

TERMS OF REFERENCE

EVALUATION MANAGER FOR THE POVERTY IMPACT FUND AND THE PROGRAMME PARTNERSHIP ARRANGEMENTS

Introduction

1. The Department for International Development (DFID) is responsible for promoting international development and poverty elimination. The central focus of DFID's policy is a commitment to the internationally agreed Millennium Development Goals (MDGs) and their target to halve the numbers of people living in poverty by 2015. DFID recognises the key role civil society plays in working towards these goals and is keen to provide appropriate support to developmentally sound initiatives.

2. DFID has a range of policy and funding relationships with a diverse range of civil society organisations (CSOs). These include, amongst others, international non-governmental organisations, trade unions, faith and black and minority ethnic groups. DFID has five objectives for our work with civil society:

- deliver goods and services effectively and efficiently which improve the lives of poor and marginalised people in developing countries
- empower citizens in developing countries to be more effective participants in development decisions and policies that affect their lives.
- enable civil society organisations to influence, advocate and hold to account national, regional and international institutions and increase aid effectiveness.
- work in partnership across HMG to build support for development in UK
- build and maintain the capacity and space for an active civil society.

3. The Evaluation Manager will provide evaluation guidance to two of DFID's central funding schemes, the Poverty Impact Fund (PIF) and the Programme Partnership Arrangements (PPAs), both overseen by the Civil Society Department (CSD). The key purpose of the Evaluation Manager is to ensure that robust and independent evaluation is applied across the PIF and PPA portfolios. For these central funding schemes, the evaluation function operates at two levels: at the level of individual partners who are awarded funding (either under the PIF or PPAs) and at the portfolio (fund) level, aggregating results to the level of each Fund and assessing the impact of each Fund in meeting its objectives.

Roles and responsibilities in monitoring and evaluation

4. Civil society partners are expected to include the full costs of monitoring and evaluation in their proposals for the PIF and allocate sufficient resources to monitoring and evaluation for PPA holders. The primary responsibility for designing and implementing the individual grant level evaluations of PIF and

PPA programmes therefore rests with each grantee. The Evaluation Manager is required to provide guidance to grantees on how to apply the standards for grant evaluations within the PIF and PPAs. Additionally the Evaluation Manager leads on evaluation at portfolio (fund) level.

5. The Evaluation Manager is responsible for developing Evaluation Strategies for the PIF and PPA, as well Implementation Plans, setting out how the strategies will be implemented and achieved. The Strategies and Implementation Plans should be adapted to the size and types of grants being disbursed.

6. CSD (for the PPAs) or a delegated fund manager (for the PIF) is responsible for the monitoring of grantees, including assessing annual reports.

The Poverty Impact Fund (PIF)

7. The UK Government is committed to establish a Poverty Impact Fund (PIF) to support innovative and effective civil society organisations in their efforts to achieve the MDGs in poor countries.

8. The PIF will be a demand-led fund with projects focused on poverty reduction, service delivery and the most off-track MDGs. Projects will be selected on the basis of demonstrable impact on poverty, clarity of outcomes, efficiency and value for money.

9. Subject to decisions in the government spending review, the PIF will agree grants worth £40 million per year for three years, leading to a total DFID contribution of £120 million being disbursed over the full five to six year life-span of all grants. This will include approximately £13m worth of grants agreed through the call for Additional Support to CSOs (ASCOS - December 2009) which will be rolled into the PIF but managed by the ASCOS Fund Manager.

10. Initially, the PIF will comprise of two funding windows tailored to different types and sizes of organisation:

- **Innovation Grants:** for small UK-based CSOs (annual average income < £500,000), encouraging innovative approaches to poverty reduction. Two funding rounds per year.
- **Impact Grants:** for UK-based CSOs working on poverty reduction programmes at larger scale in one or more poor countries. This window is also available to locally registered NGOs in countries where DFID has a country office. One funding round per year.

11. DFID may consider adding an **Investment window**, for large UK and globally recognised organisations with strong strategic and policy relevance to DFID, at a later stage. This window would probably be managed in-house. Work on this is not included in this contract.

