

Annex C: Evaluation matrix

<i>Evaluation Question</i>	<i>Judgement Criteria</i>	<i>Indicators</i>	<i>Data sources and methods/tools</i>
Objective #1: Assess DSIF's mandate and the policy directions of the MFA over the evaluation period and provide an assessment of DSIF's envisaged future role in Danish development cooperation, and whether the organisation is fit for purpose.			
EQ 1 What is the relevance of DSIF for MFA, recipient country government, Danish partners and local stakeholders? Does the DSIF support to preparatory activities contribute to the relevance of DSIF?	1.1 Alignment with MFA development policies and strategy	<ul style="list-style-type: none"> Appraisal reports (ARs) assess coherence with MFA policies Appraisal reports assess coherence with DSIF strategy and policies 	<ul style="list-style-type: none"> MFA strategy documents DSIF policies and strategies Beneficiary country development policies and strategies Interviews IFU + Danida Portfolio review Appraisal reports IFU minutes of project approvals Project Preparation Facility reports Documents recording stakeholder consultations Survey of project beneficiaries Key Informant Interviews (KIIs) during field visits Interviews with development partners WB Doing Business reports
	1.2 Alignment with national development policies and strategies take stakeholders' views into account	<ul style="list-style-type: none"> ARs assess coherence with development policies and strategies ARs take account of stakeholders' views Governments confirm alignment of DSIF interventions with national development policies and strategies. 	
	1.3 of Added value Project Preparation Facility (PPF)	<ul style="list-style-type: none"> Appropriateness of use of PPF Quality of PPF reports Implementation/Execution of PPF projects 	
	1.4 Complementarity with development partners operations and strategies	<ul style="list-style-type: none"> ARs address alignment/complementarity with development partners operations and strategies in country/region/sector. 	
	1.5 Appropriateness of Project selection criteria to identify projects with higher development outcomes/impacts	Assessment of development impact in ARs	
EQ 2 To what extent has DSIF been able to create coherency with other Danish activities in recipient countries and align to Danish development policies?	2.1 Systematic research for coherence with MFA development policies and strategy	<ul style="list-style-type: none"> Appraisal reports (ARs) assess coherence with MFA policies Appraisal reports assess coherence with DSIF strategy and policies Evidence for efforts to ensure that projects remain coherent over time 	<ul style="list-style-type: none"> MFA strategy documents DSIF Policies and strategies Appraisal reports Review IFU portfolio IFU minutes of project approvals Interviews IFU + Danida Interview Danish Confederation of Industry Interviews Danish suppliers/investors in case studies
	2.2 Synergies /complementarity with other Danish development initiatives	<ul style="list-style-type: none"> Compatibility of DSIF projects with those of Danida and IFU by sector and country Evidence of exchange and coordination fora, in Denmark and in recipient countries 	
	2.3 Danish business links with beneficiary countries	<ul style="list-style-type: none"> Danish equipment in DSIF projects Danish direct foreign investment in DSIF projects 	
EQ 3 How effectively has DSIF delivered with respect to	3.2 DSIF geographical distribution and evolution	<ul style="list-style-type: none"> Regional distribution and trends Mix by country income, including fragile states Pipeline analysis 	<ul style="list-style-type: none"> Portfolio review and pipeline analysis MFA strategy documents DSIF Policies and strategies

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geographical, sectors and strategic concerns for Danish development assistance, including a limited number of (often fragile) partner countries?	3.2 Type of infrastructure and evolution and appropriateness	<ul style="list-style-type: none"> • Sector distribution and trends • Pipeline analysis 	<ul style="list-style-type: none"> • Interviews IFU + Danida • Project document folders • EKF guarantee portfolio quarterly reports
	3.3 DSIF support to Danida/MFA priority sectors and regions	<ul style="list-style-type: none"> • Regional distribution and trends • Mix by country income, including fragile states 	
EQ 4 What are the implementation experiences regarding efficiency of DSIF, including the ability to adapt to change, promote new technologies, synergies with other Danish activities and possible DSIF synergy with IFU's role as Fund manager?	4.1 Organisational structure, policies and procedures adopted for business operations enhanced timeliness and cost-effectiveness	<ul style="list-style-type: none"> • Effectiveness of the monitoring and evaluation framework. • IFU approach in project generation (reactive versus proactive) and value added • Appropriateness of Danida field offices • Reliance on development partners and other institutions at country/regional level. • Trend in operating costs as % of DSIF funds • Development of new products, including green technologies and climate change (also adaptability) 	<ul style="list-style-type: none"> • Operating guidelines • IFU management contract • Management and financial reports • Interviews Danida, IFU, beneficiaries and stakeholders • IFU reports on DSIF • ARs and monitoring reports • Analysis of IF administrative expenses
	4.2 Reasonableness of IFU management costs	<ul style="list-style-type: none"> • Benchmark delivery costs to comparator development programmes 	
EQ 5 Additionality – Does DSIF support investments/projects that would otherwise not have been made, thereby increasing the development effects on the society?	5.1 Financial additionality of DSIF projects	<ul style="list-style-type: none"> • Terms of DSIF financing (subsidies plus EKF guarantees to Danish banks) compared with those of other funding sources • At project level, project viability endorsement ('the Crown & Flag' of Denmark) and contribution from DSIF participation. • Development rationale for project preparation grants 	<ul style="list-style-type: none"> • Portfolio data and analysis • Sample of completed and well-advanced projects • ARs and project documents • Appraisal reports for project preparation and technical assistance grants • Monitoring reports • Completion reports • Evaluation reports • DSIF and IFU Reports
	5. DSIF value (per DAC) or non-financial (MDB's 'Harmonized framework) additionality	<ul style="list-style-type: none"> • Evidence of non-financial additionality such as project preparation, adoption of environmental and social standards (including climate change) and enhancements to corporate governance 	
	5.3 Catalytic effect - mobilisation of commercial and development bank funding	<ul style="list-style-type: none"> • Ratio of mobilisation at project level of DSIF funding to commercial funding sources. • Ratio of mobilisation at project level of DSIF funding to development sources 	

