expected results based on appropriate analysis;
- clearly identifying direct target group(s) and end beneficiaries;
- monitoring progress, including through appropriate indicators;
- reporting on the results achieved and resources used;
- identifying and managing risks;
- carrying out timely evaluations; and
- integrating lessons learned into decisions on programming.

2. Why results-based management?

The commitment to be results-oriented is grounded in the EEA and Norwegian Financial Mechanism Regulations for the funding period 2014-2021 (paragraph 4 of Article 1.3).

Result-based management looks beyond activities and outputs to focus on actual results: the changes created, and contributed to, by our programming. By establishing clearly defined expected results, collecting information to assess progress toward them on a regular basis, and taking timely corrective action, Programme Operators (as well as National Focal Points, and Donor Programme Partner) can manage the programmes in order to **maximise achievement of results**.³

Good results-based management systems are a source of knowledge capital. They enable governments and organisations to develop a knowledge base of the types of projects, programmes, and policies that are successful, and, more generally, what works, what does not, and why. In this context, they **promote organisational learning**.

Results-based management can also aid in **promoting greater transparency and accountability** within organisations and governments. External and internal stakeholders will have a clearer sense of the status of projects, programmes, and policies.

² For definitions of terminology, please see the [Annex 1](#) this Guideline.

³ Historically, public institutions focused their attention on inputs (what they spent), activities (what they did), and outputs (what they produced). Although accurate information at this level is important, this information was not sufficient to know whether or not they were making progress toward addressing the need they had set out to address.

3. What are results?

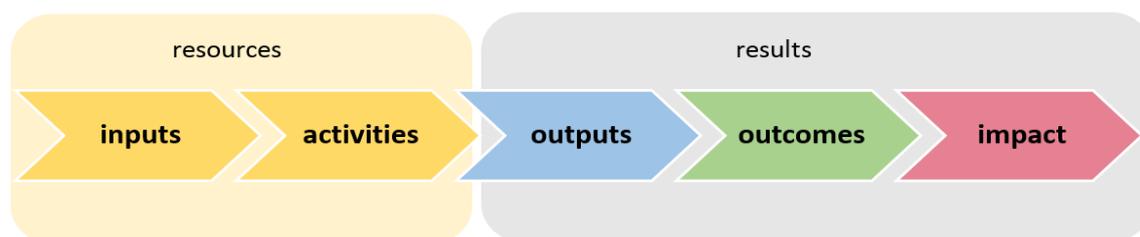


Figure 1: Results chain

A central element in results thinking is the “results chain” (figure above), which is an illustration of the anticipated causal relationship between resources and results over time. In other words, we are talking about a cause-and-effect relationship.

Resources: Inputs are the financial, human, material, technological and information resources used for interventions. Activities are the actions taken or work performed through which inputs are mobilized to produce specific outputs.

Results: In line with international standards⁴, we define a result as an *output*, *outcome* or *impact* of an intervention.

While the results chain shows the causal relationship between its elements over time, this does not imply a linear process only. Like all models, it represents a simplification of a complex reality in which many factors beyond the control of programme management may affect the results of the intervention, particularly at outcome and impact levels.

As outputs are normally possible to attribute directly to the programme activities performed, there is a tendency for programme managers to focus on activities and outputs in programme monitoring, while neglecting the monitoring of outcomes. However, it is generally accepted that outcomes represent the most important result level in results management.

Although it can be challenging to attribute improvements to the environment or to the wellbeing of a target group to a specific intervention, we should plan interventions so that the results achieved at output and outcome level are *likely* to *contribute* to a long-term effect on society/environment, beyond the direct target group identified.

What are results?

Results are the outputs, outcomes and impacts of an intervention or a programme.

Outputs are the products, capital goods and services delivered by a programme to the direct target group. Outputs are easy to attribute directly to the resources used and the activities performed.

Outcomes are the (short and medium-term) effects of an intervention’s outputs on the direct target groups or end beneficiaries.

Impact/objective is the long-term effects or changes of an intervention on society or the environment.

4. What is intervention logic?

Each programme is based on a hypothesis about how change is expected to take place. This hypothesis is commonly known as the intervention logic. The intervention logic is the story of how the inputs will be converted into programme activities, how activities will produce/deliver specific *outputs*, what effect those outputs are likely to have on the

⁴ [OECD DAC](#), [UNDG](#)

direct target group (*outcomes*), and in turn, which longer-term societal effects the outcomes can contribute to (*impact*). The intervention logic should be made as explicit as possible, and it should be apparent in the *results framework* – a more elaborate presentation of the results chain. It needs to be developed and outlined at the start of the programme cycle – prior to entering into the programme agreement.

It is important to ground an intervention logic in evidence. Evidence for sound intervention logic is often found in scientific literature, evaluation reports, stakeholder consultations, conference papers or assessments conducted by reputable institutions, such as the EU, OECD, the World Bank or the United Nations Development Programme to name a few. The more solid the evidence supporting an approach, the better.

5. What is the link between results and risks?

For all types of institutions (local or national government institutions, civil society organisations or businesses), the delivery of their objectives is surrounded by uncertainty. A risk is an event or circumstance that may affect the achievement of expected results. Risks are closely related to results and should consequently be analysed against the results framework of a programme. Risks that are not identified or managed can seriously jeopardise the success of a programme. Risks management, therefore, entails openness and communication between the National Focal Points, Programme Operators, project promoters, and the Financial Mechanism Office (FMO).

Because results and risks are closely related, sound results-based management entails active risk management, which is discussed in [IV.3](#).

6. How to measure results

In results and risk management, “quality at entry” is the key to obtaining quality in both results *measuring* and results *achievements*. This means that particular attention should be given to defining what we want to achieve, i.e. *relevant and realistic objectives* on all levels. This is described in further detail and illustrated with examples in section [IV.2](#).

Having identified clear objectives at each level of the results chain, we need to make sure that progress can be measured. Each outcome and its related outputs require one or more *indicators*. Indicators are a means to measure achievement, or to help assess a development. They must be specific, observable and come from reliable data. Indicators can be quantitative or qualitative, or both.

Knowing and describing the *baseline*, i.e. the present situation before an intervention begins, is essential to make credible and meaningful assessments on progress and achievements. Without knowing the starting point, we cannot measure progress.

Measuring and reporting on results should focus on the effects an intervention has had for the direct target group or end beneficiaries.

If an institution carries out an awareness-raising campaign, it is the effects of the campaign that count. While it is important to measure how many people were reached by the campaign (output), it is even more important to measure how many have increased their knowledge (outcome).

Taking it to an even higher level, we should capture any attitude or behavioural changes triggered by the campaign.

7. Attributing results

A challenge for results measurement in some sectors is that there is often a considerable time-lapse between the implementation of activities and the manifestation of effects on the direct target group(s) and end beneficiaries. Another challenge is the fact that funding from other sources might have invested in the same programme area, which makes it difficult to assess the degree to which results achieved can be attributed to the FM-supported interventions.

For example, if equality between women and men increases in a country, this cannot be wholly attributed to an intervention funded by the FMs. The challenge of linking an effect to a grant-supported initiative is generally referred to as the attribution problem. Evaluations and research can demonstrate, or at least give an indication of how much of the result may be attributed to one intervention. We encourage NFPs and POs to consider carrying out end-of-programme (ex-post) evaluations for every programme, to assess the contribution of the programme to the observed results. For this, it helps to think early about what data (evidence) you might need. See evaluation planning in section [IV.4](#).

8. The programme model of the EEA and Norwegian Financial Mechanisms 2014-2021

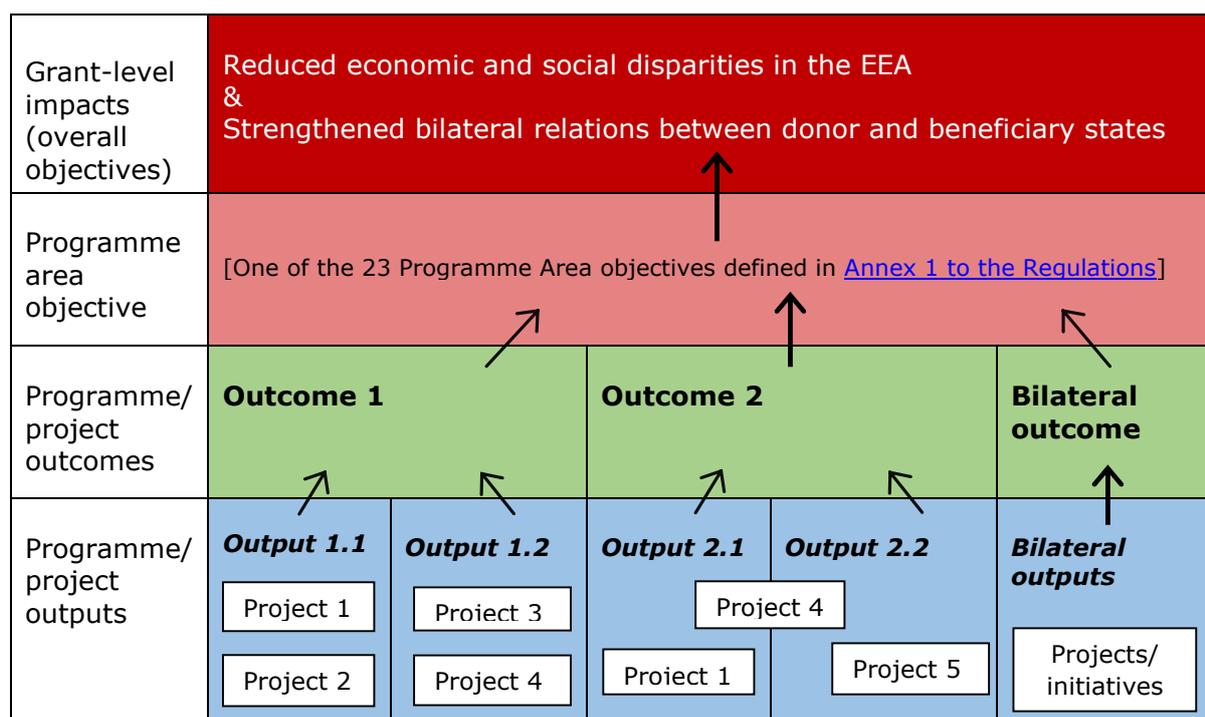


Figure 2: A schematic representation of the programme model (other project-level permutations are possible)

The Financial Mechanisms (FMs) employ the programme model. A **programme** is “a structure setting out a development strategy with a coherent set of measures to be carried out through projects⁵ with the support of the EEA/Norwegian Financial Mechanism 2014-2021 and aimed at achieving agreed objectives and outcomes.” (Art. 1.6 (o)).

In short:

- All programmes need to contribute to both overall objectives (impacts) of the EEA and Norwegian Financial Mechanisms 2014-2021):
 - Reduced economic and social disparities in the European Economic Area
 - Strengthened bilateral relations between donor and beneficiary states
- Each programme shall contribute to one of the 23 programme area objectives;
- Programmes can focus on a single programme area or alternatively they can combine a number of areas of support⁶ from various programme areas in an individual programme, as long as all projects and other measures under the programme contribute to the same programme area objective;
- Programmes that combine different programme areas shall adopt the overall objective of what is defined as the host programme area. Each ‘non-native’ area of support (borrowed from a programme area other than the host programme area) included in a programme shall be formulated as a separate outcome. In such cases, those separate outcome(s) inherit the programme area ‘specifics’ from the original programme area they belong to;
- Each project belongs to a programme and contributes to one or more programme outcomes. Each project delivers/produces one or more programme outputs;
- Each programme shall include the common bilateral outcome;
- All programmes funded by the FMs shall be based on the values and principles outlined in Article 1.3 of the Regulations;
- A **National Focal Point (NFP)** in the beneficiary state is responsible for the overall management of programmes in each beneficiary state. **Programme Operators (PO)** in the beneficiary state develop and manage the individual programmes agreed in that country.

⁵ A **project** is an economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls (Article 1.6. (t) of the Regulations).

⁶ Areas of support define what is eligible for support.

IV. RESULTS-BASED MANAGEMENT THROUGH THE PROGRAMME CYCLE

General implementation rules and responsibilities of the actors involved in the FMs are defined in the *Regulations*. In order to operationalise these responsibilities, this Guideline refers to the programme management cycle: how to integrate results and risk management into daily work, and how to fulfil the requirements of the Regulations.

The programme cycle consists of the following main steps and related tasks, with the tasks covered in this Guideline underlined.

| | |
|--|--|
| Programme preparation | <ul style="list-style-type: none"> - <u>Prepare the concept note</u> - <u>Develop the results framework</u> - <u>Develop a risk assessment and mitigation analysis</u> - <u>Enter into programme agreement</u> |
| Programme implementation and follow-up | <ul style="list-style-type: none"> - <u>Identify potential projects</u> - Selection procedures - Financial management - Irregularities - <u>Conduct monitoring</u> - <u>Report on progress and results</u> - <u>Evaluate programmes</u> - <u>Modify programmes</u> |
| Programme completion | <ul style="list-style-type: none"> - <u>Submit final report</u> |

Programme preparation phase

The Memorandum of Understanding establishes the framework for cooperation and includes, inter alia, the identification of programmes, including their main focus and objectives, as appropriate (Article 2.5.2 of the Regulation). On the basis of the MoU and the programmes identified therein, the Programme Operator develops a concept note defining the scope and planned results for each programme (Article 6.2.1 of the Regulation). The concept note template is Annex 5 to the Regulations, and available on the [Grants' website](#).

Costs related to developing the concept note are eligible under **Article 8.10.4** of the Regulations.

The Programme Operator carries out stakeholder consultations by involving the main relevant stakeholders (such as the relevant national authorities, civil society organisations and local government authorities) in developing the concept note. The Financial Mechanism Committee (FMC)/Norwegian Ministry of Foreign Affairs (NMFA) assesses the concept note and makes comments on it. Any comment made by the donors shall be taken into account in the programme's further preparation, which shall result in the finalisation of a programme agreement.