12. Bidders should note that DFID is currently holding a public consultation on the PIF design, which may result in some adjustments relating to the Innovation and Impact Window criteria. None of these will have any material impact on the Evaluation Manager tasks. The proposed parameters for the PIF Innovation and Impact Windows can be found on DFID's website at <http://www.dfid.gov.uk/Working-with-DFID/Consultations/Public-consultation-on-the-design-of-the-new-poverty-impact-fund/>. The PIF Project Document outlining PIF project details, implementation and risks is attached at **Annex A**.

13. The PIF will provide funding with a maximum contribution of £250,000 for Innovation Grants and £2 million for Impact Grants. The project duration for both types of grants will be up to 3 years. Applicants are expected to contribute matched funding – a minimum of 25% for innovation grants and 50% for impact grants.

14. The split of fund allocation is expected to be 10% (£12m over 3 years) for the Innovation Window and 90% (£108m over 3 years) for the Impact Window. This is flexible depending on the amount and quality of applications.

15. For the £12m Innovation window, it is estimated that an average project will cost £200,000, suggesting approximately 60 projects in total. If the £12m is distributed evenly over the 3 years, there would be approximately 20 projects receiving £4m of funding between them each year

16. The funding spread for the Impact Window is structured slightly differently. For 10/11 it will consist of the strongest projects (£13m worth of grants) agreed through the Additional Support for CSOs Fund (now closed to applications). The remaining £95.4m will be split over 11/12 (£40m) and 12/13 (£55.4m). We anticipate that these will on average cost £1.8m given the funding limits, and so approximately 22 projects in 11/12 and 31 in 12/13.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Innovation	£650,000	£2,450,000	£3,800,000	£2,500,000	£1,800,000	£800,000
Impact		£6,000,000	£15,000,000	£40,000,000	£28,000,000	£6,400,000
Total	£650,000	£8,450,000	£18,800,000	£42,500,000	£29,800,000	£12,200,000

17. Costs for Evaluation Management will be in addition to these figures.

18. The PIF will be overseen by a Board which will provide advice to DFID on the functioning of the fund. The Evaluation Manager will report findings to DFID and to the Board.

19. . In addition to the contract for the Evaluation Manager, DFID is setting up two other contracts to ensure that the Funds operate effectively: (i) Due diligence checks (assessing each organisation prior to funding for both the PIF and PPAs) to manage risk; and, (ii) PIF Fund Manager: responsible for management of the Fund.

20. DFID expects the work of the Fund Manager and the Evaluation Manager to be closely and effectively co-ordinated to maximise complementarity and cost effectiveness.

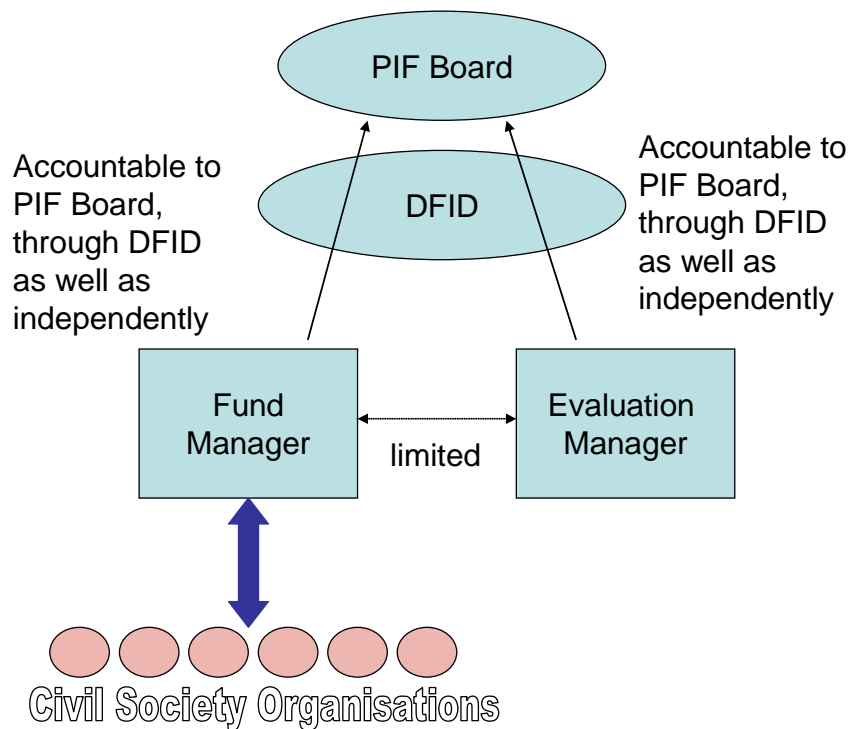


Diagram showing expected management structures for the Poverty Impact Fund

Programme Partnership Arrangements (PPAs)

