

**ANNEX A: TERMS OF REFERENCE**

## **Appendix 1: Scope of Services**

*(Appendix 1 comprises initially the original Terms of Reference. Later the Terms of Reference are supplemented by the Consultant's Technical Schedules as Appendix 1.1)*

### **1. Introduction**

The Neighbourhood Programme is Denmark's bilateral programme to support EU's neighbouring countries to the east and southeast. The Neighbourhood Programme is an integral and important part of Denmark's foreign policy in this area seeking to promote a peaceful and prosperous Europe through bilateral contacts and assistance within the framework of the European Union Neighbourhood Policy. The overall objective of the Danish Neighbourhood Programme is to support peace, stability and prosperity through support to:

- 1) Human rights and democracy, including good governance, conflict resolution and peace-building, gender equality, minority rights, indigenous peoples' rights, as well as strengthening of civil society and independent media.
  - 2) Sustainable and inclusive economic development, including private sector development aiming at promoting sustainable growth, skills development, job creation, energy efficiency and green technology.
- In light of the overall challenges facing the region and the budget available it is recognized that the neighbourhood programme must be focused and seek to catalyse change in order to reach the overall goals<sup>1</sup>.

The Programme was initially launched in 2004 with a first phase from 2004-2007 and it had a financial framework of DKK 742 million. The second phase from 2008-2012 had a budget of DKK 1 billion. The second phase had in principal 15 priority countries, a number that was reduced to seven in the third phase. The third phase was launched in 2013 with an indicative budget frame of 1 billion DKK in the period 2013-2017 with approximately 200 million a year. The seven priority countries in the third phase are Albania, Bosnia-Herzegovina, Kosovo, Ukraine, Belarus (assistance is limited to the pillar of Human Rights and Democracy), Moldova and Georgia.

To provide learning and contribute to strengthening the impact of the possible phase four of the Neighbourhood Programme from 2018 to 2022 it has been decided to carry out an independent evaluation of the Neighbourhood Programme interventions from 2008-15, although with a focus on the present strategy phase which covers the period 2013-2017. Formulation of the new programme/strategy will be initiated in the autumn 2016.

### **2. Background**

The Neighbourhood Programme is an integral part of Denmark's overall foreign policy with respect to the neighbourhood region where peace, stability and prosperity are seen as closely related to and having a direct influence on the situation in Denmark. Danish foreign policy is carried out within the context of the European Union policies towards these countries and Denmark is strongly supportive of the European Union Neighbourhood Policy of closer relations with the countries many of which have expressed keen interest in closer association with the European Union. The Danish development assistance is seen as complementary to the European Neighbourhood Instrument (ENI) and the

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<sup>1</sup> Strategy for the Danish Neighbourhood Programme 2013-2017, p. 6.

Instrument for Pre-accession Assistance (IPA) and seeks to support countries in their EU-accession/approximation process as well as compliance with European human right standards. Through strengthened relations with neighbourhood countries, the programme is used actively to promote Danish foreign policy and security interests and core values in the region as well as trade and commercial interests. The Neighbourhood Programme seeks to reinforce Denmark's bilateral relations with individual countries in the region, including strengthening government, professional and economic ties as well as promoting regional cooperation, stability and integration.

The core strategy of the programme is to identify and cooperate with agents of change and partners considered most suitable to furthering the objectives of the Neighbourhood Programme. Hence, the intention is not only to support development objectives but also to catalyse change and support the transformation of these societies into market based democracies. The programme seeks to involve a broad range of actors from government, private sector, national and international organisations, civil society organisations, universities, media as well as financial developmental institutions like Investment Fund for Developing Countries (IFU) and Nordic Environment Finance Cooperation (NEFCO) on the Danish side and the countries in question. The partnerships must be flexible in order to respond to challenges and changes of a political or economic nature. Capacity building of partners will be an essential part of most projects and programmes.

The Neighbourhood Programme is implemented by public and private partners and civil society organisations (CSOs) of both Danish, regional and international origin. The Ministry of Foreign Affairs (MFA) cooperates directly with multilateral organisations in areas where they possess the required capacity<sup>2</sup>. Partnership agreements and delegated partnership has throughout the strategy period been strengthened as a modality as a consequence of the centralised management of the programme from MFA in Copenhagen.

The overall responsibility for the implementation and administration of the Neighbourhood Programme rests with the MFA with the active involvement, where possible, of Denmark's embassies in the region.