Figure 3 shows a simplified flowchart of the programme development process – from the Memorandum of Understanding to the Programme Agreement.

1. Prepare the concept note

The concept note shall define the scope and planned results of the programme. It shall be drafted by the Programme Operator (PO) in cooperation with the FMO and in consultation with relevant stakeholders, including – where relevant – Donor Programme Partners (DPPs), International Partner Organisations (IPOs) and Beneficiary State Programme Partners (BSPPs). The note shall include the justification and main features of the programme. It shall describe the expected contribution towards the FMs' overall objectives. It shall further outline how Programme Area specifics ([Annex I to the Regulation](#)), and concerns from the MoU and (where relevant) common values are integrated in the planning and implementation of the programme. This note shall also include a tentative overall budget as well as an overview and/or description of the programme's modalities (small grant schemes, pre-defined projects and/or financial instruments). The concept note submitted to the FMO shall not exceed 10 pages (including the cover page and annexes).

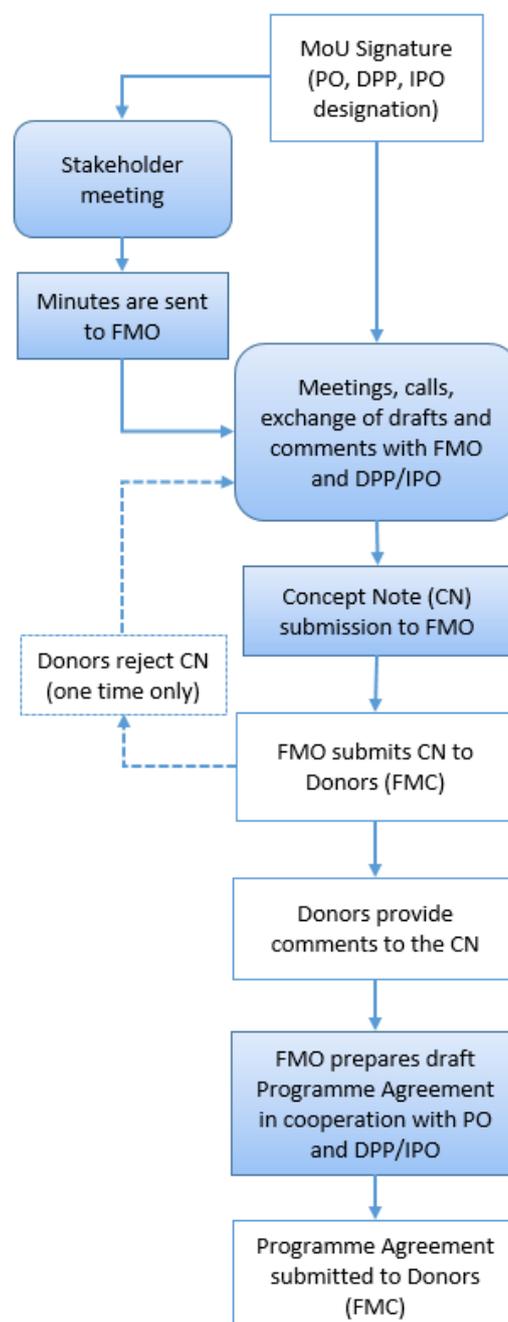


Figure 3: From the MoU to the Programme Agreement

Stakeholder consultations

The concept note shall NOT be prepared as a desk exercise, but shall be based on meaningful participation by the main relevant stakeholders, such as relevant academic institutions, national and sub-national authorities, private sector partners, international organisations and civil society organisations. Stakeholder consultations are crucial to identifying the needs and challenges that will be addressed by the programme.

The first step towards stakeholder consultations is the mapping of stakeholders. This shall be done in cooperation with the FMO/DPP/IPO/BSPP. Once the stakeholders have been mapped, they need to be invited to participate in designing the programme/concept note through one or more stakeholder workshops.

Stakeholder consultations shall be face-to-face, except in exceptional circumstances⁷. A consultation does not need to be large (up to 25 participants is the most manageable size).⁸

The scope of the consultation is defined by the relevant programme in the MOU and the relevant text in the Blue Book. The conclusions of the stakeholder consultation(s) shall feed into the Concept Note;

The objectives of the stakeholder consultation need to be clear and communicated ahead of the meeting(s). The general aim is to agree on the main problems to be solved by the programme and the possible solutions to those problems. Towards this:

- A common understanding of the Blue Book and MOU text is crucial;
- The FMO (relevant programme manager) shall be involved in the preparation of and be invited to all stakeholder consultations.

For more information on stakeholder consultations, see "Good practices" on page 11.

Programme description and justification

(a) Describe the problem/need the programme aims to address

The concept note shall clearly state and describe the issue(s) the programme aims to address:

- What is the problem/need the programme aims to address?
- What are the main challenges or barriers to addressing the problem/need?

The analysis of problems/needs guides the planning of programme activities. The identification of problems/needs is most reliable when undertaken in a participatory way, and when grounded on reliable evidence and research. It is important that Programme Operators take into account different groups, and consider both general and group-specific problems/needs. For example, men and women often experience problems in different ways, as do people of various age groups or ethnicities.

As relevant, briefly describe how the issue(s) addressed relate to EU and/or national policies and identify any funding gaps connected to the issue(s).

Stakeholder consultations



The Programme Operator shall involve the main relevant stakeholders (including relevant civil society organisations, and local government authorities) in the development of the concept note.

⁷ The PO should notify the FMO of any exceptional circumstances that might preclude or render unnecessary face-to-face stakeholder consultations. This shall be done prior to submitting the concept note so that both parties can agree on the way forward.

⁸ A stakeholder consultation does not entail a general public consultation.

Good practices on stakeholder consultations

General principles

- 1. Participation:** the most relevant stakeholders, including representative bodies are identified and consulted;
- 2. Openness and accountability:** the consultation process and its relation to the concept note is transparent to all involved;
- 3. Effectiveness:** stakeholders are consulted at a time when their views can still make a difference; proportionality and specific restraints are respected.

Minimum standards

- A. Clear content:** All communication and the consultation document itself are clear, concise and include all necessary information to facilitate responses;
- B. Timing:** there is sufficient time for the invited stakeholders to prepare and participate in the consultation (a minimum of 2 weeks);
- C. Feedback:** summary/minutes of the stakeholder consultation are sent to all participants.

- The PO produces and circulates a discussion paper prior to the consultation. The paper is agreed with FMO/DPPs/IPOs and includes an agenda, relevant MoU text, applicable Blue Book text, Concept Note template, any background information and key questions to be raised at the meeting;
- Information from prior consultations may be used, but only where it can be justified as directly relevant to the programme (e.g. to the programme scope and objective, to its outcomes, activities, modalities, bilateral ambitions or target groups).

The report on the stakeholder consultation(s) includes the following information:

| | |
|-------------|---|
| The process | <p>What was done in terms of consultation activities?</p> <p>Who was present and which institution/organisation did they represent?</p> <p>Does the input come from a meeting organised for this purpose or from prior consultations/process?</p> |
| The input | <p>Who contributed?</p> <p>What are their views and concerns?</p> <p><i>Input is grouped by common themes/points of view in order to avoid unnecessary repetition</i></p> |
| Assessment | <p>It is clear which contributions were NOT taken on board and why</p> |

(b) Describe how the problem/need will be addressed

A programme must be based on a clear understanding and specification of how any planned interventions are expected to lead to desired outcomes (solutions to the identified problem/need). This is often referred to as the intervention logic.

- What is the solution to the problem? How can the need be met?
- What are the expected/planned deliverables (outputs)?
- How will they bring about the expected outcome(s)?
- How will the outcomes contribute towards fulfilling the two overall objectives of the FMs?

Any proposed solution to solving the identified problem/needs should explicitly address the underlying assumptions and risks. How does one know that the proposed solution might lead to the desired results? What evidence (experience from similar programmes, theory or research findings) underpins the programme design? Providing evidence for the likelihood of success greatly strengthens the concept note.

(c) Specify the target group(s)

The success of most interventions depends on the changed behaviours of stakeholders. But these stakeholders, or direct target group, are not necessarily the ultimate beneficiaries of an intervention. For example, a local government entity (direct target group) might adopt and implement a local climate change adaptation strategy as a result of our programme, but the end beneficiaries of this changed behaviour are local people and the local environment. The PO shall specify:

- Which actors (groups, institutions) will the programme work with directly (the direct target groups)?
- Who will ultimately benefit from the improved practices by the direct target group (end beneficiaries)?

(d) Describe expected impact and sustainability

In this part of the concept note, you need to provide a short presentations of the expected (societal) impact of the programme. Later on in the concept note, you will be asked to present a full results framework for the program.

You should also comment on how the expected results of the programme will be sustained beyond the funding period.

(e) Address the common values and principles

Describe how the programme will contribute to the common values and principles as referred to in Article 1.3 of the Regulation.

In this section of the concept note, please refer to the specific mechanisms and safeguards the programme will have in place to ensure that programme design and implementation is done in harmony with the common values and principles, as appropriate.

Types of target groups

Direct target group: A target group the programme seeks to influence in order to achieve results for the end beneficiaries. In most cases, the direct target groups act as intermediaries between the programme and the end beneficiaries.

End beneficiaries: Individuals or groups expected to reap tangible benefits of an intervention. In service provision programmes, some outputs are delivered directly to the end beneficiaries. In that case, no intermediary target groups are necessary.

(f) Describe the concept note preparation process

Describe **the process** leading to the programme concept note, e.g. stakeholder consultations, feasibility studies, etc. Remember that all steps in developing the concept note should involve the main relevant stakeholders.

Bilateral ambitions

In donor partnership programmes, this section shall be prepared in close cooperation with the DPP(s). In Article 4.4 of the Regulation, the role of the Cooperation Committee is defined. Including a) advising on stakeholder consultation, b) advising on the preparation of the concept note c) advising on bilateral activities and possible project partners in the Donors States, as appropriate.

Article 6.2.1

Relevant entities in donor states (Donor Programme Partners) shall be involved already in the concept note stage.

The section shall describe how the programme will contribute to strengthening the bilateral cooperation

with the donor state(s). For example, will the programme address issues of mutual political interest? Will the programme lay foundations for long-term institutional cooperation in a given field? Will the programme ensure improved knowledge and mutual understanding between the donor and beneficiary states? In donor partnership programmes, the section shall also outline the role of the DPP, including the DPPs expected contribution to achieve the objectives of the programme.

The section shall, moreover, briefly describe any previous bilateral cooperation in the field, including between the PO and DPP(s) in previous Financial Mechanisms. Ambitions and strategies to ensure bilateral cooperation at project level shall also be described. Finally, this section shall indicate whether the programme intends to request funds from the Fund for bilateral relations and any preliminary priorities for such an allocation. *It is possible that some programmes are granted an allocation from the bilateral fund in the MoU. In such cases, this section of the concept note shall reflect the bilateral ambition for both the funds allocated in the MoU and potential funds awarded later.*

Further guidance on bilateral cooperation is provided in the Bilateral Guideline.

Cooperation with international organisations

Where applicable, describe how cooperation with international organisations – for example the [Council of Europe \(CoE\)](#), the [Organisation for Economic Cooperation and Development \(OECD\)](#), and the [EU Fundamental Rights Agency \(FRA\)](#) – will benefit the programme. What role will the international organisations play and what are the expected benefits of cooperation?

Modalities

The projects that make up the programmes are selected and implemented by way of various modalities. The modalities comprise of calls for proposals (general calls and small grant schemes), pre-defined projects, and financial instruments. The concept note shall provide a simple overview of the modalities to be included in the programme, including (but not limited to) their number (how many of each), planned amount per modality, and eligible project applicants.

In addition to the overview (in table form), the concept note shall include one annex per pre-defined project and/or financial instruments (as relevant).

Annexes:

Pre-defined projects (PDPs)

In cases of high political priority or other special concerns, the donor and beneficiary states can agree to pre-define a project (Article 6.5). Pre-defined projects can be identified in the MoU or in the programme planning phase. This annex (one per pre-defined project) shall include the project title, a short description of the background and justification for the project including reference to relevant national priorities and target groups, the objective and expected outcome(s) of the project, information on the project promoter and possible project partner(s), a timetable for implementing the project and a total budget and the planned contribution from the FM(s). If relevant, the description should also include the results of any prior feasibility studies. For projects not mentioned in the MoU, but added (as pre-defined) during the concept note development process, a clear justification must be provided for why a project needs to be pre-defined.

Financial instruments

Financial instruments can be identified in the MoU phase or the programme planning phase (Article 6.7). Please fill in the required information in the template provided, one annex per financial instrument, including a short summary of and a link/reference to any ex-ante assessment establishing evidence of market failures or suboptimal investment situations in relation to the programme area.

Grant rate and budget

For guidance on budgeting, please consult the Financial Guidance.

2. Develop the results framework

A crucial part of the concept note is the results framework. In fact, in programme design, results frameworks are typically prepared first. They form the basis for the narrative text later. At the concept note stage, POs are required to submit a somewhat simplified version of the results framework with additional elements to be finalised prior to entering into Programme Agreement. A [sample results framework](#) for a fictional programme is included in this Guideline.

A results framework is an explicit articulation (a summary in the form of a matrix) of the results expected from a particular intervention. The results specified typically comprise the longer-term objectives (predefined for the particular programme area chosen) and the outcomes and outputs that precede and lead to those longer-term objectives. The results framework shall capture the essential elements of the logical and expected cause-effect relationships among outputs, outcomes, and impact (programme area objective).

