

Evaluation Trust Fund Policy

FAO Office of Evaluation

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Rome, April 2022

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OED Trust Fund Policy: Update April 2022

This iteration of the Evaluation Trust Fund (OEDTF) Policy builds on the 2013 version. It aims to provide an update on the contribution to and use of the OEDTF and builds on the experience and knowledge of the TF since its establishment. This revised policy document aims to respond to new developments, policies, and associated institutional arrangements in the OED which have a direct impact on TF funding and use. In addition, it also aims to respond to the developing and changing accountability and learning needs associated with the OEDTF, especially with the steady increase of Emergency & Resilience E&R resources since its establishment.

Document overview

This document provides a background on the creation of the OED Trust Fund, followed by the main guiding principles and rules for project evaluations. It then addresses the financing of the OEDTF, including exemptions and scale of contributions. Finally, it provides information on the use of the OEDTF including for staffing costs; management; evaluation expenses, and for reporting and accountability.

1. Background and rationale

OED is responsible for the conduct of evaluations with the dual purpose of providing accountability on FAO's programmatic and organizational performance and to contributing to corporate learning. FAO and its governing bodies have consistently expressed support for systematic evaluation of all the Organization's activities conducted, regardless of the source of funding.

1.1 Establishing a Trust Fund for Emergency and Resilience operations

In July 2006, recognizing the need to address the growing portfolio of Emergency & Resilience (E&R) projects (formerly known as emergency & rehabilitation) to be funded through voluntary contributions and the necessary and appropriate evaluation approach, the Office of Evaluation (OED) established the Trust Fund for the Evaluations of Emergency and Resilience Operations.¹ The Trust Fund (TF) was conceived to mirror the programmatic approach to E&R programmes and projects,² whereby individual projects would be a part of FAO's collective response to natural and/or humanitarian crises in the context of consolidated appeals or as a component of an FAO country programme framework. The main guiding principle of this approach was that E&R projects were not subject to individual,³ separate evaluations. Instead, the TF facilitated a programmatic approach to the evaluation of E&R activities through pooling contributions from FAO E&R projects. Rules and guidelines governing the transfer and use of the funds, including the scale of contribution were defined in a document created by what was known as the Emergency and Resilience Division (TCE) in 2006.⁴

1 MTF/GLO/170/FZP Evaluation of Emergency and Rehabilitation Operations. This fund was closed in 2016.

2 Terminology has changed in reference to this work in FAO from Emergency and Rehabilitation (as referred to in 2006 document) and has since evolved to Emergency and Resilience, with the same rules and principles applied.

3 E&R projects are defined as those which relate to surge activities in Level-3 countries, conducted as part of the Humanitarian or Refugee response plans; those developed in response to crises or conflict; or those related to transboundary health and food safety threats and crises. For the FAO, project symbols typically are those with OSRO and CHA and crisis related UNJP and GCP projects.

4 Evaluation Service Note on the Approach and Funding Arrangements for the Evaluation of FAO's Work in Emergency Response and Rehabilitation, 2006. A second document, OED Approach for Selecting/Planning Emergency Programme Evaluations, 2011 was discussed but not officially finalized.

1.2 Establishing a Trust Fund for development projects (2007)

Based on an analysis by FAO Office of Evaluation (PC 94/7 f, May 2007), a similarly guided TF was established in June 2007 for all “extra-budgetary work” to cover other types of projects.⁵ This resulted in OED having two separate Trust Funds, one for E&R evaluations and the other designated for development projects. The main distinction between the two TFs was the stipulation that all development projects over USD 4 million would be evaluated separately and would not contribute to the TF (quoted in Box 1 below).⁶

Box 1

FAO Council report CL 132, June 2007, paragraph 76: FAO Council emphasized the importance of the systematic evaluation of extra-budgetary work done by the Organization and endorsed the following arrangements for the evaluation of extra-budgetary work, as stated in Paragraph 39 of the Programme Committee report:

a) the inclusion of a mandatory budget line for evaluation in all extra-budgetary projects on a published scale. Two Trust Fund pool accounts would be established for this purpose: one for emergency and rehabilitation projects and another for technical cooperation for development projects. The exception to this would be those projects of technical cooperation for development over USD 4 million, which would continue to be evaluated separately; and

b) the institutionalisation of the arrangements for evaluation of emergency and rehabilitation programmes and the extension of similar arrangements to projects of technical cooperation for development. While respecting the independence of evaluation and the role of the Evaluation Service in this, these institutional relationships would include comprehensive dialogues with stakeholders, in particular funders and partner countries, on the selection of evaluations and their conduct.