21. Since 2000 DFID has been providing strategic support to a range of civil society organisations (CSOs) through a funding mechanism called Programme Partnership Arrangements (PPAs). This funding has been provided in support of mutually agreed outcomes against which PPA organisations have reported annually. There have been three previous calls for PPA applications and these have led to DFID expanding the number of PPA organisations from an initial 10 to more than 30. Almost all existing PPAs are due to end in March 2011.

22. Following a detailed review of DFID's overall support to civil society, DFID is currently inviting applications for a new round of PPA funding for the period from April 2011 to March 2014. The new round of applications will be managed through a fully open process. At the end of the competition, DFID expects to finalise strategic level agreements with a limited number of leading CSOs that are best able to demonstrate real and practical impact on poverty reduction, significant capability across their systems and policy engagement, and a clear fit with DFID's values and priorities.

23. To be successful in gaining PPA funding, organisations will need to demonstrate robust monitoring and evaluation systems and a commitment to transparency as set out in the UK Aid Transparency Guarantee. New PPAs will be required to have clear, agreed, measurable performance frameworks in the form of logical frameworks. These will help DFID to better assess performance of PPA organisations and link funding to performance over the 3

year PPA period. The process is designed to lead to a higher performing PPA mechanism with an emphasis on value for money and results.

24. Subject to decisions in the government spending review, DFID expects to allocate £120m per annum to PPAs. £20m of this funding is earmarked for Conflict, Security and Justice, and Humanitarian (CSH) priorities. Unlike the PIF which is managed by a Fund Manager, DFID directly manages PPAs.

Overall Task

25. The purpose of this contract is to design and manage the overall evaluation functions of the PIF and the PPAs – ensuring impact can be assessed at both individual grantee level as well as at overall portfolio (fund) level. This will be achieved through ensuring evaluability of both PIF and PPA grant agreements, supporting partners to develop best practice evaluation functions, developing and implementing overall evaluation strategies and implementation plans for each fund (5/6 years for the PIF, 3 years for the PPAs).

26. The Evaluation Manager contract period will be for 48 months, with an anticipated starting date in December 2010, with an option to extend for up to a further 24 months. A review after 36 months will be held to examine continuing need for the contract and performance of the Evaluation Manager, focusing on value for money.

27. The Evaluation strategies and implementation plans for each fund will need to balance value for money with a robust and comprehensive approach to results management, but also be proportionate to the size and type of funding.

28. Bidders are expected to set out their approach to managing the evaluation of the PIF and PPAs, ensuring a value for money approach, adapting the evaluation to the sizes and types of grants administered under the two windows of the PIF (Impact and Innovation windows) and the PPAs. This must include a set of quantifiable targets for key performance indicators, including eg time to appraise logframes, evaluation budgets and proposals for each grant holder prior to approval with the Fund Manager.

29. The Evaluation Manager will be responsible for the following:

- Ensuring evaluability of grants from each fund including:
 - a. Recommending suitable funding levels for grantees to dedicate to evaluation for the PIF windows and PPAs.
 - b. Helping each grantee to develop a baseline early on against which future change can be objectively assessed.
 - c. Ensuring that each Agreement has a clear logframe (perhaps including theories of change for complex interventions) with SMART indicators and accessible and reliable information sources.

- d. Advising on appropriate methodologies to be used in evaluation, (including resource intensive methods such as randomised control trials) for different types of projects or organisations.
 - e. Advising grantees on how to generate usable data on costs, benefits, success rates and lessons from civil society interventions
- Advising grantees on best practice principles and standards for their evaluation function including suitable levels of independence, transparency, evaluation ethics, partnerships and credibility
 - Ensuring that gender is mainstreamed into grantee evaluation approaches, including sex disaggregation of data.
 - Providing quality assurance and initial advice to grantees to ensure robust and independent approach to evaluation over the lifetime of the funds and evaluation contract. However, to ensure independence of the Evaluation Manager, beyond early quality assuring of logframes, evaluation approaches and budgets, the Evaluation Manager is not expected to have an on-going relationship with grantees. The Evaluation Manager would attend periodic learning or monitoring events organised by DFID (for PPAs) or the Fund Manager (for the PIF) primarily to set out evaluation standards and norms, new approaches or methodologies or share evaluation findings and approaches.
 - Designing and implementing a quality assurance process for the Evaluation Manager contract.
 - Answering ad hoc evaluation requests from the Civil Society Department of DFID throughout the year