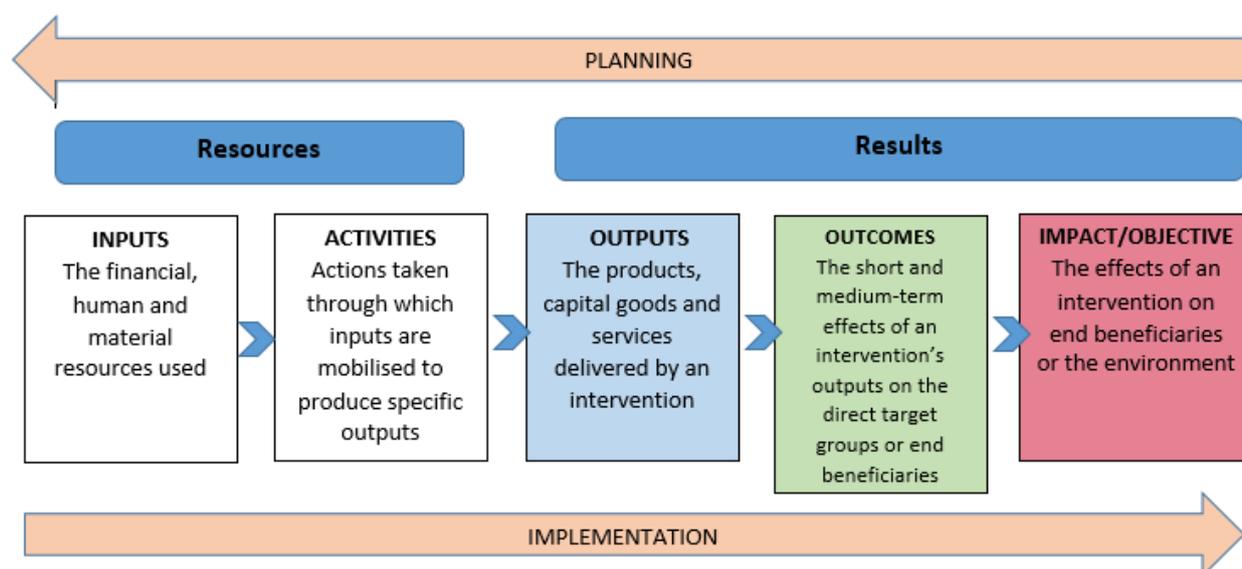


Figure 4: Results chain: planning vs implementation

Unlike implementation, which happens from the left to the right, designing a programme is done from the right to the left. In other words, one backtracks from the impact through outcomes to outputs and activities. In the FMs, the impact-level objective is predefined for each programme area. Rotating Figure 4 90 degrees counter-clockwise turns it into a simplified results framework – Figure 5.

| | Expected programme results |
|-------------------------|----------------------------|
| Impact/Objective | |
| Outcome 1 | |
| Output 1.1 | |
| Output 1.2, etc. | |

Figure 5: Simplified results framework

(a) Define programme outcome(s)

Outcomes are the short and medium-term effects of an intervention’s outputs on the direct target group or end beneficiaries. Outcomes are not under the direct control of a programme/project.

! An outcome statement shall avoid phrases such as “improved through” or “supported by means of” – the mechanism of change should, instead, be evident from the outputs planned to achieve the outcome.

An outcome statement shall:

- use a verb expressed in the past tense, such as ‘improved’, ‘strengthened’ or ‘increased’, in relation to a process or institution.
- contain only one goal
- be formulated as an end state

A single programme should normally not have more than four outcomes. Remember that each ‘non-native’ area of support (borrowed from a programme area other than the host programme area for the programme) needs to be captured by a separate outcome. For rules on bilateral outcome, see [Bilateral results and indicators](#).

Table 1: Examples of outcomes

| Weak/bad outcome | Why is it weak/bad? | Better outcome |
|---|---|--|
| Contribute to building the capacity of the police to investigate gender-based violence through targeted training | Not formulated as an end state, but as a process Includes the means (targeted training) to achieve the desired result (increased capacity) | Increased capacity of the police to investigate gender-based violence <i>or</i> Increased quality of domestic-violence police investigations |
| In cooperation with Norwegian partners and relevant government agencies, open the windows of opportunity for Roma in Brno | Too abstract—does not specify the change sought Includes the modality of implementation (partnerships) | <i>Will depend on the focus of the programme. Some possibilities:</i> Roma population in Brno enjoys equal access to health services. <i>or</i> Reduced unemployment among Roma in Brno |
| Increased awareness and practice of [subject] by households. | Includes multiple goals (awareness AND practice), making it complicated to measure, as one could be accomplished without the other one. The two separate goal here are at different levels – awareness will inevitably precede the practice. | <i>Separate into two outcomes:</i> Increased awareness of [subject] among households <i>and</i> Households practice [subject] more |

From target groups to outcomes

Few, if any, individuals and groups will be in the programme's sphere of control. Many more will be in its sphere of influence – people that cannot be controlled, but can be influenced. These people are the **direct target group** of the programme. Finally, there are the **end beneficiaries** of the programme. In some cases it will not be possible to reach them directly, while in others it will.

Once the direct target groups have been identified, expected results (at outcome level) should be defined for them. There are two types of situations, however, in which outcome statements should (also) be developed for the end beneficiaries:

1) In programmes with a short time lag between the changed behaviour of the direct target group and the achievement of tangible benefits for the end beneficiaries (such as in the example below);

2) In service delivery programmes, where the beneficiaries are the direct target group.

All the defined outcomes should logically lead to the expected impact (objective).

EXAMPLE: In a programme about Roma children's access to primary education, the implementing institution may be an educational NGO. The activities the NGO implements will be to convince the parents to send their children to school. At the same time, the supported NGOs may also try to influence local authorities or schools to put in place an incentive scheme for Roma children attending school.

In this example, the Roma children are the end beneficiaries of the programme, while the parents, the local authorities and the local schools involved in the programme are the direct target groups. Given the short time lag between the parents' changed behaviour/local authorities' incentive scheme and the benefits for the children, the following outcome would capture the end change: More Roma children attend primary school.

(b) Define outputs for each outcome

Outputs are the products, capital goods, and services delivered by an intervention. They must be achieved with the resources provided and within the time frame specified. Since outputs are the most immediate results of programme/project activities, they are usually within the greatest control of the implementing organisation. It is important to define outputs that are likely to make a significant contribution to the achievement of the outcomes. There needs to be a logical link between the outputs and the corresponding outcome. For *information on bilateral* outputs, see [Bilateral results and indicators](#).

Outputs generally include a noun that is qualified by a *verb* describing positive change. For example:

- Study of environment-poverty linkages *completed*
- Police *trained* in understanding gender violence
- National, participatory forum *convened* to discuss draft anti-poverty strategy

Table 2: Examples of outputs

| Weak/bad output | Why is it weak/bad? | Better formulated output |
|--|---|--|
| Assistance | Not specific enough | <i>Will depend on the programme. For example, could be:</i> Weekly pro-bono legal aid sessions provided |
| Law on minority representation passed | Not within the sphere of control of the programme – this is an outcome, not an output | <i>Depends on the intervention logic. Could be:</i> Written input to the draft law on minority representation submitted |
| Training of judges and an upgraded IT system | Includes two distinct outputs | <i>Separate into two outputs:</i> Training of judges completed IT system upgraded |

Avoid circular logic

The output-to-outcome logic is the heart of any programme. State it clearly. Circular logic weakens the programme design. Avoid restating the outputs as the outcome, using slightly different wording.

For example, “Capacity building to institution X provided” (as output) and “Strengthened capacity of institution X” (as outcome), is a repetition. It says you are going to achieve what you are going to achieve. Following this logic, the purpose of strengthening the institution is to have a strong institution. The only real justification for strengthened institutional capacity can be to improve its performance, i.e. what the institution delivers – the actual outcome of the programme.

Even though POs are not required to submit their risk assessment and mitigation analysis with the concept note, it is a good practice to identify and analyse risks before moving on to developing indicators. For instruction on how to do so, see section [IV.3](#).

(c) Develop indicators for each outcome and output

Indicators are signposts of change along the path to development. They describe the way to track the intended results and are critical for monitoring and evaluation. Good, relevant indicators are a critical part of the results framework.

Indicators can be either quantitative or qualitative. **Quantitative indicators** are variables that measure results in one or several of the following terms:

- Number
- Percentage
- Rate (example: birth rate—births per 1,000 population)

- Ratio (example: sex ratio—number of males per number of females)

Qualitative indicators reflect people’s judgements, opinions, perceptions and attitudes towards a given situation or subject. They can include changes in sensitivity, satisfaction, influence, awareness, understanding, attitudes, quality, perception, dialogue, or sense of well-being. Most qualitative indicators can be expressed in quantitative (numerical) terms (Proportion of people/ employees/ group who express high level of satisfaction with..., etc.).

Binary indicators denote the presence or absence of the measurement variable with a simple ‘yes’ or ‘no’. For example, ‘paternity leave provision included in the parental leave policy’ could be an outcome indicator where the reported value is simply ‘yes’ or ‘no’.

A minimum of one indicator per outcome or output is required, but normally, you will need to develop a set of different indicators to measure a concept, especially at the outcome level. As you will need to monitor the achievement of the indicators, keep in mind the time and resources required to do so. Few, but relevant indicators are better than many, but less relevant indicators.

Output indicators measure the quantity and quality of goods or services purchased, supported or delivered directly by the programme (and its projects). They measure the progress of programme implementation and can be used for accountability of programme funding – they show what has been directly supported or purchased via the programme’s activities and funds. Output indicators normally begin to show a value other than zero early on in the programme implementation phase.

Outcome indicators, on the other hand, may take some time to show any change due to the time lag required to see the effects of the outputs purchase/delivered/produced.

When submitting updates on achievements of indicators that use percentage as their unit of measurement, Programme Operators should submit (to the extent they have access to this data) the numerator and the denominator used to arrive at the percentage. The information system will calculate the percentage automatically based on these.

Formula:

$$\frac{\text{2}}{\text{4}} = \text{50\%}$$

N
P

where,

N = Numerator, D = Denominator, P = Percentage



An indicator shall always be expressed in neutral terms, not indicating the direction of change (increase or decrease), nor embedding a target.

For example, “An increase of 30% in the percentage of domestic violence cases prosecuted,” should be reformulated to “Percent of domestic violence cases prosecuted.” The direction (increase) will be evident from comparing the baseline (25%, for example) with the target (32.5%, for example).



Relevant indicators shall be disaggregated by: sex, age, and minority status, as appropriate. Appropriateness will vary by programme area. For example, indicators in programmes targeting youth unemployment will need to capture age, while a programme on environmental protection would not necessarily do so.

One of the available mnemonic tools for assessing the quality of indicators is **CREAM**:

Clear: indicators should be precise and unambiguous

Relevant: indicators should be appropriate for the concept they are measuring

Economic: indicators should be able to be obtained at a reasonable cost

Adequate: indicators should provide sufficient information on performance

Monitorable: indicators should be amenable to independent validation

Units of measurement

To avoid any confusion about what is being measured, the results framework template (in the Programme Agreement) requires you to make explicit the unit of measurement for each indicator. Examples of units of measurement are: number of people, volume of CO₂, percentage of people, level of satisfaction on a scale of 1-5, etc.

Disaggregating indicators

Indicators measuring average values are useful for measuring the overall progress of a country or an intervention, and for comparing the general situation in certain sectors and countries. However, average values tend to mask significant differences between socio-economic groups and geographical regions, as well as gender disparities. As far as possible, therefore, indicators should be disaggregated.

For rules on bilateral indicators, see [Bilateral results and indicators](#).

Table 3: Examples of indicators

| Expected result (outcome) | Weak/badly formulated indicator | Why is it weak/bad? | Better formulated indicator |
|---|--|--|--|
| Reduced acceptance of bribery | Acceptance of bribery reduced among general population | It is formulated as an expected result, not an indicator. The unit of measurement is not clear. Provides the direction of change (reduction) | Level* of acceptance of bribery among general population. <i>*to be measured by a survey on a pre-defined scale</i> |
| Increased active citizenship | 30% increase in volunteering among youth in Thessaloniki. | Embeds the target (30%) Provides the direction of change (increase) Does not define (provide age range) "youth" | Percent of youth (ages 15-25) who have volunteered at least once in the past 12 months |
| More progressive attitudes towards gender-based violence among general population | Evidence of changed attitudes towards gender equality | Does not define the variable. What constitutes evidence? | Share of population in support of the Law on Domestic Violence <i>*this would presumably be collected via a survey</i> |
| Increased access to renewable energy in Region X. | Percent of households in region X with access to renewable energy and with improved energy efficiency in primary dwelling. | It sets out to measure multiple variables (access to renewable energy AND improved energy efficiency). The first variable is relevant to the expected results, while the second one is not. | <i>Separate into two indicators and keep only the relevant one</i> Percent of households with access to renewable energy. |

Core indicators

For the 2014-2021 Financial Mechanism, some core indicators have been developed to be tracked wherever relevant. Core indicators measure aggregated results for specific areas of high political interest for donors. A core indicator can be sector-specific or cut across sectors. Note that not all priority sectors or programme areas are covered by/have a core indicator. A core indicator shall always be used with its standard wording and must be applied to all programmes where it is relevant to use.

! Programmes shall use indicators from the list of core indicators whenever relevant. "Whenever relevant" means that, for example, if a programme supports the production of renewable energy, the corresponding core indicator "Additional renewable energy produced" is applicable. The list of core indicators can be found in the Results Reporting Guide for FM 2014-2021.

Milestones

Milestones are key steps in the programme which have to happen before implementation really gets underway. The use of milestones, where relevant, can help track programme implementation. Milestones can also highlight key risks which need to be taken into account in risk planning and management.