1.3 Establishing the Evaluation Trust Fund (OEDTF)

In 2012, organizational efforts to “reduce fragmentation and increase integration across all aspects of FAO’s work, irrespective of source of funding” were introduced across FAO. These new arrangements included “Integrated programme management ... to ensure results and accountability in a coherent manner for all FAO’s programmes and projects at the country level. This includes the integration of development, emergency, and rehabilitation activities.”⁷ The proposed changes and approach were endorsed by the governing bodies in June 2012.

In 2013, in compliance with the corporate policy of integration of emergency, rehabilitation, and development activities, the two evaluation TFs pooled contributions from both E&R and development projects and were merged into one single Evaluation Trust Fund, now called OED Trust Fund (OEDTF).

In November 2013, the Office of Evaluation published the *Procedures for Financing the Evaluation of Initiatives Funded by Voluntary Contributions*, hereafter known as the Evaluation Trust Fund Policy. Since 2013, the rules and guidelines in the Evaluation Trust Fund Policy have directed the contributions to the Trust Fund and regulated its use. This present policy document supersedes the 2013 Evaluation Trust Fund Policy.

⁵ These were referred to as “technical cooperation for development projects”. In this document, we will refer to “development projects” for brevity.

⁶ At the end of the 2010/11 biennium, the term “extra-budgetary projects” was replaced by “projects funded by voluntary contributions”. This document will refer to “projects” for brevity.

⁷ CL 144/15

2. Project evaluation rules

The creation of a singular OEDTF in 2013 and the OED Trust Fund Policy created protocols for project evaluations.⁸ This mandated the separate evaluation of:

- i. any development project with a budget over USD 4 million;⁹ and
- ii. any project with budget below USD 4 million for which the recipient government/s, the donor and/or FAO require a separate evaluation. This includes projects funded by the Global Environment Fund (GEF).¹⁰

This requirement does not apply to E&R programmes, which are to be evaluated with a programmatic, cross-project approach (see Principle 2 below).

Principles 1 and 2 below outline protocols for development and E&R project evaluations.

Principle 1. Rules for development project evaluations

The following development projects will undergo a separate mandatory evaluation, and should include a budget for the proposed evaluation:¹¹

A – projects with a budget over USD 4 million; and

B – projects with a budget below USD 4 million for which the recipient government/s, the donor, and/or FAO require a separate evaluation. This includes projects funded by the Global Environment Fund (GEF).

These projects do not contribute to the Evaluation Trust Fund (see Principle 5).

Principle 2. Rules for E&R projects evaluations

E&R projects are not subject to mandatory separate evaluations, regardless of budget size since they are evaluated through a programmatic approach.

E&R projects are required to contribute to the Evaluation Trust Fund (see Principle 3).

Though individual evaluations are not mandatory, there may be circumstances such that separate evaluations are conducted due to the particular interest of the project if requested by the resource partner or project team, or as a case study for a larger thematic evaluation. In these cases, the E&R project is evaluated separately and does not contribute to the OEDTF (such as those under Principle 1 above).

If a separate individual evaluation is required, this should be included in the budget and defined in the project formulation stage. In this case, the project will not contribute to the OEDTF (see Principle 4).

3. Financing the OED Trust Fund

The OED TF receives funds from two primary sources:

- contributions from FAO projects that are *not* evaluated separately (see Principle 3); and
- a lump sum for evaluation management (USD 10 000) added to the evaluation budget of development projects that are evaluated separately (see Principle 4).

⁸ *Procedures for Financing the Evaluation of Initiatives Funded by Voluntary Contributions (2013)*.