The programme is based on the principles outlined in the strategy for Denmark's development cooperation, The Right to a Better Life (2012) as well on a number of more thematic strategies and strategic framework documents<sup>1</sup>. The Neighbourhood Programme also applies a human rights based approach underpinning efforts to realise social, cultural, economic, political and civil rights. The Danish Aid Management Guidelines, along with international aid effectiveness principles constitute the implementation framework of the Neighbourhood Programme. In line with the Busan Partnership for Effective Development Co-operation (2011) the main principles include ownership, results-based management, inclusive development partnerships and transparency and accountability<sup>2</sup>. As a general guideline approximately 80 % of the annual budgetary frame is allocated to long-term support to the priority countries. The remaining approximately 20 % is available for more flexible interventions in the entire Neighbourhood region, e.g. responses to sudden conflicts or the appearance of new political opportunities and secondments. The general allocation of funds between countries and specific programmes are outlined annually in the Danish Finance Act. An overview of the committed/budgeted funds of the interventions in the seven priority countries (Georgia chosen 2014 to replace Armenia) and the regional programme under the Neighbourhood Programme 2013-2016 as well as for the Neighbourhood Programme 2008-2012 can be found in Annex 1.

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<sup>2</sup> Strategy for the Danish Neighbourhood Programme 2013-2017, p. 24.

There are many other multilateral and bilateral donors and actors active in the region, and it is part of the Danish policy to seek active cooperation with other donors and partners to maximise influence and ensure coordination.

The activities funded by the Neighbourhood Programme have been reviewed regularly, and in 2011 an independent evaluation of the economic and private sector related aspects of the programme was carried out. The evaluation was positive with regards to the immediate results of the programme although it also pointed out that lack of baseline and monitoring data did make it difficult to assess the effectiveness, sustainability and impact of the funded interventions. The programme was lauded for its alignment and flexibility and was described by partner countries as of strategic importance. However, the evaluation also pointed to opportunities arising for ensuring stronger national ownership and engaging closer with partner countries through e.g. requirements for national co-funding. Finally, the evaluation pointed to the fact that the programme had become an interesting laboratory for testing of economic development programme features that could inspire similar programmes in other parts of the world.

Recommendations from the 2011 evaluation have been followed up and have amongst other resulted in a reduction in the number of priority countries to seven. Likewise, enhanced efforts have been made to strengthen programming and monitoring with a view to better assessing progress and ensuring that implementing partner follow-up to ensure the best possible results.

### 3. Objectives

The objectives of the evaluation of the Neighbourhood Programme 2008-15 are:

- To assess the **strategic relevance** of the Neighbourhood Programme as a Danish Foreign Policy Instrument and an instrument to catalyse change.
- To document and assess policy and development **results** from the cooperation including whether these are transformative.
- To provide **lessons learned** and input to the new strategic framework for a possible fourth phase of the Neighbourhood Programme including on the strategic relevance, management, country focus, design and implementation as well as an improved **M&E** results framework.

The outcome of the evaluation is expected to be:

- An assessment of the strategic relevance of the programme and possible suggestions for improvements.
- An assessment of the comparative advantage for Denmark in having a specific Danish Neighbourhood program as supplement to the wider and broader EU assistance.
- Documentation of results including whether these are transformative.
- Lessons learned with regards to strengthening results and catalyse change, including lessons with regards to choice of modalities, partners etc.
- A qualified input into a strengthened monitoring framework for the programme.

#### 4. Scope of work

The evaluation will cover cooperation with the neighbourhood (seven) countries, eligible for funding under the third phase of the programme, as well as regional programmes during the period 2008-2015, but with a focus on the present strategy period.

It will look into the choices made for funding with a view to their **strategic relevance** for Danish foreign policy and for the neighbourhood countries in the development efforts. It will assess choices made with regard to topics, modalities, and partners and to what extent the activities have promoted Danish values and interests in the countries and the region and the extent to which this has been relevant for the partner countries. It will also assess the complementarity with EU policies.

Where relevant, it may be appropriate to go back in time (however, not before 2008) in order to access the cooperation and the transformative impact of the intervention. All programme interventions in the present seven countries and the regional programmes committed in the period 2008-15 will be subject to a desk review and for selected interventions a more thorough review to adequately address the overall objectives of the evaluation. In depth country studies will be carried out in Ukraine/Moldova and Kosovo/Albania as these two clusters of countries are the largest recipients of Danish assistance. Activities funded under the regional programmes in these countries will also be assessed as part of the Danish engagement in the various countries.

An important first part of the evaluation will be to carry out a portfolio analysis to get a comprehensive overview over the Danish engagement in the countries (including size compared to other donors), Danish policies and interests, sectors and partners. The portfolio analysis will form an important part of the inception report and form the basis for selection of interventions for further study.

The evaluation is to provide a record of the concrete development **results** achieved and assess its transformative impact as well as the contribution to the overall objectives of the Danish Neighbourhood Programme. Hence, the evaluation should tell the story of the Danish Neighbourhood Programme. The evaluation should provide examples of results that can be communicated more widely to the public.