Most programmes, for example, include open calls for projects. One milestone associated with open calls is that the call has been published, and another one that the projects have been selected. In a programme which includes public procurement processes, a milestone could be that all the procurement contracts are signed, or all the procurement processes are complete. Another example of a milestone would be that all the necessary environment or building permits have been obtained, where a programme is supporting construction activities, or work in sensitive environmental areas

! POs shall draw up a list of milestones for their programmes and submit them to the FMO prior to signing the programme agreement. They shall report on and update the milestones through the Annual Programme Report and/or Interim Financial Report.

Bilateral results and indicators in programmes

Each programme shall contribute to both objectives of the Financial Mechanisms. This entails that the results framework for each programme covers the results of bilateral cooperation. In each programme, the PO – in cooperation with the DPP – shall include the **common bilateral outcome** ("Enhanced collaboration between beneficiary and donor state entities involved in the programme") and define the output(s) for it. For the outcome and each output, the PO should define indicators.

A list of bilateral outcome indicators can be found in the Results Reporting Guide for FM 2014-2021. Any/all of these shall be included in the results framework when relevant, in addition to the three core indicators which are marked as bilateral and are mandatory for all programmes. The PO may add other indicators, if necessary.

An indicative list of bilateral output indicators can be found in the Results Reporting Guide for FM 2014-2021. The PO may use them as appropriate, in addition to adding other relevant bilateral output indicators.

Keep in mind that the more indicators a programme has, the greater the monitoring burden.

(c) Assign a baseline value and target value for each indicator

The **baseline** is the situation before the start of an intervention – the reference point for measuring change.

In the FM2014-2021 no baseline values are required for output indicators, as all of them should automatically be set to zero. This way, the programme only measures and reports on the products and services (outputs) delivered during the implementation period.

It is a requirement to provide baseline values for all outcome indicators⁹, as appropriate. POs must first ascertain if secondary data that provide information about the situation are already available. If this is the case, there is no need for separate data collection. Oftentimes, governmental statistical agencies, local government units, universities, and NGOs produce administrative data, reports and evaluations relevant to the programme areas the FMs support. This secondary data should be used whenever possible. If the available data does not measure the variable set forth in your outcome indicators, or measures it at a different level (national vs. local, for example), POs will most likely need to conduct (or commission) a baseline study.

Expenditure related to collecting baseline data is eligible under the programme management costs, as **Article 8.10.4.a** allows for expenditures directly related to the preparation of the programme including the development of the programme design, the results framework.

If baseline data exist prior to the start of a programme, additional data collected over the life of the programme must be collected in a consistent manner in order to facilitate comparisons. For example, consider the drop-out rate for girls 16 and under. If baseline data are obtained from the Ministry of Education, the programme should continue to collect these data from this same source, ensuring that the data collection methodology remains the same.

Targets are specific indicator values to be attained within a specific period (normally from programme start to final year). They serve as guiding posts for gauging whether implementation is proceeding as planned. Setting targets for indicators has often been identified as one of the main challenges in results-based management.

! It is a requirement to provide baseline values for all outcome indicators, as appropriate. If not available prior to the start of the programme, **baseline values may be collected within 12 months of entering into programme agreement.**

A natural tension exists between the need to set realistic targets and the value, from a motivational perspective, of setting targets ambitious enough to ensure that staff and stakeholders will stretch to meet them; when motivated, people can often achieve more than they imagine.

⁹ **Output** indicators tell us what we got for our programme money, what we bought/procured, what services we directly provided, such as training, shelters, or scholarships. Output indicators, in other words, help us measure the progress of implementation of the programme. **Outcome** indicators, on the other hand, measure the effects of the programme on the target groups. This could be improved performance of an institution (e.g. Percentage of convicts who receive alternative criminal sentences) or an improvement in wellbeing of the target group (e.g. Secondary school completion rate among Roma girls).

Table 4: Examples of targets

| Indicator | Baseline | Target | What's wrong? |
|---|-----------------|---------------|--|
| Share of renewable energy in industry | Very low | Increased | Baseline/target not specific enough |
| Rate of employment among women | 570 876 | 700 000 | Baseline/target not in same unit of measurement as indicator |
| Percent of Roma in Region X with at least secondary education | 18% | 100% | Target is unrealistic. |

Targets can be based on:

1. **Historical trends:** What pattern of change has been evident in the past five to ten years on the performance indicator? Is there a trend, upward or downward, that can be drawn from existing reports, records, or statistics?
2. **Expert judgments:** Another option is to solicit expert opinions as to what is possible or feasible with respect to a particular indicator and country setting. Experts are knowledgeable about the programme area and local conditions. They will be familiar with what is and what is not possible from a technical and practical standpoint.
3. **Research findings:** Similarly, reviewing literature, especially research and evaluation findings, may help in choosing realistic targets. In some programme areas, extensive research findings on development trends are already widely available.
4. **Stakeholder expectations:** It is also useful to get input from stakeholders regarding what they want, need, and expect. What are the expectations of progress? Direct target groups can be especially useful in developing realistic targets.
5. **Achievement of similar programmes:** Benchmarking is the process of comparing or checking the progress of other similar programmes. It may be useful to analyse progress of other agencies and partners, to understand the rate of change that can be expected in similar circumstances.

Sample results framework

| Programme area (PA) | Results | Expected results | Indicators | Unit of measurement | Baseline values | Baseline year | Target values |
|---------------------|----------------------------|---|--|-----------------------------|-----------------|---------------|---------------|
| PA19 | Programme Objective | Improved correctional system (in Country X). | | | | | |
| PA19 | Outcome 1 | Increased use of alternative sentencing by judges | Share of sentences for criminal offenders that are non-prison sentences | Percent | 5% | 2015 | 15% |
| | Output 1.1 | Manual on alternative sanctions for criminal offenders developed | Number of manuals for judges distributed | Number | 0 | 2015 | 2000 |
| | Output 1.2 | Training for judges on alternative sanctions provided | Number of trainings for judges on alternative sanctions held | Number | 0 | 2015 | 65 |
| | | | Number of judges trained on alternative sanctions | Number | 0 | 2015 | 1000 |
| PA19 | Outcome 2 | Improved conditions for prisoners | Share of inmates in prisons with Council of Europe standards of infrastructure | Percent | 26% | 2015 | 60% |
| | | | Level of satisfaction of prisoners with prison services | Scale (1-5) (average score) | 2.34 | 2015 | 3.5 |
| | Output 2.1 | Prison infrastructure upgraded | Number of prisons upgraded in line with Council of Europe standards | Number | 0 | 2015 | 5 |
| | Output 2.2 | Job skills training provided to inmates | Number of prisons with job skills training offered | Number | 0 | 2015 | 15 |
| | | | Number of prisoners who received job skills training | Number | 0 | 2015 | 3000 |
| Bilateral | Outcome 3 | Enhanced collaboration between BS and DS entities involved in the programme | Level of trust between cooperating entities in BS/DS (on a scale) | Scale (1-5) | 2.7 | 2016 | 4 |
| | | | Level of satisfaction with the partnership (on a scale) | Scale (1-5) | 0% | n/a | 4 |
| | | | Share of cooperating individuals who apply the knowledge acquired from bilateral partnership | Percentage | 0% | n/a | 59% |
| | Output 3.1 | Exchange between judges in Country X and Norwegian judges facilitated | Number of judges from Country x participating in the exchange | Number | 0 | 2015 | 150 |
| | | | Number of judges from Norway participating in the exchange | Number | 0 | 2015 | 75 |
| | | | Share of participating judges who acquired new knowledge through the exchange | Percentage | 0 | 2015 | 75% |

3. Develop a risk assessment and mitigation analysis

Before entering into Programme Agreement, a risk assessment and mitigation analysis must be developed and agreed upon (Article 6.3.1). This section provides guidance on how to develop such a plan. The Risk Management Strategy further outlines the principles, responsibilities and process for managing risk.

Article 5.6.1 (h) and (i) discusses the Programme Operator' responsibilities related to risk management.

Taking a closer look at the results framework, we can see that the cause and effect relations between outputs and outcomes, and between outcomes and programme objective (impact) are conditional. If all holds well, we can expect that we will get the results that we want at the end. This means that we (implicitly) make a number of assumptions.

A **risk** is an event or circumstance that may negatively affect the achievement of expected results. An **assumption** is a condition necessary for the success of a programme. An assumption is a positive way of describing a risk, and a risk is a negative way of describing an assumption. For example, consider a risk in a programme providing training to judges.

Risk = Judges may not be interested in attending training.
 Assumption = Judges will be interested in attending trainings.

Assumptions and risks can be internal or external factors. Internal factors are the things we have under control. External factors are influences from outside of our control on the programme.

(a) Identify risks

[The extended results framework template](#) can help you identify the risks and the assumptions you make at each level of the results framework.¹⁰

Below is a simplified illustration of how to identify assumptions/risks and present it within a results framework.

| | Assumptions/Risks |
|--|---|
| Objective <div style="border: 1px solid black; padding: 5px; display: inline-block;">THEN this objective is possible</div> | |
| Outcome <div style="border: 1px solid black; padding: 5px; display: inline-block;">THEN this outcome. IF this outcome</div> | <div style="border: 1px solid black; padding: 5px; display: inline-block;">AND this assumption holds true</div> |
| Output <div style="border: 1px solid black; padding: 5px; display: inline-block;">THEN this output. IF this output</div> | <div style="border: 1px solid black; padding: 5px; display: inline-block;">AND this assumption holds true</div> |
| Activities <div style="border: 1px solid black; padding: 5px; display: inline-block;">IF these activities take place</div> | <div style="border: 1px solid black; padding: 5px; display: inline-block;">AND this assumption holds true</div> |
| N.B. activities are not part of the results framework for the FMs | |

¹⁰ Although assumptions and risks are not formally a part of the concept note template, a programme's design and ultimate success will benefit from early consideration of assumptions and risks. It is therefore recommended to use the extended results framework template, even in the early phases of programme design.

Figure 6: Analysing assumptions/risk using the results framework

Starting at the bottom of the results framework:

- Which assumptions have you made that might affect the production/delivery of a particular output? What are the risks that might arise if those assumptions do not hold true?
- Which assumptions have you made that might prevent the outputs from having the desired effect (outcome) on the direct target group? What are the risks that might arise if those assumptions do not hold true?
- Which assumptions have you made about the expected outcomes that might have consequences on your contribution to the programme objective? What are the risks that might arise if those assumptions do not hold true?

Completing this column in the results framework should be your first step towards identifying the most important risks – which is the first step in drafting your risk assessment and mitigation analysis.

(b) Categorise risks

Once the risk have been identified and formulated, place them in the mandatory [risk assessment and mitigation analysis template](#) according to the category to which they belong: programmatic or operational. Table 4 provides a description of the types of risks that fall into each of the two categories. The list is not exhaustive, nor will all programmes have all of the types of risk listed.

List each risk on a separate line. Risks should be described in concrete terms. For example, instead of listing 'human resources' as a risk, you should describe what about the human resources might negatively affect the programme objective, such as 'lack of adequate staffing'.

It might be tempting to list all the risks identified in the previous step. This is not necessary. Instead, focus on the risks which you deem to have the highest likelihood/consequence.

Table 4: Risk categories

| Programmatic risks |
|---|
| Risks related to inadequate programme/project strategy or processes, technological issues, obtaining permits, and/or lack of time for proper implementation. |
| Risks related to the influence of policy/legislation (or the lack thereof), or of the political and economic situation on the implementation of the programme/projects. |
| Risks related to improper strategies put in place to reach the bilateral objective, including using bilateral funds, and actively involving donor state entities (DPPs and dpps). |

Operational risks

Risks related to the systems to monitor, measure and communicate results, and/or the POs' ability to attract, develop and/or retain the right staff in adequate numbers.

Risks related to the deviations from key fiduciary principles of: economy, efficiency, effectiveness, integrity, openness/ transparency, fairness and accountability. Includes risks related to improper or poorly defined procedures or excessively burdensome controls. Also includes risks related to favouritism, including in selection processes (open calls and public procurements).

(c) Analyse and score risks

For each programmatic and operational risk, the likelihood of its occurrence as well as the potential consequence should be determined. The risk level is the combined assessment of the likelihood that risk factor is realised and the consequence of the realised risk. The FMs use a four level scale of likelihood and consequence as indicated below.

Table 5: Risk scoring

| | Scores | | | | |
|------------------------------------|--------|----------------------|-----------------|---------------|-----------------------|
| Criteria | n/a | 1 | 2 | 3 | 4 |
| Likelihood of occurrence | n/a | Very unlikely | Unlikely | Likely | Almost certain |
| Consequence for programme outcomes | | Minimal | Moderate | Serious | Very serious |

Risk rating is perception based, and often involves subjective judgement. As far as possible, the rating should be based on the analyses on evidence, facts and objective data. It is useful to check and/or discuss the rating with others.

When analysing and scoring *consequence*, it is important to evaluate how significant each risk can be to the achievement of the expected results, e.g. to what extent the risk may cause that the whole programme to fail.

Analysing and prioritising risks is a forward-looking exercise. The initial risk assessment should take into account the entire period of the agreement. However, for each subsequent update, risk assessment shall focus on the upcoming year.

! The risk assessment and mitigation analysis shall be updated once a year, to be submitted together with the Annual Programme Report.

Analysis methods include, but are not limited to: brainstorming, scenario analysis, workshops and statistical analysis.

Based on the chosen likelihood and consequence, the risk management template will automatically calculate the overall score for each risk. The template includes automatic

colour coding, helping you visually assess the risks you have identified and scored. The colour coding scheme is also known as the “heat map.”

If a particular risk has an overall score of 4 (almost certain likelihood and very serious consequences), the programme needs to be redesigned in a way that decreases either the likelihood or the consequences of that risk.