⁹ This includes any project that goes through a budget revision for which the budget exceeds USD 4 million during implementation.

¹⁰ As per the GEF evaluation policy, all GEF-funded projects require a separate terminal evaluation.

¹¹ See OED clearance guidelines for more guidance on the budget (<https://www.fao.org/3/cb4760en/cb4760en.pdf>).

3.1 Contribution to the OED TF from projects that are *not* evaluated separately

Principle 3 re-affirms the 2007 decision by the Council that all projects that do not include a separate evaluation must contribute to the OED Trust Fund, scaled accordingly to total project budget and as presented in Table 1. The rationale behind this decision is to increase opportunities to use the OEDTF for programmatic approach evaluations through cluster, programme, thematic, real-time, and inter-agency evaluations. Funds coming from projects that are not evaluated separately are therefore used to fund programmatic evaluations (see section 4 on use of the OEDTF). These programmatic evaluations contribute to the overall FAO evaluation accountability and learning agenda.

Principle 3 applies for both development and Emergency and Resilience projects.

Principle 3. Contributions to the OED Trust Fund for projects *not* evaluated separately

- a) All projects that will *not* be evaluated separately (see Principle 1 and 2) will include in their budget a contribution to the OED Trust Fund, in budget line 6116, as per the scale of contribution table (Table 1).
- b) Exemptions are detailed in Principle 5.

Table 1. Scale of contributions (from projects *not* subject to a separate evaluation)

Project budget (USD)	Contribution to the Evaluation Trust Fund (USD)
Below 200 000	0 - no contribution requested
200 001–300 000	2 000
300 001–400 000	2 800
400 001–500 000	3 600
500 001–600 000	4 400
600 001–700 000	5 200
700 001–800 000	6 000
800 001–900 000	6 800
900 001–1 million	7 600
1 000 001–1 500 000	10 000
1 500 001–2 million	14 000
2 000 001–2 500 000	18 000
2 500 001–3 million	22 000
3 000 001–3 500 000	26 000
3 500 001–4 million	30 000
4 000 001–30 million	0.8 percent of total project budget
30 000 001 and above	240 000

All projects not evaluated separately must include a standard text on contribution to the OEDTF in their Project document. This text is provided in Box 2 below.

Box 2. Standard text on contributions to the OEDTF for projects that are *not* evaluated separately

In compliance with the FAO approach to evaluation, no separate evaluation of the project is anticipated. However, the project will potentially be evaluated through a cluster approach, along with other projects that share one or more of the following characteristics: theme and/or approach; geographical area of intervention; resource partner; and type of crisis (for E&R projects).

An allocation is therefore set aside as a contribution to fund these programmatic evaluations by the OED, which are pooled in the OED’s Evaluation Trust Fund (OEDTF).

3.2 Contribution to the OEDTF from development projects that include a separate evaluation

The OED evaluation manager will use the evaluation budget using the project budget code directly for the expenses related to the evaluation.

Principle 4. Contributions to the OED Trust Fund of development projects that include a separate evaluation

- a) All development projects that include a separate evaluation (see Principle 1 above) must add to their evaluation budget a lump sum of USD 10 000 as contribution to the OEDTF for the management of the evaluation.¹²
- b) For cluster evaluations, the management lump sum remains of USD 10 000, regardless of the number of projects included in the cluster.

Unless other arrangements are agreed with OED, this contribution should be transferred to OEDTF upon initiation of the evaluation.¹³

In summary, projects that are evaluated separately should, therefore, include in their budget:

- i. an evaluation budget (to be cleared by the OED through the OED-clearance@fao.org mailbox); and
- ii. a lump sum of USD 10 000 for OED management.

For individual project evaluations, it is advised to transfer the USD 10 000 to the OEDTF and keep the evaluation budget in the project budget. The OED evaluation manager will then use the evaluation budget using the project budget code directly for the expenses related to the evaluation.

This principle (inclusion of a lump sum for management costs) does not apply to E&R projects subject to separate evaluation, as the pooled funds from other E&R projects to the OEDTF will cover the necessary management costs.