The evaluation will provide **lessons learned** and recommendations with a view to informing the next phase of the Neighbourhood Programme by assessing and generating knowledge about what works and what does not work and why. In particular, lessons with regards to partners, modalities as well as a qualified input as to the development of a Theory of Change for programming of a more rigorous **M&E** framework for the next phase that will ensure the capturing of results at outcome and impact level will be important. Such a M&E framework will form the basis of a possible Real-Time Evaluation.

#### 5. Evaluation Questions

##### Strategic relevance:

- Q1: What are the programme's strategic relevance as it is translated into policies pursued, activities funded, the modalities and partners' chosen for Danish foreign policy objectives and the countries?

##### Results

- Q2: What are the development results of the interventions?
- Q3: Are these results sustainable and have they had a wider, transformational impact on the country/region/sector/area in question?

- Q4: What are important factors related to the policy dialogue, context, programme design, and/or implementation that have contributed to achieving and sustaining results and transformation?
- Q5: What are the results of the partnership approach, in particular for bringing in Danish competences, including Danish companies; and what have been the direct or indirect effects of the programme for Danish commercial interests and for local private sector development?

### **Lessons learned**

- Q6: What can be done to enhance the strategic relevance of the programme seen from the point of view of Denmark, EU, and partner countries?
- Q7: What are the lessons learned in relation to engaging Danish competences and partners, including from the private sector, in promoting the overall objectives of the programme and Danish foreign policy interests?
- Q8: What are lessons learned with regards to choice of modalities?
- Q9: What are lessons learned with regards to strengthening oversight and monitoring of programmes?
- Q10: What are the specific lessons learned with regard to applying a human rights based approach including gender mainstream/focus, minority rights and indigenous peoples' rights?
- Q11: What are the lessons learned with regards to involvement in and contribution to donor coordination as well as general alignment to national policies?

The specific evaluation questions may be revised during the inception phase of the Evaluation.

## **6. Approach and methodology**

The evaluation will be carried out in accordance with the Danida Evaluation Policy on Development Cooperation (draft December 2015) and Danida Evaluation Guidelines, including lay-out guidelines as well as the OECD/DAC Evaluation Quality Standards (2010).

The focus is on development results – that is results preferable at the outcome level where issues of sustainability and impact can be assessed. Given the short time period that some of the activities have been under implementation it will not always be possible to measure sustainability and impact stemming from the funded activities – here recommendations as to enhancing the sustainability and impact will be sought for.

Given the size of the Danish contribution it is expected that it will not be possible to attribute direct results at higher levels of outcome and impact to the specific Danish intervention. However, it would be expected that the evaluation will apply theories of change approaches coupled with contribution analysis at the strategic level as well as the programme/engagement level to establish causality and understand what drive or hinder changes by the activities that Denmark contributed/is contributing to. The contribution analysis should seek to establish plausible links between the Danish engagement and the changes and results seen with an emphasis on the value added of the specific Danish intervention. Where at all possible and relevant, the evaluation will seek the views of the beneficiaries of the assistance – policy level and people directly affected - with a view to informing the evaluation about issues related to the relevance, impact and sustainability of the interventions.

The evaluation is expected to proceed in the following phases:

1. Inception phase: The inception phase will include a portfolio analysis. The inception phase will result in a draft inception report (see draft outline below) that will be presented to Evaluation Department (EVAL) for comments from EVAL and the Evaluation Reference Group (ERG) upon which it will be finalised.
2. Implementation phase: Based on the inception report the implementation will proceed. It will include desk studies of all programmes and activities funded, consultations with MFA and Danish partners as well as a field visit to Ukraine/Moldova and Kosovo/Albania for collection of data (qualitative and quantitative) including interviews with government staff at various levels, development partners, private sector and civil society). After the visit to the two clusters of countries the evaluation team will draft two “country reports” which will be discussed with EVAL and the ERG. Based on the information collected by the team in the inception and implementation phases including the approved two “country reports”, the team will prepare a short paper on initial findings, conclusions, and recommendations. This paper will be discussed with the ERG. As part of the assignment the team must identify 5 case stories that can contribute to informing the Danish public of the results of the Neighbourhood Programme.

It is envisaged that the field work will be of approximately 2½ weeks’ duration in Ukraine/Moldova and 1½ weeks in Albania/Kosovo.