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EQ 6 What is the impact of DSIF in promoting development effects for the direct beneficiary and to actors, impacted indirectly (unintended)?	6.1 Satisfactory implementation of infrastructure projects	<ul style="list-style-type: none"> • Infrastructure projects delivered on time and, budget • Projects producing planned outputs per supervision and completion reports • Additions/improvements to national and regional infrastructure in countries of EIB projects, including better services to customers (businesses and individuals) • Planned/expected developmental outcomes have been achieved • Provision of financing for infrastructure investments (new, rehabilitation and expansion of existing infrastructure) • Outputs/production compared with targets • Direct job creation (local labour and/or local subcontractors) and comparison with targets • Temporary/short term during the implementation period • Effective use of public private partnerships 	<ul style="list-style-type: none"> • Focus groups of final beneficiaries • Portfolio data and analysis • Sample of completed and well-advanced projects • ARs and project documents • Monitoring reports • Completion reports • Evaluation reports • ESG reports • Policy documents • DSIF and IFU Reports • WB 'Doing Business' data base • Interviews with IFU staff • Interviews with clients • Interviews with financing partners and private and public sector operatives • Interviews with local communities and beneficiary groups (focus groups) • Field visits • Surveys • Project documents • Helsinki Principles • Loan agreements
	6.2 Projects delivered expected outcomes (in targeted beneficiary populations or more widely)	<ul style="list-style-type: none"> • Employment generation • Contribution to enhanced economic growth (increased revenues of service providers, tax revenues, public sector investment levels) • Increase access to social and economic infrastructure services by the poor and marginalised groups • Private sector development: enhanced exports, competitiveness, efficiency etc. 	
	6.3 Environmental, social and governance (ESG) risk management	<ul style="list-style-type: none"> • Compliance with national legislation and international best practice (World Bank IFC standards) • ESG risk assessment • Environmental impact assessment • Environmental and social impact action plan • ESG monitoring reports • Gender mainstreaming 	
	6.4 Contribution to climate change mitigation, green and inclusive development	<ul style="list-style-type: none"> • Ex-ante v ex-post greenhouses gases footprint, 'emission avoidance' or other environmental effects • Ex-ante v ex-post social effects including social inclusion 	

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	6.5 Compliance with Helsinki Principles (HP) for low-carbon and climate-resilient growth	<ul style="list-style-type: none"> Tied loans conform with HP 	
		<ul style="list-style-type: none"> 	
EQ 7 Has DSIF achieved an acceptable balance between the original focus on commercial outcomes and the later focus on achieving sustainable development interventions as part of Danish development efforts?	7.1 Satisfactory development outcomes (using DAC definition of impact)	<ul style="list-style-type: none"> Comparison ex-ante v ex-post outcomes Appropriate trade-off between development policy and financial prudence Balance between benefits for Danish exporters and enterprises with developing country economic and social outcomes and impacts 	<ul style="list-style-type: none"> Portfolio data and analysis ARs + ESG reviews Monitoring reports Policy documents DSIF and IFU Reports Interviews Danida and IFU staff Interviews with EKF and financing partners Interview with Confederation of Danish Industry
	7.2 Strong ESG performance of DSIF projects	<ul style="list-style-type: none"> Comparison ex-ante v ex-post ESG performance 	
	7.3 Satisfactory financial returns and portfolio performance	<ul style="list-style-type: none"> Individual project returns DSIF financial sustainability Appropriate trade-off between development policy and financial prudence 	
EQ 8 Have DSIF projects been economically, socially and environmentally sustainable?	8.1 Level of economic viability	<ul style="list-style-type: none"> Increase and enhancement of power, water, transport, telecoms, social (healthcare and education) and other infrastructure Positive economic rate of return Higher access to infrastructure services Availability/reliability of infrastructure Improved health indicators 	<ul style="list-style-type: none"> Government infrastructure reports, plans and budgets. Monitoring reports ESG reviews and assessments Completion reports and evaluations Field visits Interviews with clients, government and stakeholders Surveys of beneficiaries
	8.2 Level of commercial/financial viability of infrastructure	<ul style="list-style-type: none"> Profitable, self-financing infrastructure services Positive financial rate of return. 	
	8.3 Level of improvements in ESG achievement	<ul style="list-style-type: none"> Higher, sustained ESG standards: lower pollution and social benefits e.g. reductions in gender imbalances, over time – i.e. early and late projects 	
Objective #2.: Assess the policy directions of the MFA and DSIF's mandate over the evaluation period and provide an assessment of DSIF's envisaged future role in Danish development cooperation, and whether the organisation is fit for purpose.			
EQ 9: To what extent has DSIF fulfilled its mandate and the policy directions of MFA? Also, what is the institutional learning with respect to raising the needed commercial capital for investments?	9.1 Balance between a policy-driven and a demand-driven investment portfolio	<ul style="list-style-type: none"> Comparison ex-ante v ex-post outcomes Appropriate trade-off between development policy and financial prudence Comparison ex-ante v ex-post ESG performance Appropriate trade-off between development policy and financial prudence Evolution of mandate 	<ul style="list-style-type: none"> Portfolio analysis Policy documents Strategic plans and budgets Operating policies and procedures Financial reports DSIF and IFU Reports Interviews Danida and IFU staff Field visits Stakeholder interviews Surveys
	9.2 Achievement of mandate	<ul style="list-style-type: none"> Project volumes compared with plans Adaptations to changes in mandate Role/effectiveness of IFU in integrating DSIF and working with DSIF on projects 	