(d) Choose and describe risk response

The next steps define and describe which type of risk response to implement. There are four main strategies to consider:

- *Avoid/Terminate:* Redesign or terminate (parts of) the programme or project. For instance, suspend payments in order to clarify issues that may represent risks.
- *Transfer/Share:* Share risk with other partners/funders, pass the impact of the risk to a third party.
- *Accept:* Accept the risks without any mitigating actions, but monitor and manage if the risk level increases. Taking risk is sometimes necessary e.g. in order to reach important policy objectives (the consequences of not taking the risk may be higher than the consequences of not doing anything), or because the mitigating actions required to reduce the risks are not cost-effective. Accepting major/critical risks should always be documented and justified, discussed in a frank and open manner between the beneficiary states and the donor states. It is typically low-level risks one would choose to accept.
- *Mitigate:* measures and actions to reduce likelihood or consequences. This is the most common risk response, especially with major risks. Mitigating actions are defined as concrete activities required to reducing either the likelihood or the consequences of a specific risk. Mitigating actions should always be related to the specific risk they are intended to address, and must not be presented in general terms.

Article 5.6.1 (h)
Programme Operators shall assess the risks to the effective implementation of the programme and its results and taking appropriate action.

Certain mitigating actions are embedded into the FM’s legal framework and procedures, principally through the Regulations, and apply in all programmes and situations. They are procedures put in place in advance, and they generally address risks that have been identified from the start and which are considered as potential risks in all Beneficiary countries.

Risk management

As risks are potential threats to the achievement of planned results, Programme Operators need to pay careful attention to the risks identified in the programme development stage. Mitigating measures should as far as possible be incorporated in the regular work plans of the programmes or projects.

This way, risk management can become part of the daily working routines. Often, the mitigating measures involve costs that must be integrated in the budgets and are subject to approval. In parallel to the monitoring of progress towards results, changes or modifications in the programme’s environment may lead to new risks arising, or to major

! A management and control system shall include mechanisms for results monitoring.

risks disappearing. If any new risks are identified, or changes in circumstances occur, then these must be reassessed and added to the risk mitigation plan submitted in the Annual Programme Report and to work plans/budgets.

The Regulations foresee risk management responsibilities for National Focal Points (country-level) (Article 5.3.3.) and Programme Operators (programme-level) (Article 5.6.1 (h)). Formal reporting on risk management will take place once a year via the Strategic Report/Annual Programme Report. However, the donors may request further updates as appropriate.

Managing and monitoring risks in a systematic, methodological way ensures that we are concentrating on the most important risks (not too many, not too few), and that the work to reduce these risks is kept up to date.

4. Enter into programme agreement

On the basis of the concept note and the Donors' comments to it, the FMO shall prepare a draft programme agreement setting out the terms and conditions of the programme, as well as the roles and responsibilities of the parties.

At this stage, supplementary information including, but not limited to, a risk assessment and mitigation analysis, information related to the management of the programme and a communication plan will be requested in order to finalise the programme agreement.

The process of drafting of the programme agreement is to be carried out in close cooperation with the NFP and the PO, as relevant. The time foreseen for this process is up to 6 months from the submission of the concept note. The process leading to a draft programme agreement shall address all comments provided by the donor states, and discuss and clarify all issues regarding the operation of the programme. Once all issues are agreed upon, the finalised draft Programme Agreement will be submitted to the donor state. The donor states might reject the programme in cases where a mutual agreement has not been reached. When approving the programme, the donor states may decide to set conditions and/or require modifications to the draft programme agreement.

Programme implementation phase

1. Identify potential projects

The programme model is designed to better focus efforts and to ensure more targeted support. Programme Operators are tasked with awarding funding to projects under their programmes in line with the provisions set out in the Regulation, and specifically in Chapter 7 and to follow-up on implementation and monitor progress and results of the selected projects.

Programmes need to be “populated” by projects. This can be done in three ways:

- Through pre-defined projects
- Through open calls (general or small grant scheme calls)
- Through both open calls and pre-defined projects

Pre-defined projects shall be identified in the concept note (Article 6.5).

Calls for proposals

Calls for proposals are issued by the Programme Operator, and content, form and publication shall comply with the requirements listed in the Programme Agreement and in Article 7.3 of the Regulations. The calls shall specify eligible applicants and possible project partners, include detailed selection criteria, be widely publicised and allow ample time for proposals to be submitted.

Chapter 7 of the Regulations discusses selection of projects

Programme Operators are responsible for publishing calls for proposals, selecting projects, and awarding the grants. Calls for proposals, including selection criteria, shall not be unreasonably complicated or in violation of any of the principles of implementation (Article 1.3). Decisions on project selection must comply with the rules and objectives of the programme (Article 7.4) and the principles of implementation (Article 1.3). Please note that the Programme Agreement may include specific provisions with respect to the selection process.

Article 4.4.2. (d)
As part of the cooperation committee, DPPs and IPOs shall, inter alia, advise on selection criteria and the texts for call(s) for proposals. For more information, please consult the Bilateral Guideline.

In line with Article 7.3.2 (l) of the Regulation, and in order to comply with Article 1.3.4 of the Regulation that all programmes and activities shall follow a results and risk management approach, and to ensure that the projects fit with the programme intervention logic, calls for proposals shall include the programme’s results framework itself and explicitly state which outputs the projects are to deliver. The call text and the subsequent project agreements with the selected project promoters shall include a provision that the selected projects report on results achievement based on the output and outcome indicators from the results framework in the programme agreement.

A guidance document on selection procedures is expected to be developed by the FMO in 2017.

It is the Programme Operator's responsibility to ensure that the individual projects selected under a programme contribute to delivering the outputs and reaching the *outcome(s) of the programme*. The National Focal Point shall warrant that the call fully complies with the legal framework of the FMs. The FMC shall be informed of all calls for proposals and be provided with an English version of the call text at least two weeks in advance of their announcement.

 Calls for project proposals shall be based on the identified outcomes and outputs of the programme for which the call is issued.

Registering projects with the FMO

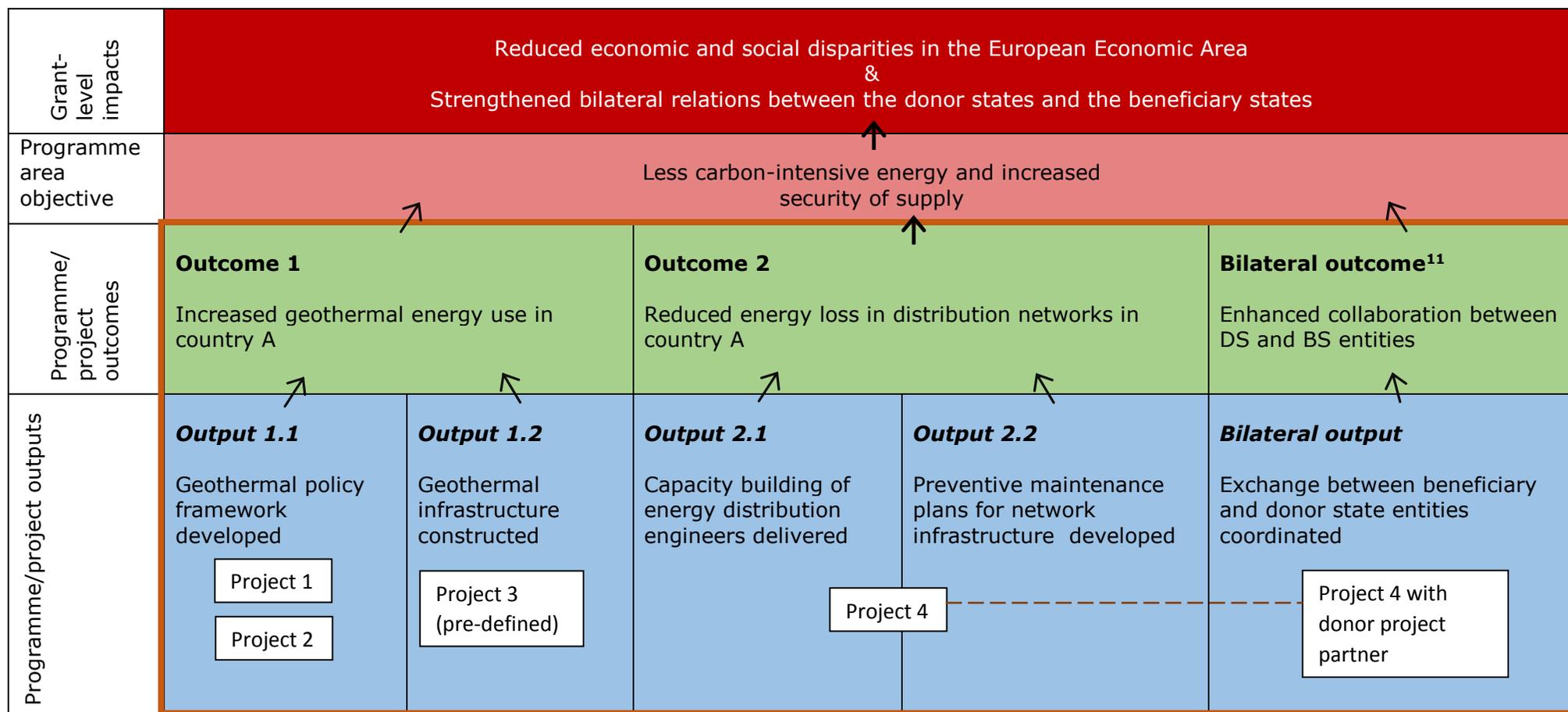
For each approved project, the Programme Operator shall be responsible for providing the information requested by the FMO. The Programme Operator shall submit specific project information:

- no later than 15 calendar days after the signing of the project contract;
- no later than 15 calendar days after amendments in projects or revision of project information.

It is the PO's responsibility to ensure a good quality of the data transmitted via the information system. Programme Operators shall:

- ensure that correct information about calls, projects and achievements is submitted in a timely manner;
- conduct periodical checks of the information previously submitted and submit any necessary updates.

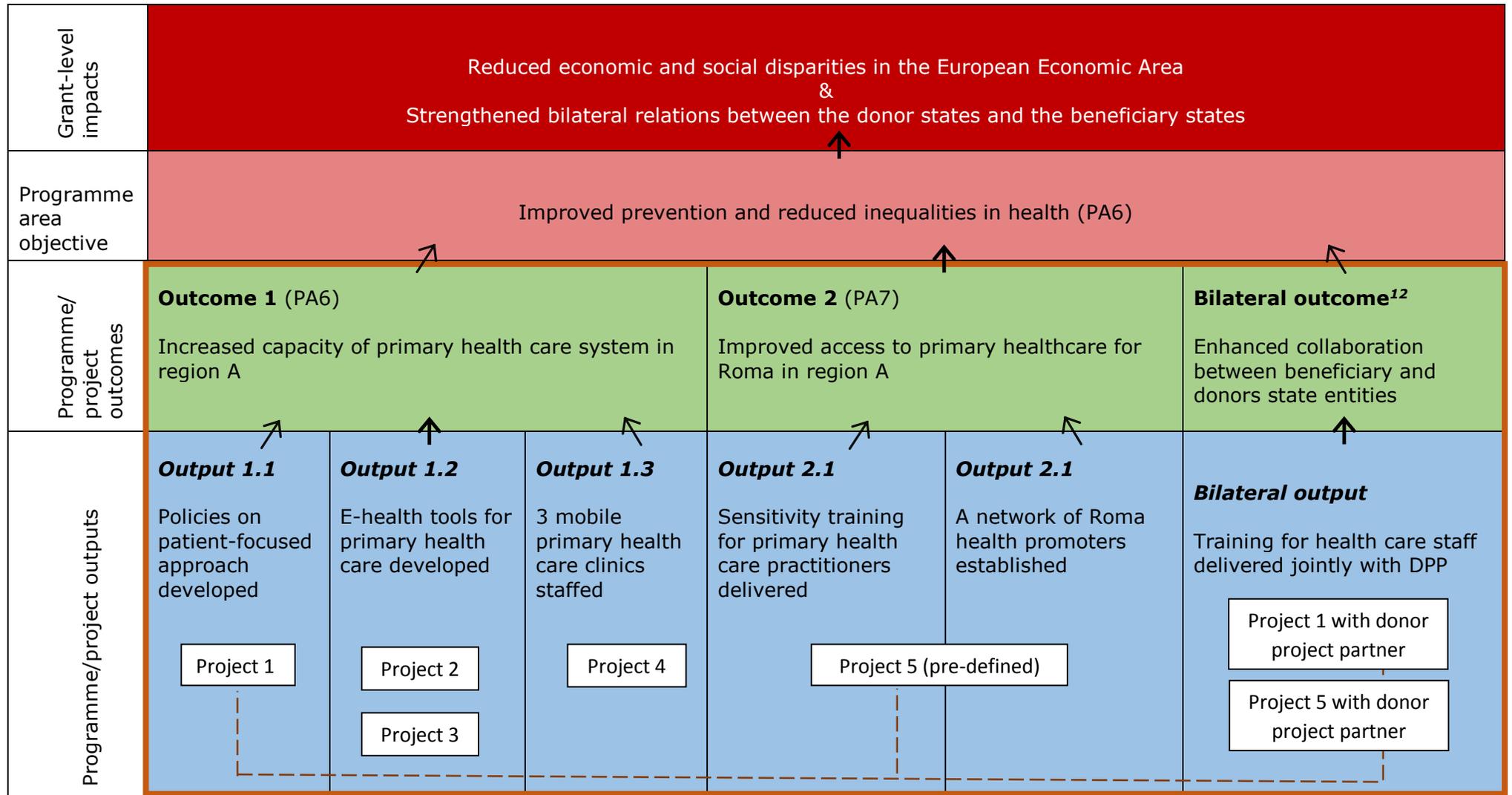
Programme models for fictional programmes



| | | |
|--------------------------|---|--|
| Programme area objective | = | Programme impact |
| Programme outcome 1 | = | Project 1 outcome; Project 2 outcome; Project 3 outcome |
| Programme outcome 2 | = | Project 4 outcome |
| | = | Programme Operator's monitoring and reporting responsibility |

¹¹ The bilateral outcome has no specific budget attached to it, as the outputs delivered under the bilateral outcome in reality take place under the other outcomes. The bilateral outcome, in other words, functions as a vehicle for reporting on bilateral results achieved under all the other outcomes.