## **7. Outputs and timetable**

The following outputs will be required:

1. Inception Report: A draft report (not exceeding 20 pages excluding annexes) including: brief portfolio analysis to be further developed in the main report; overview and further specification of the choices of countries and programmes selected for deeper study; an evaluation matrix indicating evaluation questions, judgement criteria and data sources; a detailed methodology for the field work; and a detailed work plan. The inception report will be discussed with EVAL and the ERG in a meeting in Copenhagen. A final version forwarded to EVAL in accordance with the outcome of the discussion.
2. “Country Reports”: Two draft “country reports” prepared for each of the visits (not exceeding 20 pages each). The “country reports” should be presented and discussed with EVAL and the ERG via a Video Conference, before the final report is drafted. A final version of the two reports forwarded to EVAL in accordance with the outcome of the discussion.
3. Preliminary findings paper: Short paper (maximum 10 pages and power point presentations) on preliminary findings to be discussed with EVAL and the ERG before the final report is drafted. The paper will be discussed with EVAL and the ERG in a meeting in Copenhagen.

4. Theory of Change workshop: Carry out a one-day ToC-workshop (back to back with the presentation of the preliminary findings) with the aim to inform the formulation of the next phase. The workshop will have participation of relevant partners.
5. Evaluation report: A draft evaluation report providing the analysis, findings, conclusions, and recommendations in accordance with the agreed outline and the outcome of the discussion of the preliminary findings. The report should not exceed 45 pages including a maximum of a 4-page executive summary, but excluding annexes. In addition, a maximum of 5 pages, one page each, of the five case stories will be provided ready for communication to the public. The draft evaluation report will be discussed with EVAL and the ERG in a meeting in Copenhagen. A final version forwarded to EVAL in accordance with the outcome of the discussion.

The reports should follow Danida layout guidelines for evaluations and will be made publicly available by the MFA Evaluation Department.

The following timetable of milestones is proposed:

<b>Milestones</b>	<b>Date (2016)</b>
Selection of winning company	4.3
Signing of contract	15.3
Initiate the assignment	4.4
Start-up meetings in Copenhagen	11.4
Submission of draft inception report	9.5
First meeting with ERG – draft inception report	17.5
Field study	May/June/July
Submission of draft “country reports”	June/July
Discussion of draft “country reports”	June/July
Submission of preliminary findings	8.8
Second meeting with ERG – preliminary findings	16.8
One day Theory of Change workshop	17.8
Submission of draft evaluation report	30.9
Third meeting with ERG – draft evaluation report	12.10
Final Evaluation Report	28.10

## **8. Organisation of the Evaluation**

Management of the Evaluation will follow the Danida Evaluation Guidelines (2012), Danida lay-out guidelines and OECD-DAC quality standards (2010). There are three sets of roles in the evaluation process: a) the Evaluation Management b) the Evaluation Team (Consultant) and c) the Evaluation Reference Group. Further details are provided in Annex 2.



## **9. Composition and Qualification of the Evaluation Team**

The Evaluation Team must possess substantial experience and knowledge about country programme evaluations including policy level and/or evaluations of broader development engagements as well as knowledge of the region. Extensive experience about the thematic areas under evaluation, i.e. private sector development, democracy and human rights is furthermore an advantage. Knowledge of EU cooperation programmes and other key actors in the region would furthermore be an advantage.

The Evaluation Team is expected to consist of three members one Team Leader and two team members. The team members are expected to complement each other. The Tenderer can decide to include personnel for additional functions, e.g. research assistants. Possible research assistance will not be assessed on an individual basis but as part of the overall team composition and backup.

It is expected that the Team Leader will participate in all the fieldwork and is in charge of the final report writing. The Tenderer should clearly state who of the proposed team members covers which qualification criteria. The team must contain experience with all methodologies and tools suggested in the tender. The following CV's shall be included in the tender proposal: Team Leader, two core team members and Quality Assurance Manager. The three CVs of the core team will be assessed on an individual basis. A personnel assignment chart must be included in the technical proposal with the exact input of person days proposed. The entire proposed team will be assessed as a whole as part of the 'Adequacy of proposed composition of entire team'.

The organisation of the team's work is the responsibility of the consultant and should be specified and explained clearly in the tender. It is expected that the Team Leader is closely involved in the elaboration of the tender. The Team Leader is responsible for the team's reporting to and communication with EVAL, and for the organisation of the work of the team. The Team Leader will participate in all meetings with EVAL as well as with the Evaluation Reference Group as requested by EVAL.

### **Qualifications of the Team Leader:**

General experience:

- Higher academic degree in economics or related field.
- A profile with emphasis on evaluation, with 15 years or more of relevant international experience from development cooperation and evaluation.
- Experience as team leader for an evaluation of a comparable level of complexity.

Adequacy for the Assignment:

- Experience from country programme evaluations and/or comprehensive evaluations of broader cooperation with developing countries including related to transformation processes.
- Extensive experience from evaluation-related work in one or more of the relevant thematic areas of the Evaluation.
- Other analytical work in relation to one or more of the relevant thematic areas.

Country experience and language:

- Broad international experience, including experience from the region.
- Proficiency in spoken and written English.