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EQ 10: Is the risk management of DSIF appropriate at all stages of the project cycle in the context of current and future investments? What is the future optimal balance for this?	10.1 Quality of risk management systems and policies on long-term sustainability	<ul style="list-style-type: none"> Review DSIF and EKF risk management guidelines, loan provisioning policy, and reporting IFU risk management capability Appropriateness of DSIF accounting policies and guidelines for (i) exposure limits by sector, country, region, type of borrower/investee, instruments, Appropriate trade-off between development policy and financial prudence 	<ul style="list-style-type: none"> Appraisal reports Management reports DSIF risk management policies and procedures EKF interview and risk management guidelines Interviews with Danida and IFU staff Country credit rating reports ESG reports
	10.2 Quality of sovereign guarantees and tracking systems	<ul style="list-style-type: none"> Review DSIF and EKF sovereign guarantee risk management guidelines 	<ul style="list-style-type: none"> Evolution of DSIF sovereign guarantee risk management guidelines Appraisal reports Management reports DSIF risk management policies and procedures Interviews with Danida and IFU staff Country credit rating reports ESG reports
	10.3 Quality of environment, social and governance (ESG) risk management	<ul style="list-style-type: none"> Social and environmental effects (i.e. outcomes) of DSIF portfolio Portfolio trends' ESG risk Contribution to green and inclusive development Monitoring of client ESG risk management 	<ul style="list-style-type: none"> Evolution of DSIF sovereign guarantee risk management guidelines Appraisal reports Management reports DSIF risk management policies and procedures Interviews with Danida and IFU staff Country credit rating reports ESG reports
EQ 11: What is the assessment of the result measurement system applied by DSIF? Does it meet the needs for providing reliable data on outcomes of project activities during the operation phase and development outcomes in general?	11.1 Quality and appropriateness of result measurement system (RMS)	<ul style="list-style-type: none"> Development logic in appraisal reports Quality of SDGs tracking systems and data Timeliness and completeness of reporting by clients Evolution of RMS 	<ul style="list-style-type: none"> Portfolio review ARs Ex-ante baselines, targets and indicators Monitoring documents Loan agreements RMS policies and guidelines Nordic Consulting Results Framework 2018 report Portfolio Reports Project completion and evaluation reports Interviews with IFU staff Client interviews Interviews with development partners Interviews with local stakeholders Field visits
	11.2 M&E and reporting frameworks effectively and consistently provide accurate and timely information for management of results of DSIF portfolio	<ul style="list-style-type: none"> Availability and application of appropriate M&E systems (indicators, methodologies) Development objectives and progress towards targets Feedback and application of lessons learned in subsequent projects and wider portfolio management 	
EQ 12: Has the approach to communication applied by DSIF been effective, including to	12.1 Quality and appropriateness of IFU website and information on DSIF made available to potential users	<ul style="list-style-type: none"> Quality and completeness of reports Compliance with Denmark's Managing for Development Results tool DSIF communication policy and strategy 	<ul style="list-style-type: none"> IFU webpage DSIF public reports Interviews MFA, Danida and IFU

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the public and stakeholders in host countries?		<ul style="list-style-type: none"> Meetings to explain DSIF activities both in Denmark and host countries (distinction between public in Denmark and host countries to be made here) 	<ul style="list-style-type: none"> Interview beneficiaries and institutions in partner countries Development partners' websites and public reporting Interviews development partners
	12.2 Benchmark against comparable development programmes/funds	<ul style="list-style-type: none"> DSIF communication rating versus development partners' websites and public reporting 	