3.3 Projects exempt from a contribution to the OEDTF

Some projects are exempt from contributing to the OEDTF due to specific agreements within FAO or between FAO and the donor. Principle 5 below provides a list of such projects. These projects will not be evaluated and are not subject OEDTF contributions.

Principle 5. The following projects are exempt from contribution to the OEDTF

- projects with a donor that has a specific agreement with the OED;¹⁴
- Technical Cooperation Programme (TCP) projects;
- all projects with budgets less than USD 200 000;
- Article XIV and Article VI projects; and
- projects that exclusively finance HR or coordination mechanisms (JPO, Secretariat, etc.).

¹² This also applied to decentralized project evaluations since the Regional Evaluation Specialists are funded by OED.

¹³ Due to the number of GEF projects evaluated by the OED, a separate process for payment of management fees to the OED has been agreed on. The lump sum is not included in the project budget but a total is calculated based on the number of GEF project evaluations managed by the OED annually. Every year the GCU transfers the amount corresponding to [USD 10 000 x total number of GEF project evaluations managed by the OED] to the OEDTF.

¹⁴ As of 2022, this applies to the EU and Germany, subject to change.

4. Use of the OED Trust Fund

OEDTF resources are used to evaluate initiatives that have contributed to the TF itself.

The portfolio of evaluations funded by the OEDTF follows a programmatic approach to evaluations through cluster, programme, thematic, real-time, and inter-agency evaluations and aims to contribute to overall FAO evaluation accountability and learning agenda.

Given the significance of the portfolio of project evaluations, the OEDTF is also used to cover the cost of the overall management of the TF, the management of project evaluations, and additional related products and activities falling under this portfolio.

4.1 The OED Policy for Decentralization

In 2021, OED began the implementation of a decentralization policy for project evaluations, endorsed by the Programme Committee in June 2020.¹⁵ Decentralized evaluations of single-country projects are conducted by the project budget holder with the OED providing technical guidance through a dedicated OED Decentralization Support Team.

The policy calls for the decentralization of single-country projects and GEF global and regional projects under USD 4 million while OED continues to manage larger global and regional evaluations; majority of resilience and emergency project evaluations; country programme evaluations; and thematic and strategic evaluations. As the scope of decentralization relates exclusively to project evaluations, the OEDTF covers the costs of supporting and managing decentralized evaluations.

4.2 Cluster evaluations

When significant resources accrue to the Trust Fund from projects in the same country, strategic areas of focus, these will be used to carry out a cluster evaluation.

Evaluations of clusters of projects share one or more of the following characteristics:

- i. theme and/or approach, such as pesticide control, fisheries management, farmer field school, and E&R programme and so on;
- ii. geographical area of intervention, such as state or region within a country, country, and sub-region or region and so on; and
- iii. resource partner.

The contributions to the OEDTF from E&R projects and surge activation/level 3 countries have accounted for anywhere between 67 percent (2017) and 77 percent (2020) of total contributions.

A two-year rolling workplan dedicated to E&R cluster evaluations was established in 2019, in consultation with Senior Management and the Office of Emergency and Resilience and is fully integrated in the four-year workplan of the OED. Inter-agency and system-wide evaluations are important elements of the workplan.

The OED evaluation workplan also proposes the integration of E&R evaluation team members in relevant thematic and CPE evaluations in an effort to improve evaluation efficiency, enhance linkages, and create a better understanding of work along the Humanitarian-Development-Peace (HDP) nexus.

¹⁵ <https://www.fao.org/3/ca4821en/ca4821en.pdf>

4.3 Complementary analysis to CPFs or major evaluations

When needed, resources from the OEDTF can be used to conduct a complementary analysis in the context of country programme evaluations (CPE) or major evaluations funded through OED regular budget. In some cases where the portfolio is sizeable and the contribution to the OEDTF is substantial, the CPE can be funded by the OEDTF.