**Qualifications of core team members – qualifications must complement each other:**

General experience:

- Higher academic degree in a field relevant to the assignment.
- A profile with emphasis on development and/or evaluation issues, with 10 years relevant professional experience from areas of relevance for the evaluation.
- Experience as team member for evaluations/or development assignments of a comparable level.

Adequacy for the Assignment:

- Experience from country programme evaluations and/or extensive evaluation-related or development work in one or more of the relevant thematic areas of the Evaluation.
- Sector relevant knowledge – 1) human rights, good governance, and 2) economic development and private sector.
- Experience from research, consulting, public administration or the private sector of one or more of the relevant thematic areas of the Evaluation.
- Other analytical work in relation to one or more of the relevant thematic areas.

Country experience and language:

- Broad international experience, including experience from the region.
- Proficiency in spoken and written English.

The team composition will be evaluated according to relevance and complementarity of the qualifications of the entire proposed team.

## **10. Eligibility**

The DAC evaluation principles of independence of the Evaluation Team will be applied. In situations where conflict of interest occurs, candidates may be excluded from participation, if their participation may question the independence and impartiality of the Evaluation. Any firm or individual consultant that has participated in the preparation or implementation of the evaluated Danida programmes will be excluded from participation in the tender. Tenderers are obliged to carefully consider issues of eligibility for individual consultants and inform the Client of any potential issues relating to a possible conflict of interest (cf. Danida Evaluation Guidelines).

## **11. Financial Proposal**

The total budget for the consultancy services is a maximum of DKK 1.6 million. This includes all fees and project related expenses required for the implementation of the contract. The financial proposal

should include field work in the region estimated to last around four weeks. EVAL will cover the expenditures of preparing the final evaluation report for publication and any additional dissemination activities as and if agreed upon.

## **12. Requirements of home office support**

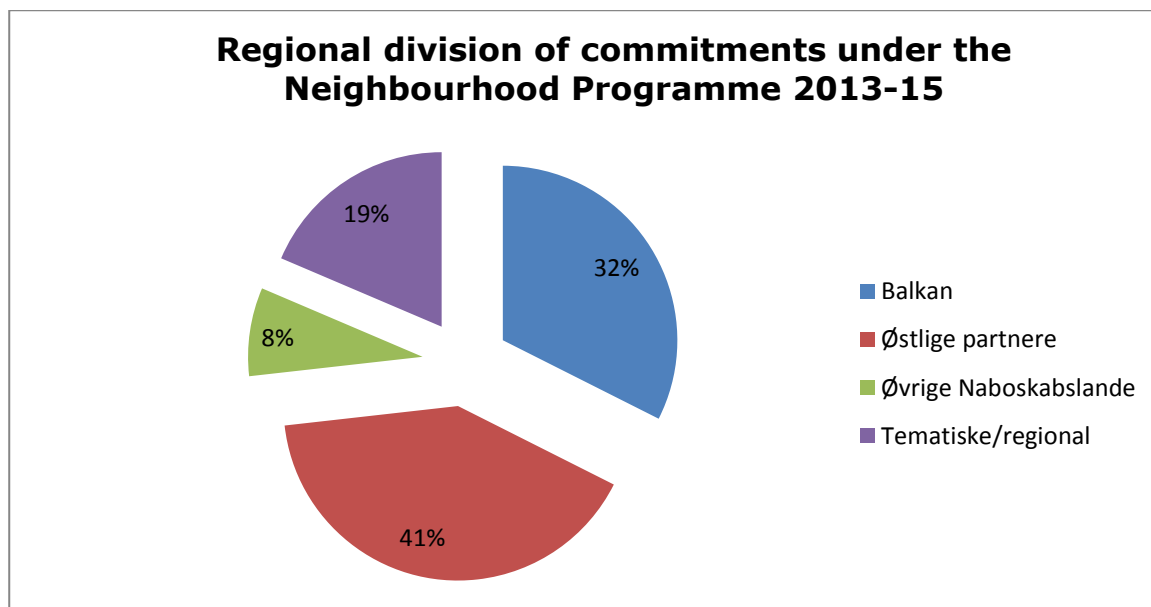
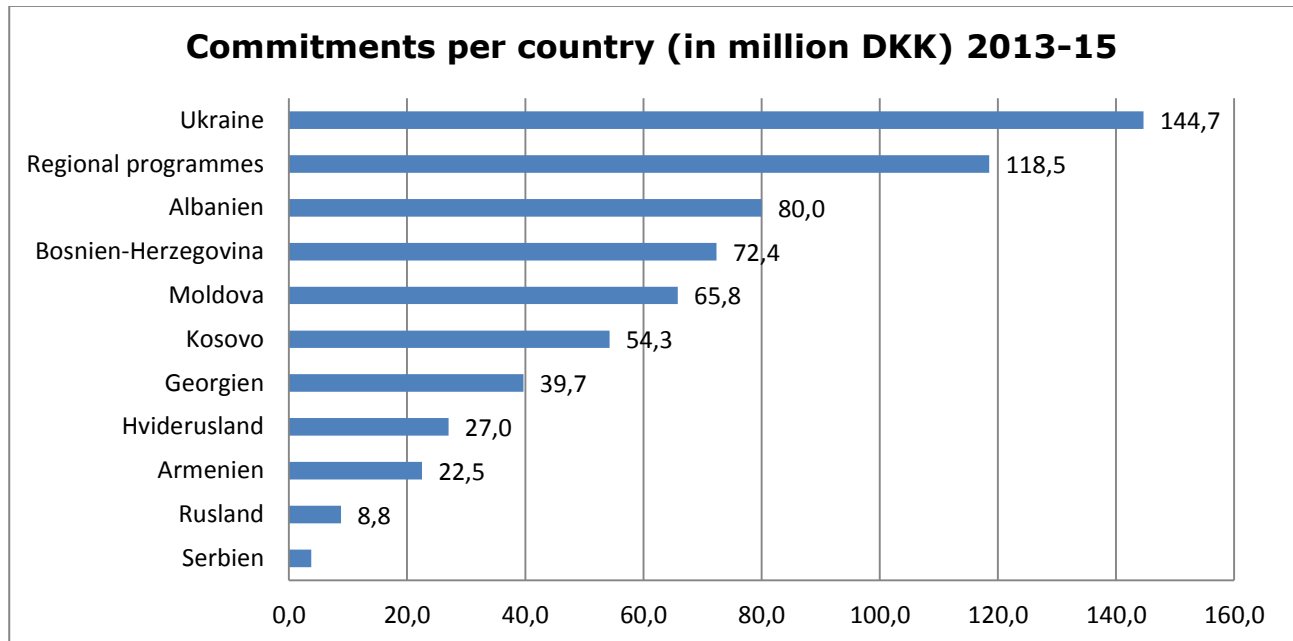
The Evaluation Team's home office shall provide the following, to be covered by the Consultants fees:

- General home office administration and professional back-up. The back-up activities shall be specified.
- Quality assurance (QA) of the consultancy services in accordance with the quality management and quality assurance system described in the Tender. Special emphasis should be given to quality assurance of draft reports prior to the submission of such reports. EVAL may request documentation for the QA undertaken in the process.

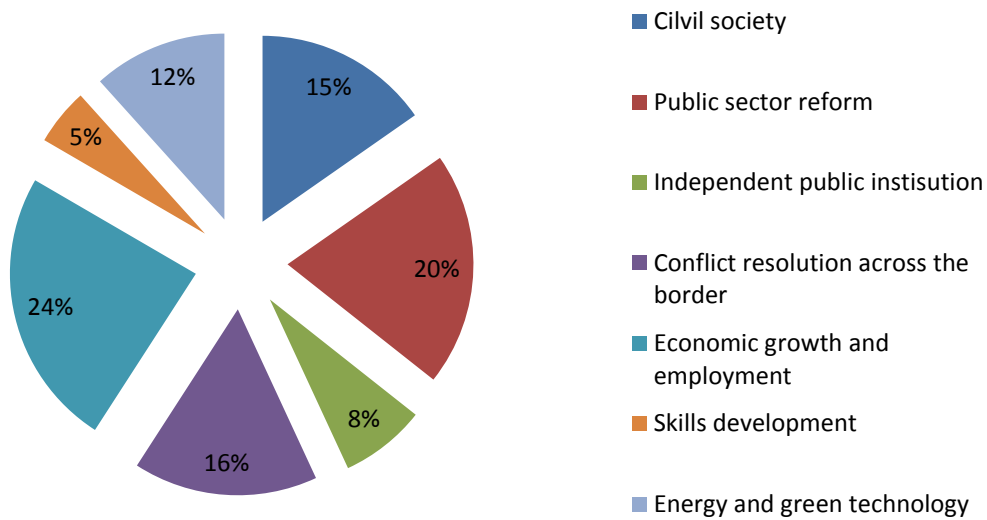
The Tenders shall comprise a detailed description of the proposed QA, in order to document that the Tenderer has fully internalised how to implement the QA and in order to enable a subsequent verification that the QA has actually been carried out as agreed. The Tenderer should select a QA Team, to be responsible for Head Office QA. The member(s) of the QA should not be directly involved in the evaluation. All QA activities should be properly documented and reported to EVAL.