A model that combines outcomes belonging to different programme areas is presented below.



¹² See footnote 7

2. Conduct monitoring

Capturing results is not only important for transparency and accountability but also to ensure continued success and to enable learning. This makes it possible for all involved parties to learn along the way and make adjustments when needed.

Article 5.6.1 (g) (h) (i) (j) (k) stipulates the Programme Operators' monitoring responsibilities.

Monitoring types and approaches

NFPs and POs should not only be concerned with asking "Are we taking the actions we said we would take?" but should also ask "Are we making progress on achieving the results that we want to achieve?" In practice, this means that Focal Points and Programme Operators should place a strong emphasis on **results-based monitoring**¹³, in addition to employing **risk-based monitoring** and **compliance-based monitoring**.

Results-based monitoring is designed to answer the question "So what?" With this type of monitoring one can answer such questions as: "What is important about the fact that money has been spent? Have the planned outputs been delivered? Is progress towards the outcomes being achieved? What is the perception of change among stakeholders? How has the partnership strategy been successful (or not) in achieving the desired outcomes?" This type of monitoring gives National Focal Points, Programme Operators, and project promoters' important feedback on the extent of progress towards the intended results.

Compliance-based monitoring

(administrative and on-the-spot verifications) entails implementation, compliance, and finance-based tracking. This type of monitoring reviews the use of allocated funds to ensure that financial resources are in line with activities which were planned to achieve certain results. This approach answers the questions "Did they do it? Did they mobilise the needed inputs? Did they carry out the agreed activities? Did they deliver the intended outputs?" It is important to establish a monitoring or control system to check whether money designated for planned activities is indeed being used for those. Further

Monitoring, reporting and evaluation

Monitoring is defined in the Regulations (Article 1.6 (k)) as the observation of programme and project implementation in order to ensure that agreed procedures are followed, to verify progress towards agreed outcomes and outputs and to identify potential problems in a timely manner so as to allow for corrective action.

Reporting is the presentation of monitoring information. Reporting takes place at different levels, involves different actors and follows various cycles. Project promoters, Programme Operators, Focal Points and the FMO are all reporting. Some reports are made accessible to the general public.

Evaluation is defined in the Regulations as a systematic, objective and independent assessment of the design, implementation and/or results achieved in programmes and projects with the aim of determining the relevance, coherence, consistency, effectiveness, efficiency, impact and/or sustainability of the financial contribution.

*None of the above should be confused with **audits**, which are systematic appraisals providing assurance on any of the following: the legality and regularity of expenditure; whether funds have been used efficiently, economically, and effectively; whether management and control systems were designed in compliance with regulatory requirements, are proportional, and are operating effectively.*

¹³ All three types of monitoring should also be cross-referenced in the management and control system reports.

information is provided in the Financial Guidance. This approach does not, however, provide the National Focal Points, Programme Operators or project promoters with knowledge about the success or failure of that particular project or programme.

Risk-based monitoring entails focusing more on those programmes which pose a higher risk. Risks could stem from the fact that there is some element of non-compliance, or because there is a risk that intended programme results will not be achieved. This monitoring helps to determine if actions need to be taken to ensure progress toward the outcomes.¹⁴

If monitoring reveals that a programme/project is not on track with implementation, discussions about the difficulties should be held with partners and stakeholders and recommendations should be provided to rectify the problem(s). Programme Operators/project promoters should take actions to modify the project plans as necessary, within the scope of the applicable legal framework of the Financial Mechanisms Regulations, in order to get the programme/project back on track toward a successful outcome and to achieving results as planned.

Monitoring planning and tools

Project promoters implement projects and they report on the implementation to the Programme Operators. The Programme Operator subsequently reports to the National Focal Point and the FMO via the Annual Programme Report. The PO is responsible for monitoring the overall implementation of all projects within the programme portfolio. The NFP is responsible for ensuring monitoring is carried out in all programmes country-wide.

Several standard tools should be used by the Programme Operator/National Focal Point for carrying out monitoring. Some key tools are outlined in the following section below. While the main tools cited here are typical monitoring methods, we encourage frequent and regular flow of information between project promoters and Programme Operators. This is even more important when projects are undergoing difficulties in implementation, and require more frequent checks (monitoring). Telephone calls can be an excellent tool for remaining in closer contact, especially if coupled with additional reporting (with shorter, more pointed reports on the critical issues). This type of monitoring helps resolve bottlenecks in a timely manner, either by the PO or the NFP.

Article 5.6.1(i)

Programme Operators shall conduct annual monitoring of a sample of projects, selected based on risk assessment and including random samples.

It is important to remember that follow-up actions must be taken as soon as possible when projects or programmes deviate from plans and timelines. Making use of the tools is important, but expediting the follow-up actions by concerned stakeholders is equally important.

Monitoring plans

As noted in the *Regulations* in Article 5.7.2, the system for verification, audit and monitoring should be included in the management and control system description of the Programme Operator, which shall be submitted to the National Focal Point 6 months from the approval of the programme. The system for monitoring should already take into account the requirements of a **monitoring plan**, which shall be later presented as part of the Annual Programme Report. A suggested monitoring plan template is provided in [Annex 5](#).

¹⁴ Excerpts related to Implementation Monitoring and Results Based Monitoring are adapted from "Ten Steps to a Results-Based Monitoring and Evaluation System"; Kusek and Risk; The World Bank; 2004.

Monitoring Tools

1. On-site monitoring visits

On site monitoring visits are important monitoring tools, particularly since the monitoring takes place in real time. A site visit is important particularly when projects are perceived to be at risk. However, site visits are also good opportunities for frank discussions among stakeholders regarding progress and planning.

The aim of the monitoring visit is to:

- a) discuss project results with relevant stakeholders, based on the initial plans¹⁵;
- b) discuss other issues of project implementation and risks to successful completion;
- c) consider risk mitigation measures;
- d) ensure that adjustment to the projects or programme are discussed, such that results can be attained as planned.

On site-monitoring visit can be merged with on-the-spot verifications. Further information is provided in the Financial Guidance.

After the site visit is carried out, the monitoring agent should draft a short report to record what areas of the project or programme have been checked and to list any areas for improvements or modifications. A suggested template for reports from on-site monitoring visits is available in [Annex 6](#).

2. Review of annual or other periodic reports

For the National Focal Point, the review of Annual Programme Reports is an important monitoring tool. Remember, however, that an annual review is not as timely as other forms of monitoring, and cannot be considered a sufficient risk management tool, since the reports are only prepared on an annual – infrequent basis.

Nonetheless, annual reports provide an overall picture of how the projects and programmes are implemented and should indicate significant progress toward the planned results. If the management or implementation is not advancing as planned, it will be imperative to discuss and implement solutions, so that the project or programme can get back on track. During the review of Annual Reports, it might also be necessary

Recommended criteria for choosing on-site monitoring visits

- 1) Projects which have a significant impact on the overall objective of the programme should be monitored at least once during the life of the project implementation.
- 2) Projects or programmes considered of interest to multiple stakeholders should be monitored to learn more on-site regarding project results. Projects or programmes which are particularly innovative should be checked at least once during the implementation cycle.
- 3) Projects exceeding a certain pre-established euro value should be monitored at least once during the lifetime of the project implementation.
- 4) Programmes/projects deemed to be at high risk should be monitored and scheduled for a site visit as soon as possible.
- 5) For large programmes, those with 30 or more projects, a certain number of projects should be selected for monitoring via a site visit on a random basis. The FMO recommends that each year, a minimum percentage of projects within a programme is monitored on a random basis (such as 5-10%), to ensure the smooth running of the projects.

¹⁵ Stakeholders in a project or programme may be local community members or civil society organisations who may benefit from the results. They may also be local public authorities. It is important to include beneficiaries of the results during monitoring, in order to ensure that results are achieved in targeted communities.

to amend or adjust plans. Annual reports can be used as tools to reflect on projects that have been amended (if relevant) and how the changes have improved implementation in comparison with previous reports.

3. Financial reports from projects/programmes

When reviewing the financial reports from the projects, and as part of results-based monitoring, Programme Operators should review the stated progress of the project and check whether progress is going according to the implementation plan established at the outset. If substantial deviations occur, the Programme Operator should discuss the deviations with the relevant implementing organisation and encourage the project manager to implement corrective measures accordingly and as soon as possible.

4. Telephone 'meetings' or project meetings at the Programme Operator's offices

Telephone or office meetings, which are less structured than on-site meetings, are also important monitoring tools. Such meetings are less formal, but nonetheless provide valuable opportunities for learning of project or programme updates. Notes from such discussions should be kept on file with the project documents, and follow-up measures should be taken as necessary, depending on the conversation or meeting conclusions.

Programme modifications

Monitoring can uncover information which calls for modifying the programme. It is possible to make modifications under certain circumstances. Keep in mind, however, that any revision to the outputs, outcomes, indicators or targets need to harmonise with the overall intervention logic, so that the cause-and-effect chain is not broken. These modifications are subject to approval by the FMC (or delegated to the FMO) and can only be done in consultation with the FMO.

For instructions on how to deal with budgetary modifications, please see the Financial Guidance.

Article 6.9

Modification of programmes

1. Unless otherwise explicitly stipulated in the programme agreement, any modification of the programme is subject to prior approval by the FMC.
2. Programmes may be modified, in particular in one or more of the following cases:
 - (a) in order to respond to unforeseen events in the Beneficiary States;
 - (b) in order to take into account the conclusions of the review of the implementation framework at an annual meeting;
 - (c) in order to take into account conclusions from an evaluation referred to in Chapter 10;
 - (d) when changes are necessary to enhance the impact of the programme; or
 - (e) in order to mitigate risks and/or implementation difficulties.

3. Report on progress/results

The FMs operate with several types of results-based reports:

- **Strategic reports** – used as a basis for dialogue between donors and beneficiary states and as a basis for the annual meeting and the donor’s Annual report. They should focus on the assessment of national-level and sector-level results, reporting on Programmes’ progress towards outcome targets, and risks. The reporting period will normally be the time between the next annual meeting and the provision of the previous Strategic Report. Data necessary for the report should normally rely on the existing reporting schedules established for Annual Programme Reports and Interim Financial Reports, or according to monitoring and reporting systems established by the NFP within their management and control system (Art 5.1). Assessments should be up-to-date in order to support discussions at the Annual Meeting.

For more information on how to report on the bilateral dimensions, see the Bilateral Guideline.

Strategic Reports shall be submitted at least 2 months prior to the scheduled Annual Meeting (unless otherwise agreed between the parties).

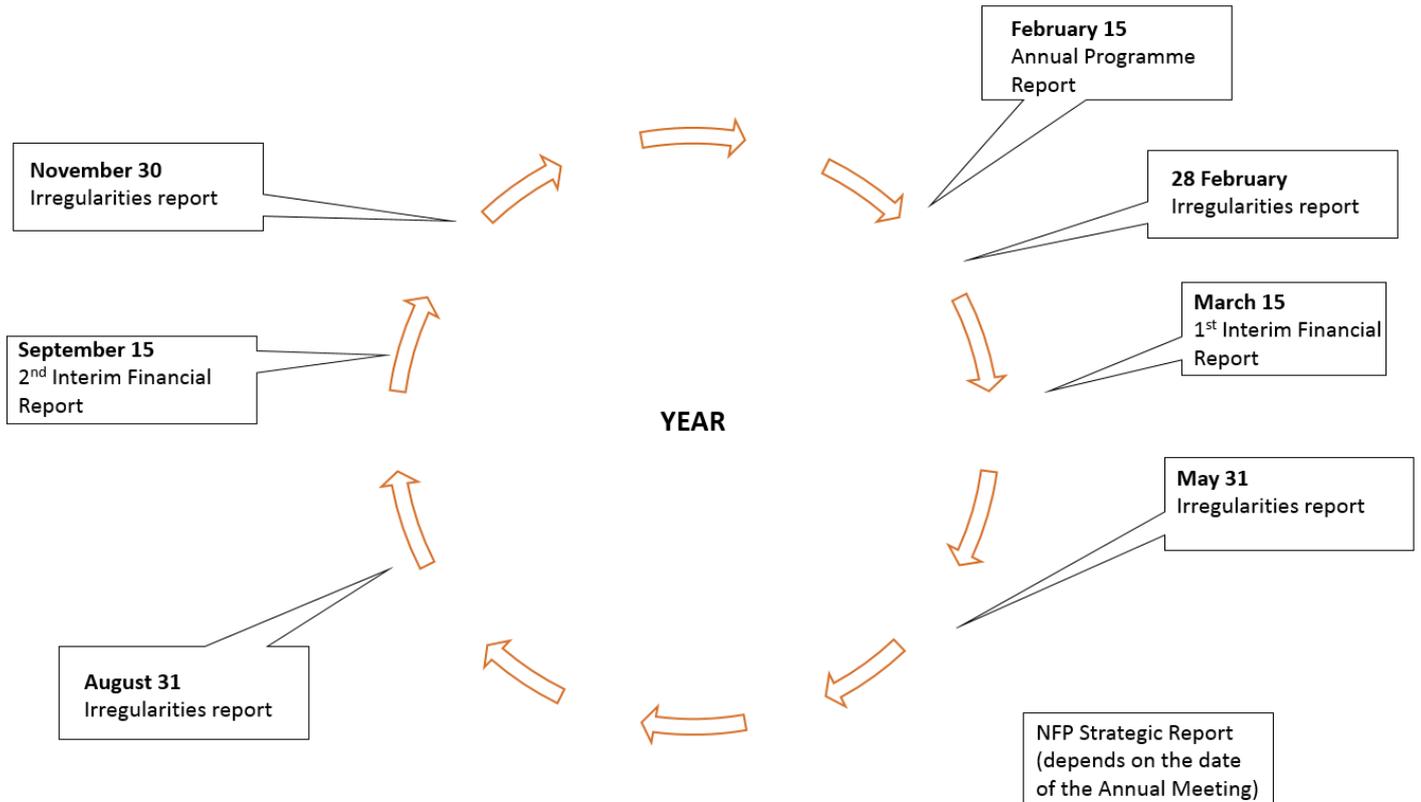
- **Annual Programme Reports (APR)** – The main purpose of the Annual Programme Report (APR) is to report on the implementation progress and achievements in each programme during the preceding calendar year. Reporting on output and outcome achievements shall always be directly related to the latest approved version of the results framework. The APR is due on 15 February.
- **Interim Financial Reports (IFR)** – IFRs are to be submitted twice a year (15 March and 15 September). The September IFR requires the POs to provide information on progress towards achieving outputs and outcomes (Art. 9.3.6 c). This provision will normally only be applied once the projects are up and running (see explanation on staggered reporting on the next page).
- **Completed project-level information (CPLI)** – Information on project achievements and their contribution to the programme’s outcomes and objective shall be submitted to the FMO once a project has been finalised.
- **Final reports** – for both strategic reports and programme reports, as well as completed project-level information (CPLI). Final reports shall cover the entire programme period and account for the results, with a focus on outcome-level results and other tangible benefits to the beneficiaries of the programme.