30. The Evaluation Manager is required to work jointly with the Fund Manager (for the PIF) and CSD (for the PPAs) on common areas, such as jointly agreeing logframes and budget allocations for evaluation (which are detailed separately in grant applications) proposed by grantees. To achieve this, the Evaluation Manager reviews and provides feedback on the 'Evaluation' section of each short listed proposal, appraising applications for the overall approach, the specific methodology, the grantees' self assessment of their capacity to manage the evaluation component etc. The Evaluation Manager is also expected to review and comment on the coherence between the logical framework, evaluation approach and budget allocations. To streamline channels of communication, all feedback to grantees is provided via the Fund Manager.

Specific Tasks

PIF

31. The Evaluation Manager is expected to develop and agree a PIF Evaluation Strategy and Implementation plan (setting how the strategy will be implemented) with DFID. This includes:

- Agree with the Fund Manager how DFID's logical framework format will be applied to the Innovation and Impact windows of the PIF
- Quality assure elements of evaluability including:

- a. evaluation budget allocations with the Fund Manager for each funding window, and ensuring these are detailed separately in budgets,
 - b. baseline data. (advising on proposals for establishing a baseline where existing data is inadequate)
 - c. logframes¹ (to be jointly agreed with the Fund Manager)
 - d. proposed evaluation methodologies ensuring that they are proportionate to the level and type of funding
- Develop a rolling baseline report for the PIF – updating after each funding round.
 - Develop a meta logframe (probably a nested logframe) for the PIF, updating after each funding round.
 - Attend the annual monitoring and lesson learning events for PIF grantees organised by the Fund Manager, leading on the evaluation component of these events, as required.
 - Submit to DFID the Evaluation Strategy, Implementation Plan, Baseline report and final evaluation report for approval by the PIF Board. This includes being available for presentation and discussion with the PIF Board.
 - Review a sample of Annual Reports (to be agreed with Fund Manager) to understand the quality of monitoring data that will be used in the evaluation (eg to assess capacity in monitoring, adherence to logical frameworks, balance of qualitative and quantitative data etc)
 - Develop the approach to a mid term and final evaluation of the PIF funding mechanism including through developing generic TORs for use by PIF grant holders and, where appropriate, quality assuring final amended TORs as finalised by grantees.
 - Quality assure final evaluation reports from grantees, against best practice evaluation standards
 - Coordinate the final evaluation of the PIF and undertake a meta evaluation of individual evaluation results of the fund. This should include an overall assessment of the value of the PIF as an approach to achieving the Millennium Development Goals through civil society.
 - Provide a PIF Final Evaluation report in a short, public domain version, as well as a stand alone detailed technical report.
 - Present 5 short thematic final evaluation reports on a range of themes to be determined, but which may include: gender, a specific thematic focus on one or more MDG, a regional report etc.

PPAs

32. The Evaluation Manager is expected to develop and agree a PPA Evaluation Strategy and Implementation plan with DFID. This includes

- Providing advice and guidance to PPA partners to ensure evaluability of their agreements. This will include:
 - a. Working with DFID to finalise and agree all logical frameworks

¹ including logframes already agreed under the Additional Support to CSOs

- b. Developing proposals for establishing a PPA portfolio baseline report and finalise a PPA baseline report.
- c. Ensuring adequate baseline data against which progress can be assessed.
- d. Proposing evaluation methodologies ensuring that they are proportionate to the level and type of funding
- Developing a meta logframe (probably a nested logframe) for the PPA mechanism to synthesise the results (logical) frameworks of PPA partners
- Developing and implementing the Monitoring and Evaluation Strategy for the life span of the PPAs (3 years), taking into account the need to balance value for money with a comprehensive approach to results management
- Developing the approach to mid term evaluations and developing generic TORs for use by PPA partners and quality assuring final amended ToRs as appropriate
- Coordinating the mid term evaluations of all PPAs and developing a PPA mid term report on the results of the fund at partner and portfolio level.
- Developing the approach to final evaluations and developing generic TORs for use by PPA partners
- Quality assuring final evaluations against evaluation best practice standards
- Coordinating the final evaluation of the PPAs and producing a final report of the results of the fund at the portfolio level.