## ToR Annex 1 - Commitments of the Neighbourhood Programme 2008-2015

### Commitments of the Neighbourhood Programme 2013-2015

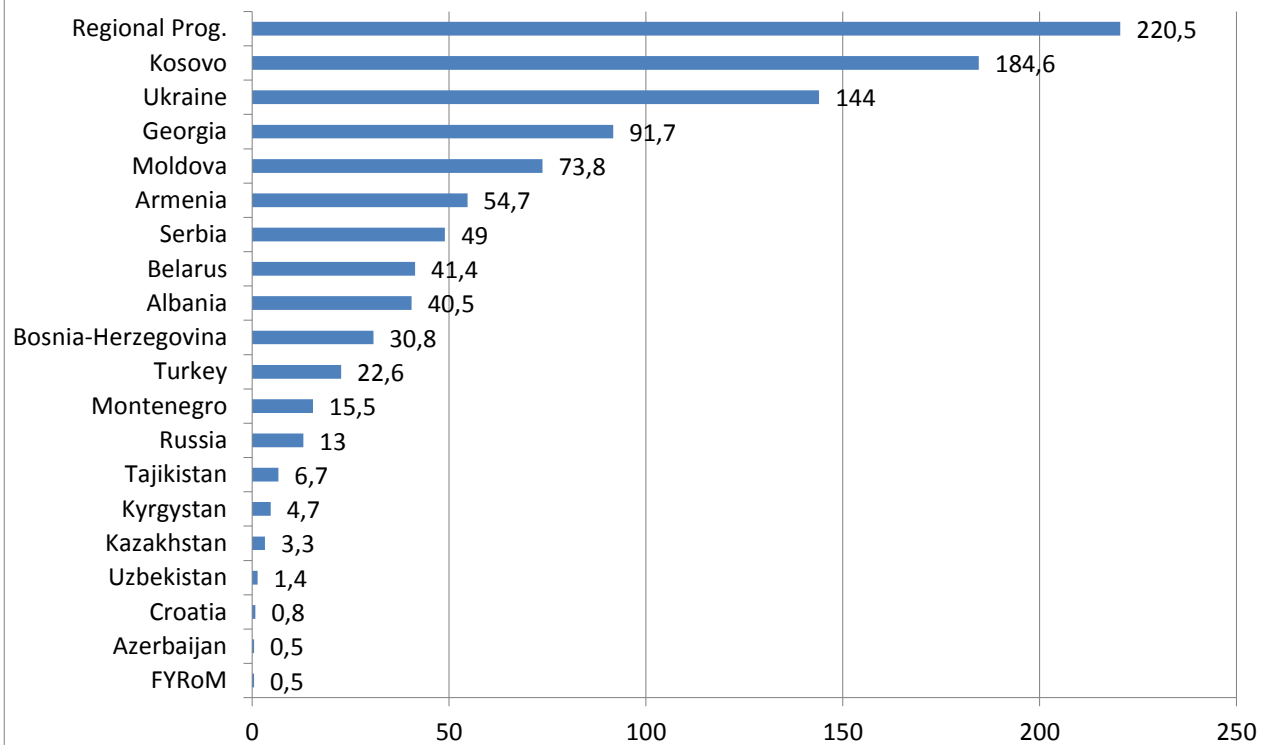


### Thematical division of commitments under the Neighbourhood Programme 2013-15

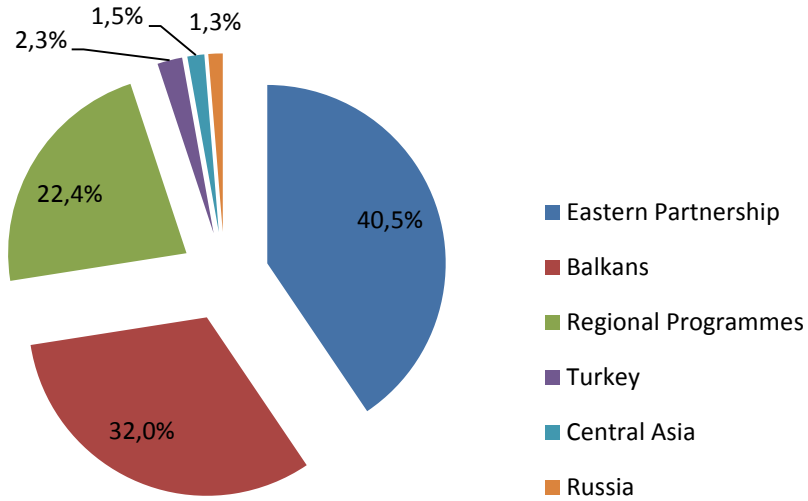


### Commitments of the Neighbourhood Programme 2008-2012

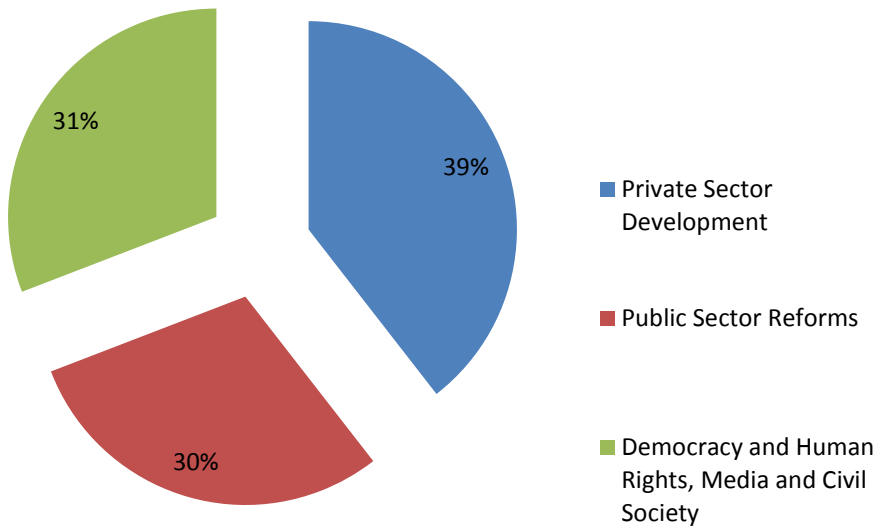
#### Commitments per country (in million DKK) 2008-12



### Regional division of commitments under the Neighbourhood Programme 2008-12



### Thematical division of commitments under the Neighbourhood Programme 2008-12



## **ToR Annex 2 Organisation of the evaluation**

### **Role of the Evaluation Management**

The Evaluation will be supervised and managed by the Evaluation Department (EVAL) in the Danish Ministry of Foreign Affairs (MFA). The tasks of the Evaluation Management are to:

- Participate in the selection of Evaluation Team based on received tenders. The MFA contract office chairs the tender committee, assisted by an independent tender consultant.
- Coordinate with all relevant evaluation stakeholders.
- Ensure that quality control is carried out throughout the evaluation process. In so doing, EVAL may make use of external peer reviewers.
- Provide feedback to the Evaluation Team. Comment on draft versions of the inception report, work plan, progress reports and the evaluation report. Approve final reports.
- Organise and chair meetings of the Evaluation Reference Group.
- Facilitate and participate in evaluation workshops, including possibly an open dissemination workshop towards the end of the Evaluation.
- Organise presentation of evaluation results and follow-up on the Evaluation to internal Danida Programme Committee and the MFA (responsible departments will prepare the Follow-up note.)
- Advise relevant stakeholders on matters related to the Evaluation (reference is made to the Codes of Conduct, which form part of the Danida Evaluation Guidelines, and which can be found at <http://evaluation.um.dk>).

### **Role of the Evaluation Team (the Consultant)**

The DAC evaluation principles of independence of the Evaluation Team will be applied. The Evaluation Team will carry out the Evaluation based on a contract between MFA and the incumbent company/institution. The Evaluation Team will:

- Prepare and carry out the Evaluation according to the ToR, the approved Inception Report, the DAC Evaluation Quality Standards and the Danida Evaluation Policy and Guidelines.
- Be responsible to the Evaluation Management for the findings, conclusions and recommendations of the Evaluation.
- Ensure that quality assurance is carried out and documented throughout the evaluation process according to the Consultant's own Quality Assurance Plan as described in the proposal.
- Report to the Evaluation Management regularly about progress of the Evaluation.
- Organise and coordinate meetings and field visits, and other key events, including debriefing session and/or validation workshops in the field visit countries.
- The Team Leader is responsible for the team's reporting, proper quality assurance, and for the organisation of the work of the team. The Team Leader will participate in the Evaluation

Reference Groups' meetings and other meetings as required. It is envisaged to have four meetings in Copenhagen during the Evaluation.

### **Role of the Evaluation Reference Group**

An Evaluation Reference Group (ERG) will be established and chaired by EVAL. The mandate of the ERG is to provide advisory support and inputs to the Evaluation, e.g. through comments to draft reports.

The members of the ERG will include representatives from the Danish Ministry of Foreign Affairs. EVAL may decide to include 1-2 external experts to provide expert insights into the evaluation.

The tasks of the ERG are to:

- Comment on the draft inception report, the initial findings papers and the draft reports with a view to ensure that the Evaluation is based on factual knowledge about the Danish Neighbourhood Programme.
- Support the implementation, dissemination and follow up on the agreed evaluation recommendations.
- Other key stakeholders may be consulted at strategic points in time of the Evaluation either through mail correspondence or through participation in stakeholder meetings/workshops.

The ERG will work with direct meetings, e-mail communication and video-conferencing.