Reporting shall always be related to the implementation plan and the results framework. It shall account for progress to date and explain any deviations from the plan and any unexpected results (positive or negative). All reporting on results shall be done via the information system.

The reporting cycle shows the different types of reports through the year:

Reporting cycle



With the intention to provide greater flexibility and **reduce reporting burden**, rather than stating in detail what is needed for the different annual reports from the beneficiary states, the Regulation points to the main issues required and then refers to separate templates for the detail.

In the 2014-2021 Financial Mechanisms, a **staggered reporting approach** has been introduced for the Annual Programme Reports and for Strategic Reports, whereby only what is really needed in that calendar year is requested. That means, for example, that NFPs and POs will not be required to provide information on outcome and output achievements in the first year(s), when the programmes are only organising and launching open calls. Once the projects are up and running, reporting on output, and subsequently outcome, achievements will be added to the Annual Programme Report and to the Strategic Report.

(Annotated) templates for strategic and annual programme reports will be made available to each National Focal Point and Programme Operator at least 6 months prior to the report being due. National Focal Points and Programme Operators are required to use these templates.

4. Evaluate programmes

Evaluation is defined in the Regulations as a systematic, objective and independent assessment of the design, implementation and/or results achieved in programmes and projects with the aim of determining the relevance, coherence, consistency, effectiveness, efficiency, impact and/or sustainability of the financial contribution (Article 1.6. (g)).

A key distinction between evaluation and monitoring is that evaluations are carried out by an independent person or organisation, not involved with project or programme implementation. Evaluations are also more rigorous than monitoring in their procedures, design and methodology, and generally involve more extensive analysis. This analysis leads to learning. This learning should be shared with partners and other stakeholders, using the knowledge to inform and improve future decision-making.

Table 5: Comparison between monitoring and evaluation ¹⁶

| | Monitoring | Evaluation |
|---|---|--|
| Timing | Continuous | Periodic: at important milestones such as the mid-term of programme implementation; at the end or a substantial period after programme conclusion |
| Depth | Keeps track over a fairly short term; oversight; analyses and documents progress | In-depth analysis; Compares planned with actual achievements |
| Focus | Focuses on inputs, activities, outputs, implementation processes, continued relevance, risk, likely results | Focuses on outputs in relation to inputs; results in relation to cost; processes used to achieve results; overall relevance and coherence/ consistency with national strategies or plans; impact; and sustainability |
| What is learned? | Answers questions related to what activities were implemented and which results were achieved | Answers questions related to why and how results were achieved. Contributes to building theories and models for change |
| How is learning used? | Alerts managers to problems and provides options for corrective actions (risk management) | Provides managers with strategy and policy options |
| Internal or external assessment? | Normally a self-assessment by programme managers, public agencies, community stakeholders, and donors. External consultants may be engaged to carrying out monitoring activities as well. | Analysis by external evaluators. |

¹⁶ Sources: UNICEF and WFP.

Evaluation types and approaches

One normally distinguishes between **formative** and **summative** evaluations. While the learning aspect is in focus in a formative evaluation, a summative evaluation is mainly undertaken for the purpose of accountability (control). Evaluations will normally have both summative and formative characteristics.

Evaluations are primarily backward-looking (*ex-post*) and focus on activities that have been concluded. They may, however, also be performed for ongoing activities, such as in *mid-term programme evaluations*.

An evaluation of high quality is based on facts, reliable data, and/or observations. For the sake of transparency, the results must be publicly accessible, not least to enable others to check facts and the soundness of the analysis. Relevant stakeholders in both the beneficiary state and the donor states shall be consulted in connection with an evaluation, including in the formulation of the Terms of Reference (ToR) and through comments to the draft evaluation report. Evaluations shall be impartial and provide a balanced view of strengths and weaknesses. In so far as different parties have conflicting views, the evaluation report should reflect and acknowledge these.

To ensure the greatest possible objectivity, the consultants conducting the evaluation shall not have been involved in the planning or implementation of the intervention being evaluated, nor shall they have been involved in the activities which are being evaluated, or have any personal interest in the conclusions.

Article 10.1.3

Evaluation shall be carried out by experts or entities independent of the National Focal point, the Certifying Authority and the Programme Operator.

Evaluation criteria

Defining the purpose of the evaluation is the most important task in the evaluation process. The evaluation purpose should be formulated in a way that specifies how the information from the evaluation is to be used.

Will it be used to help steer a programme more effectively in the future? Will it be a tool which can help understand what went right/ wrong and how one can improve in future programmes in a specific area, such as: programme management, intervention logic, improved ways of working in partnership with donor states, or the use of more relevant technologies?

There is a high degree of international consensus with respect to criteria to be applied in evaluations. Keep in mind that not all of the criteria need to be applied to all evaluations.

Standard Evaluation Criteria

Relevance/ Coherence/ Consistency: is the programme relevant in relation to donor states' goals, strategies and policies? Is the intervention relevant in relation to the beneficiary state's needs and consistent or coherent with its priorities? Is it relevant in relation to the issue it seeks to address?

Effectiveness: to what extent were the results of the programmes achieved, or expected to be achieved? What outcomes were achieved and where is the evidence of greatest achievement?

Efficiency: can the cost of the intervention be justified by the results? In the programme under evaluation, how do costs related to achievement of results compare with similar programmes funded by other donors, or in other countries?

Impact: what are the positive and negative long-term impact(s) of the interventions, direct and indirect, intended or unintended? It is important to note that in many cases, impacts can only be discovered some years after programme completion. Therefore, in many cases, one can only hope that *an evaluation might be able to predict future impacts, rather than actually report on impacts achieved.*

Sustainability: will the benefits produced by the intervention be maintained after the cessation of the project or programme? If the programme has not yet completed, how do programme managers expect that—and plan for a scenario in which—those benefits continue into the future?

Evaluation planning and tools

Planning of evaluations contributes to the design and implementation of evidence-based programmes and policies. When one plans in advance (at the design stage) for what one wishes to measure at mid-term, or at the end of a programme, one builds in measures or data points which can be used during an upcoming evaluation.

Before an evaluation is started and its terms of reference are drawn up, the following issues need to be decided:

- What is the intended **use of the evaluation**? Who will use the evaluation? When will the results be available?
- What will be the **scope of the evaluation**? A description of the evaluation scope, the background and context, as well as the scope of the contribution of the EEA and/or Norwegian Financial Mechanism(s), and target groups directly affected and the contribution's relative importance in the beneficiary state. Will the evaluation concentrate on special themes or issues? Is the main focus on the process or on the results?
- Since an evaluation cannot cover all things, it is important to limit the scope of what will be assessed: What are the **limits or parameters for carrying out the evaluation**? Are there special factors that decide the choice of time period, geography, target groups or Programme area?

Article 10.1.1
Beneficiary states shall ensure that each programme is to be evaluated at least once during the programming period.

Beneficiary states are required to evaluate all programmes in their country at some point during the Financial Mechanism period. Beneficiary states are therefore asked to draw up

an evaluation plan, covering every programme in their country, to be presented in the first Strategic Report. Article 10.1 of the Regulation states further that “beneficiary states shall also ensure that the resources necessary for carrying out evaluations are available, and shall ensure that procedures are in place to produce and collect the necessary data.”

To ensure good design and content of evaluation plans, it is suggested that they include the following elements:

- an indicative list of evaluations to be undertaken, their subject and rationale;
- the proposed methods to be used for the individual evaluations, and their associated data requirements;
- provisions that data required for evaluations will be available or will be collected;
- an indicative timetable for commissioning each evaluation;
- the indicative budget for implementation of the plan;
- (an estimate of the human resources involved, including a training plan for them);
- (a strategy to ensure use and communication of evaluations).

See [Annex 7](#) for the mandatory evaluation plan template.

Based on the plan, the terms of reference (ToR) should be prepared for each planned evaluation, in due course. [Annex 8](#) contains an annotated template for the terms of reference.

Evaluation reports

A draft evaluation report shall be submitted to the National Focal Point, the relevant Programme Operator(s), the donor state(s) and the FMO for comments. Other relevant stakeholders may also be invited to comment on the report. The final version of the report is a public document and the evaluators have overall responsibility for the contents of the final report. However, the National Focal Point must undertake quality assurance in accordance with acceptable evaluation standards, and ensure that the report reflects the assignment given in the Terms of Reference.

Tips for communicating evaluation findings

- Produce a variety of summaries focusing on different parts of the evaluation that are of interest to particular audiences.
- Disseminate evaluation reports widely to staff and management through internal email and intranet systems, formal and informal workshops and briefings, or holding brown bag lunches to discuss findings.
- Hold press conferences and public debates to launch evaluations, and using social media, video clips, podcasts, websites and email to build up networks of interested people and share reports in a timely way.
- Systematically share findings with the intended beneficiaries and with media and civil society.

Learning and follow-up on evaluation findings

Perhaps the most important part of an evaluation is how the findings are disseminated and how the recommendations are followed up. When the person/entity coordinating the evaluation distributes the evaluation report to the relevant stakeholders, a letter should be attached listing the key recommendations relevant for each specific stakeholder. The recipient should respond to this letter within a certain period (for example one month) with a list of concrete actions planned to follow up on the recommendations of the report and a proposal for how these recommendations will impact the decision making process.

Finally, the National Focal Points and Programme Operators should share information on results across programmes in the various sectors; government agencies should share information across government offices and, to the extent it is relevant; governments can share evaluation results across borders and with partners from donor countries. Horizontal sharing of information is important so that results are disseminated widely and lessons-learned are shared across multiple organisations, to enhance future programme funding results in the future.

Article 10.1.4
The final evaluation report and a summary for the general public shall be published.

Recommended quality checklist for evaluation reports

- the report addresses all questions included in the ToR in a way that reflects their stated level of priority;
- findings, conclusions, and recommendations are presented separately and are logically coherent;
- each recommendation is directed to a specific stakeholder;
- the evaluation methodology is clearly described and different options are explained and justified;
- the data basis for the analysis is verifiable; and
- findings have been validated through triangulation of information (more than 2 sources, data set, theory, analysis to strengthen the argument);
- partners and persons responsible for the programme or project evaluated have had an opportunity to state their views on the quality of the data, the analysis and the assessments;
- where there is a significant divergence in the views of the evaluation team and different parties in the donor state(s) or beneficiary state, this is reflected in the report;
- the presentation in the report is balanced and impartial;
- the report contains practical and useful recommendations targeted towards identified problems.

| Monitoring and evaluation roles and responsibilities | | |
|---|---|--|
| Organisational role | Monitoring responsibilities/tasks | Evaluation responsibilities/tasks |
| Donors | Can commission external monitoring of individual programmes or countries (Article 11.1) | Can commission evaluations of the overall objectives of the FMs, select programme areas, or countries (Article 10.2) |
| National Focal Point | Has overall responsibility for the implementation of the FMs, monitoring the progress and quality of the implementation of the programmes (Articles 5.1, 5.3 and 5.7) | Required to submit an evaluation plan in the first Annual Strategic Report (Article 10.1.1) Is responsible for making sure that an external evaluation of each programme in the country is done at least once during the programme agreement period |
| Programme Operators/Fund Operator | Responsible for monitoring the projects within the programme portfolio, including project implementation (compliance) and results (Article 5.6.(g) (h) (i) (j) (k)) | Responsible for collecting data for reporting, monitoring and evaluation (Article 5.6. (k)) Can evaluate the programme Article 8.10.4 (f) |
| Project promoters | Responsible for ensuring that the access requested in relation to monitoring, audits and evaluations is provided without delay (Article 7.6 (g)) | |
| Certifying Authority | Certifies financial reports submitted by the Programme Operators (Article 5.4.1 (a) (i)) | |
| DPPs/dpps/IPOs | Should assist Programme Operator/project promoter in monitoring the cooperation between donor state entities and beneficiary state entities, including results monitoring | |

Programme completion

A Programme is completed when the Donors have approved the Final Programme Report (FPR) (Article 6.12.3) and all the outstanding financial obligations have been settled.

According to Article 6.12.1 of the Regulations, the FPR must be forwarded to the Donors by the Certifying Authority within four months after the final date of eligibility of programme management costs.

The **FPR** shall focus on the achievement of programme objective, outcome(s) and outputs. Only the main elements of the implementation of the Programme shall be included. For the Final Report, the reporting period is the same as the entire Programme period.