Joint specific tasks

33. As part of this contract, the Evaluation Manager will undertake a suitable number of evaluation visits, some of which will be overseas trips. The Evaluation Manager will jointly agree this programme with DFID and the PIF Fund Manager, as some visits may be joint with the Fund Manager. The Evaluation Manager may be accompanied by a DFID member of staff or other nominated individual.

34. The Evaluation Manager should facilitate two workshops with DFID and other stakeholders (perhaps partners, the PIF Fund Manager) to develop and communicate a synthesis of lessons learned. These should be held in Years 2 and 4. The aim of the workshops is to highlight best practice and innovation in designing and managing the evaluation of Civil Society Funds and develop an overall assessment of the effectiveness of challenge funds in meeting their objectives. The Evaluation Manager should finalise reports following each workshop.

35. Bidders should develop a quality assurance plan to ensure successful delivery of objectives.

Value for Money

36. DFID's review of civil society funding highlights the lack of data on the costs and benefits of different types of civil society intervention, underscoring

the importance of thorough evaluation of the PPAs and PIF. The Evaluation Manager is required to advise grantees on evaluation systems that can generate usable data on costs, benefits and lessons learned to use in future civil society programming. The logframe (including activity logs, where used) and indicators should be designed to assist in this. The range of organisations funded through the PIF and PPA provides an excellent opportunity to break new ground in analysing the cost effectiveness of civil society work.

37. Starting in year 2 (using data from the midterm review of the PPAs and any evaluation reports from PIF projects) and thereafter annually (using data from the evaluation reports from both PIF and PPA grantees), the Evaluation Manager should provide a stand alone Value for Money report as part of annual reporting. The Value for Money report should provide and analyse data on costs, benefits and success rates of different types of civil society intervention (eg disaggregated by type of CSOs, sector, operating environment etc).

38. DFID puts a premium on efficiency and value for money in all its operations. As such, the overall transaction effort and evaluation management process will be proportionate to the value of grant funding provided. In particular, the Evaluation Manager should consider the different evaluation requirements of the Innovation and Impact grant windows and for the PPAs, including the expected budget that grantees should allocate to evaluation, the approaches and methodologies, the level of independence etc. The Evaluation Manager should also maximise efficiencies through close working with DFID and the PIF Fund Manager.

Coordination

39. The Evaluation Manager will report to Civil Society Department. They will coordinate their work with other parts of DFID (including DFID's Evaluation Department) and the PIF Fund Manager to best achieve the objectives of the contract. The Evaluation Manager will ensure there is no conflict of interest with the Independent Aid Watchdog contract.

40. The Evaluation Manager is expected to stay up-to-date with and apply best international practice on evaluation. This would include adapting for civil society and applying the OECD DAC Quality Standards for Development Evaluation and Principles for Evaluation of Development Assistance. Related work, such as Bond's Civil Society Effectiveness programme, should also be used.

Reporting on the Performance of the Contract and Fund

41. The Evaluation Manager will provide an inception report (six months after contract start) followed by six-monthly reports to DFID on the performance of the Contract and the evaluation function of the PIF and the PPAs.

42. Reporting on the performance of the Contract and Evaluation Function of the Fund will include:

- An annual financial report on evaluation of the PIF and PPA, including details of efficiency savings developed and implemented.
- An overview of the competence and usefulness of all evaluations completed by grantees, listing key points of interest and any areas of concern
- An overview of the performance of the evaluation function of each PIF grantee and PPA organisation against evaluation best practice, together with recommendations of how evaluation can be further strengthened in the civil society sector.
- Recommendations for any changes to guidance or procedures on how grants are appraised and evaluation is managed in the PIF or the PPAs

43. The Evaluation Manager will make itself available to meet with the Civil Society Department of DFID and the PIF Board (either in person or by video-conference) to discuss progress reports.

Civil Society Department
September 2010