4.4 Other evaluation activities

Evaluation synthesis

An evaluation synthesis “captures evaluative knowledge and lessons learned on a certain topic from across existing evaluations through aggregated and distilled evidence in order to draw more informed conclusions (and sometimes recommendations) on a specific topic or question”.¹⁶

Evaluation syntheses will be funded by the OEDTF when project evaluations form the bulk of the building blocks. Most evaluation syntheses conducted by OED are the result of specific demands coming from the governing bodies and are intended to contribute towards thematic or larger evaluations.

Impact Evaluations

OEDTF resources can also be used to carry out impact evaluations. OED defines Impact Evaluation as “a study dedicated to assessing significant changes triggered by FAO intervention(s) on people’s well-being and livelihoods as well as on their environment through a systematic evaluation of overall higher-level effects, including positive and negative, intended and unintended. Depending on factors such as the accountability structure, impact timeframe and measurability, higher-level immediate and intermediary outcomes may be measured as a proxy for impact. In such cases the study will also assess the potential for eventual impact.”¹⁷

In terms of scope, the focus of the OED impact evaluations is on the thematic/programmatic level, covering areas with substantial volume of FAO work that also support organizational learning, rather than on individual projects. An impact evaluation is therefore often conducted in the framework of a broader thematic or programmatic evaluation.

Others

Communication, knowledge management, and dissemination activities linked to the evaluations described above will be funded by the OEDTF. This may include publications, such as evaluation reports, dissemination workshops, videos, and blogs.

The translation and technical editing of evaluation reports financed through the OEDTF will be charged to the respective projects whenever required. The translation and production of evaluation documents for the governing bodies will also be funded by the Trust Fund.

4.3 Planning and management of OEDTF activities

The bulk of evaluations carried out by the OED relates to project evaluations or done through the evaluation portfolio described in the above sections. The OED receives a standard fee to cover the direct management costs for separate development project evaluations (see Principle 4), but this is only a fraction of the total management costs.

Thus, the OEDTF will be used to cover human resources costs associated with all OEDTF activities. This includes, at a minimum, a Senior Evaluation Officer/Budget Holder of the Trust Fund and , responsible for overseeing all activities under the Trust Fund, dedicated coordinators/evaluation officers to manage

¹⁶ <https://www.fao.org/3/cb7077en/cb7077en.pdf>

¹⁷ <https://www.fao.org/3/cb7084en/cb7084en.pdf>

both development and emergency and resilience portfolio evaluations, as well as support to evaluation decentralization.

Additionally, long-term consultants will be contracted to assist the implementation of the evaluation portfolio, including synthesis, knowledge management, and communication efforts. The number of long-term consultants together with the number of staffing positions will be reviewed regularly based on the overall evaluation plan.

To support decentralization efforts, the cost of five regional evaluation specialists (RESs) stationed in each of FAO's five regional offices with reporting lines directly to regional office management are covered by the OEDTF. The RESs are responsible for managing the decentralized final single-country project evaluations in each region. They are also responsible for ensuring dissemination of the results of the evaluation and creating learning opportunities at both the regional and country level in close cooperation with the regional field programme and knowledge management teams. The RESs also contribute to evaluation capacities in each region, using capacity development material and guidance developed by the OED.

The cost of human resources paid by the OEDTF should not exceed 60 percent of the annual income of OEDTF.

5. Planning, reporting and accountability

The OEDTF is managed by the OED as both the Budget Holder and Lead Technical Unit.¹⁸

The OED Director is responsible for any final decisions made about the distribution of funds, including timing and approach after consultation with relevant parties.

Regular reporting on the use of the OEDTF can be found in the OED's biennial Programme Evaluation Report.

Principle 6 defines the management and reporting rules for the OEDTF.

Principle 6. Responsibility for and reporting on the OEDTF

- a) The OED will be the Budget Holder, Lead Technical Unit and manager of the OEDTF.
- b) The OEDTF's resources will be allocated for different purposes by using the principles outlined above under the direction of the OED's Director.
- c) The OED will report on the use of the OEDTF through its biennial Programme Evaluation Report, submitted to the FAO Conference as well as through a full financial and performance report every end of OEDTF cycle submitted to the Programme Committee.

¹⁸ This was the case also for the two TFs established in 2006 and 2011, respectively.

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