Among other information, the FPR shall provide:

- an assessment of the programme's contribution to the overall objectives of the FMs, the objective and outcomes(s) of the programme, as well as contribution to the principles of implementation;
- A synthesis of findings of relevant evaluations;
- an overall assessment of the implementation of the programme, including comparison to the plans set out in the programme and any lessons learned.

The Donors/FMO shall review the FPR and shall approve it two months following the receipt of the report and all relevant documents and necessary information.

The approved final programme report, including a summary for the general public shall be published on the website of the NFP within one calendar month from approval by the Donors.

An (annotated) template for the final programme report will be made available (by the FMO) at least 6 months prior to the report being due.

V. ANNEXES

1. Glossary of results-based management terminology

ACTIVITY: Action taken or work performed through which inputs, such as funds, technical assistance and other types of resources, are mobilised to produce specific outputs.

ASSUMPTION: A condition necessary for the success of an intervention.

BASELINE: The situation before the start of an intervention – the reference point for measuring change. More specifically, it is the value of a particular indicator at the beginning of an intervention against which variations that occur are measured.

DATA COLLECTION METHODS: The modality of collecting data about indicators. Some examples of data-collection methods are observation; analysis (of media, records or documents); survey; interview; focus groups; collection of anecdotal evidence.

DIRECT TARGET GROUP: A target group the programme seeks to influence in order to achieve results for the end beneficiaries. In most cases, the direct target groups act as intermediaries between the programme and the end beneficiaries.

END BENEFICIARIES: Individuals or groups expected to reap tangible benefits of an intervention. In service provision programmes some outputs are delivered directly to the end beneficiaries. In that case, no intermediary target groups are necessary.

EVALUATION: A systematic, objective and independent assessment of the design, implementation and/or results achieved in programmes and projects with the aim of determining the relevance, coherence, consistency, effectiveness, efficiency, impact and/or sustainability of the financial contribution. Builds on data collected through *monitoring*.

IMPACT: Effects of an intervention on society or the environment (positive or negative, direct or indirect, intended or unintended).

INDICATOR: A quantitative or qualitative unit of measurement that specifies what is to be measured along a scale or dimension. It should always be expressed in neutral terms: it should neither indicate the direction or change nor embed a target.

INPUT: The financial, human, material, technological and information resources used for interventions (projects and/or programmes).

INTERVENTION LOGIC: The explicit and or/implicit logical link between the different levels of results (outputs, outcomes, and programme objective). It shows the conceptual link from an intervention's outputs to its outcomes, and ultimately the impact (programme objective). It is usually presented in the form of a results framework.

MONITORING: The observation of programme and project implementation in order to ensure that agreed procedures are followed, to verify progress towards agreed outcomes and outputs and to identify potential problems in a timely manner so as to allow for corrective action. It is conducted by *data collection* and analysis.

OBJECTIVE: See *Impact*

OUTCOME: Outcomes are the (short and medium-term) effects of an intervention's outputs on the direct target groups or end beneficiaries. Outcomes are rarely under the direct control of a programme/project.

OUTPUT: Outputs are the products, capital goods and services delivered by a programme to the direct target group. Outputs are easy to attribute directly to the

resources used and the activities performed. They are usually within the greatest control of the implementing organisation.

PROJECT: An economically indivisible series of works fulfilling a precise technical function and with clearly identifiable aims related to the programme under which it falls.

PROGRAMME: A structure setting out a development strategy with a coherent set of measure to be carried out through projects with the support of the EEA and Norwegian Financial Mechanisms 2014-2021 and aimed at achieving agreed objectives and outcomes.

RESOURCES: Inputs and activities towards achieving results. See *INPUT* and *ACTIVITY*.

RESULT CHAIN: An illustration of the anticipated causal relationship between resources and results over time.

RESULTS: Results are the outputs, outcomes and impact of an intervention or a programme.

RESULTS-BASED MANAGEMENT (RBM): Results-based management is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of the desired results. The approach focuses on achieving specified outputs and outcomes, measuring performance, learning and adapting, as well as reporting on achievements.

RESULTS FRAMEWORK: An explicit tabular articulation of the intervention logic showing the causal sequence for an intervention that stipulates the necessary sequence to achieve desired results – beginning with outputs, culminating in outcomes, and leading to impacts.

RISK: An event or circumstance that may affect the achievement of expected results.

RISK MANAGEMENT: A continuous, proactive and systematic process of identifying, assessing and managing risk in line with the accepted risk levels to provide reasonable assurance as to achieving the expected results.

SOURCE OF VERIFICATION: Source (location) of the data to be collected for a particular indicator.

TARGET: A particular value for a performance indicator to be accomplished by a specific date in the future. It is what the intervention would like to achieve within a certain period of time in relation to one of its expected results (outputs, outcome and/or impact).

TARGET GROUP: See *DIRECT TARGET GROUP* and *END BENEFICIARIES*

2. Results framework template

<http://eeagrants.org/Media/Files/Toolbox/Results-framework-template>

This column is not included in the Concept Note

This column is not included in the Concept Note

This column is not included in the Concept Note or the Programme Agreement

| PA | | Expected programme results | Indicators | Unit of measurement | Baseline values for indicators | Baseline year | Target values for indicators | Assumptions/Risks |
|----|----------------------------|--|--------------------------|---------------------|--|---------------|------------------------------|-------------------|
| | Programme Objective | [Copy the objective for the relevant programme area from the Annex 1 to the Regulations] | | | | | | |
| | Outcome 1 | [mandatory – at least 1] | [mandatory – at least 1] | [mandatory] | [baseline values for outcome indicators] | [mandatory] | [mandatory] | |
| | Output 1.1 | [mandatory – at least 1] | [mandatory – at least 1] | [mandatory] | 0 [zero by default] | [mandatory] | [mandatory] | |
| | Output 1.x | | | | | | | |
| | Outcome N | | | | | | | |
| | Output N.1 | | | | | | | |
| | Output N.x | | | | | | | |

3. Checklist for results frameworks

| | Yes | No |
|---|-----|----|
| A. Intervention logic | | |
| Does the programme have a clear and coherent intervention logic? | | |
| Is the means/ends relationship between outputs, outcomes and the objective plausible? | | |
| Are the key assumptions underlying the intervention logic clear? | | |
| Are the key risks to the programme clear? | | |
| B. Outcomes | | |
| Is each outcome phrased as a single clear, concise statement that does <u>not</u> include the means of achieving the outcome? | | |
| Is each outcome phrased as an end situation (as opposed to a process)? | | |
| Is each outcome a change statement describing institutional/sector capacity or performance change, or benefits for direct beneficiaries (if service delivery)? | | |
| Is the common bilateral outcome included? (except in exceptional cases) | | |
| Does each outcome have a causal link to the programme area objective? | | |
| C. Outputs | | |
| Does each output describe what goods, services will be produced/delivered/procured directly by the programme? | | |
| Is each output is distinctly different from other outputs (not overlapping)? | | |
| Does each output have a clear, plausible, causal link to a particular outcome under which it belong? | | |
| D. Indicators | | |
| Is each indicator directly relevant to the outcome or output which it is trying to measure? | | |
| Is the unit of measurement for each indicator clear? | | |
| Does each indicator have a baseline value assigned to it? For output indicators, the baseline is zero. For outcome indicators, the baseline will not be zero. If the baseline is not available, there should be a credible plan developed for how to define the baseline. | | |
| Does each target have a target value assigned to it – in the same unit of measurement as the indicator? | | |
| Have the relevant Core Indicators been used? | | |
| Have the relevant bilateral outcome indicators been used? | | |

4. Mandatory risk assessment and mitigation analysis template

<http://eeagrants.org/Media/Files/Toolbox/Risk-assessment-and-mitigation-analysis>

| Programmatic risks | | | | | | |
|--------------------|------------------|------------------|------------------|--------------------|------------------|-------------------------|
| Risk description | Risk related to | Likelihood | Consequence | Risk score | Response to risk | Description of response |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| Operational risks | | | | | | |
| Risk description | Risk related to | Likelihood | Consequence | Risk score | Response to risk | Description of response |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| [text] | [drop-down menu] | [drop-down menu] | [drop-down menu] | [system-generated] | [drop-down menu] | [text] |
| OVERALL RISK | | | | | | |
| | | Likelihood | Consequence | Risk score | | |
| | | [drop-down menu] | [drop-down menu] | [system-generated] | | |

5. Suggested monitoring plan template/example

Fictional monitoring plan for a healthcare programme

| Project # | Project name | Monitoring action | Planned timing: Q1, Q2, Q3, Q4 | Criteria for monitoring (especially for site visits) | Risk issue with the project (if applicable) | Comments | Contact details |
|-----------|---|---|--------------------------------|---|---|---|---|
| 0001 | National – Disease prevention programme for communities at risk | Visit with project promoter in Capital City | Q2 – May | The project is vital to the success of the overall programme | The project is at financial risk and has management risks | Mr. xxx should be contacted in April to arrange meeting | Mr. xxx lives in the Capital with phone: 58-62-00-00-00 |
| 0002 | Eastern Region of X: upgrade of local clinics | Regular monitoring of payment claims | Throughout 2018 | No site visit envisaged in 2018 | There is a low financial risk of local towns' budgets | None | None |
| 0003 | National – school fitness programmes for teenagers | Random site visit to 2 schools participating in project | Q4 | Since this is a large and important programme for X, a minimum of 2 schools should be checked | No risks identified as yet: random monitoring | During Q3, select schools for monitoring | Project Manager is based in Y City |
| 0004 | | | | | | | |
| 0005 | | | | | | | |
| 0006 | | | | | | | |
| 0007 | | | | | | | |
| 0008 | | | | | | | |
| 0009 | | | | | | | |

6. Suggested monitoring report template

| | |
|---|--|
| Programme (number and title) | |
| Programme Operator | |
| Visited projects (numbers and titles) | |
| Monitoring carried out (from-to dates) | |
| Background to Programme/ Reason for the Monitoring | |

Overall grade of the effectiveness and implementation of the monitored initiative(s): On a scale of 1 to 4

| | |
|---|--|
| 4 | The situation is considered highly satisfactory. |
| 3 | The situation is satisfactory, but there is room for improvements. |
| 2 | There are issues which need to be addressed. |
| 1 | There are serious deficiencies. |

| | |
|--|--|
| Effectiveness (achievement of results) | |
| Implementation (efficiency and risk management) | |

I. Description of how the monitoring was conducted

This section refers to any special methods used (if relevant) for the monitoring. Please include a list of the contacts made, with the dates of meetings / monitoring visit, as well as any additional documents used for analysis or research, which can be helpful as reference materials.

II. Findings

In this section, please address fully each key question from the terms of reference. Add any other relevant findings you would like to relay to the FMO. Any other findings?

III. Stakeholders' comments

In this section, please add any relevant comments you might have been given by the Fund Operator, project promoters, and any other interviewed stakeholder.

IV. Recommendations

Refer back to the key questions and provide your conclusions and recommendations. Please provide your views on lessons learned that should be taken into account for the new funding period.

8. Suggested template for terms of reference for evaluations

Adapted from [Writing Terms of Reference for an Evaluation: A How to Guide \(World Bank\)](#)

Introduction

Normally, an introduction to the agency/organisation commissioning the evaluation, as well as the mention of the programme(s) to be evaluated.

Background and context

The opening section of the ToR typically provides an orientation about the overall programme to be evaluated. Depending on the complexity of this programme, this section might be a few paragraphs or a couple of pages.

Include:

- The current objectives and intended outcomes of the programme being evaluated;
- A history of the programme;
- The context in which the programme is situated;
- The roles and responsibilities of various key stakeholders in designing and implementing the programme;
- Any studies or evaluations that have been conducted on the programme.

Main purpose of the evaluation

The rationale for the evaluation and the key overarching evaluation objective. An explanation about who has initiated this study and reasons for the timing, including any impending shifts for the programme or stakeholders.

Scope

This section presents the parameters of the evaluation in terms of its scope and limits. The scope should be realistic given the time and resources available for implementing the study. Details here could include the time period and covered by the evaluation, number of projects to be looked into, selection criteria for sampling, and issues that are outside of the scope.

Main questions

Specific evaluation questions should be identified by the ToR. Depending on the type and purpose of the evaluation, such questions are likely to address specific demands for information related to the following broad areas of inquiry:

- Impact
- Effectiveness
- Relevance/Coherence/Consistency
- Sustainability
- Efficiency

Methodology

Key elements generally highlighted here include:

- The overarching methodological framework (for example, case study, sample survey, desk review, mixed methods, and so forth).

- Expected data collection and analysis methods, with descriptions of any instruments used to collect needed information
- Availability of other relevant data, such as existing local, regional, or national data, or data from similar programs.
- The process for verifying findings with key stakeholders

Many ToRs leave room for the evaluator(s) to define a more detailed methodology in line with the prescribed purpose and scope.

Deliverables and timing

The products expected of the evaluation team should be specified. Details should include the following:

- Specific information about the products to be produced by the evaluators.
- The structure and format for each product. This would include any expectations regarding length and content (for example, the order of sections or the inclusion of an executive summary).
- The language(s) in which deliverables should be written.

Timing of both the data collection and analysis stage, as well as each deliverable, including any meetings or presentations.

Team

Any specification on thematic, geographic, methodological, linguistic, gender and/or other preference for the team, including the number of consultants.

Budget

The commissioner of an evaluation should consider what funds are available to support the tasks envisioned for the evaluator(s). In cases where a limited budget will likely constrain the scope and methodology of the study, an effective practice is to state the available budget and ask proposers to describe what they can expect to achieve. Alternatively, if the budget is somewhat flexible, the ToR can ask evaluators to come up with their own estimates based on the tasks they propose.

Contact person

Who is the person/persons in your agency/organisation who can be contacted in case of questions? Include the person's email and telephone number.