

# Annex A Terms of Reference

Note that only technically relevant extracts of the TOR have been included in this annex.



## Appendix 1 – Scope of Services Section A: Assignment Specific Conditions

### 1. Background and Context

Danish multilateral development assistance has recently been analysed in various studies. These analyses show that Danish development assistance to and through multilateral organizations constitutes an increasing share of Danish development assistance, and that there is a trend away from core to various forms of multi-bi contributions. This trend is not only visible within humanitarian aid, but also in other sectors, and in different Danish partner countries. In 2018, almost half of the Danish multilateral contribution was provided as multi-bi<sup>1</sup>. A similar trend can be found in other DAC countries<sup>2</sup>.

Multi-bi funding is usually understood as earmarked contributions channelled through multilateral organizations, and in OECD's Creditor Reporting System overall distinctions can be made between 'Programmatic' and 'Project-type', and between 'Country-specific' and 'Global, regional or sub-regional' earmarked funding to the multilateral system<sup>3</sup>.

There exists several analyses of the background and reasons for delegation of aid to multilateral organizations<sup>4</sup>. A related literature is concerned with modalities of this support, including degrees and types of earmarking, and the effects on the multilateral organizations<sup>5</sup>.

Thus, the background for this evaluation is the increasing use of multi-bi contributions in Danish development assistance. Danish multi-bi contributions have not been evaluated before, and the focus will be on collecting,

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<sup>1</sup> See Boesen, N, Andersen, O, and Arnoldi, T. (2021). Identification and Analysis of Main Trends in Danish Multilateral Development Assistance. Evaluation Study, January 2021. Ministry of Foreign Affairs of Denmark [https://um.dk/en/danida-en/results/eval/eval\\_reports/publicationdisplaypage/?publicationID=E2B4913C-D5D6-4E5A-A228-0996E5A42584](https://um.dk/en/danida-en/results/eval/eval_reports/publicationdisplaypage/?publicationID=E2B4913C-D5D6-4E5A-A228-0996E5A42584)

<sup>2</sup> OECD (2020). Earmarked funding to multilateral organisations: how is it used and what constitutes good practice? OECD Development. October 2020.

<sup>3</sup> Ibid, 3-4. The paper does also provide the relevant codes in the OECD Creditor Reporting System (CRS).

<sup>4</sup> Ibid, Chapter 6, contains an overview and a brief discussion of main explications for using multilateral channels as well as some references.

<sup>5</sup> Examples of relevant academic literature are Barder, O, Richie, E, and Rogerson, A, (2019). Contractors or Collectives? Earmarked funding of multilaterals, donor needs and institutional integrity: the World Bank as a case study. Centre for Global Development. Policy Paper; Eichenauer, V. Z. and Reinsberg, B. (2017). What determines earmarked funding to international development organizations? Evidence from the new multi-bi aid data. The Review of International Organizations 12, 171-197; Gulrajani, N. (2016). Bilateral versus multilateral aid channels. Strategic choices for donors. ODI March, 2016; Reinsberg, B. (2017). Five steps to smarter multi-bi aid. A new way forward for earmarked finance. ODI, April, 2017; Weinlich, S, Baumann, M.-O, Lundsgaarde, E. and Wolf, P. (2020). Earmarking in the multilateral development system: Many shades in grey. German Development Institute. Studies 101.

assessing and summarizing gained experiences of ‘Programmatic’ and ‘Project-type’ earmarked funding, which is ‘Country specific’. The effects on the multilateral organizations of increased Danish use of earmarking will not be part of the evaluation.

## **2. Objective of the evaluation**

The main objective of the evaluation will be to provide lessons learned for future use of the multi-bi instrument in Danish development assistance.

## **3. Outputs**

The following outputs are envisaged:

- An Inception Report, including an overview over the relevant portfolio and collaboration modalities, a review of the evaluation questions (EQs) in an evaluation matrix, and a detailed outline of the evaluation methodology and work programme (not exceeding 20 pages plus annexes).
- Short briefs (maximum five pages) for each case study to be shared for comments with ELK and the relevant embassy.
- A preliminary findings paper, for discussion in the Evaluation Reference Group (maximum 15 pages).
- A draft main Report and a final version (not exceeding 40 pages plus annexes)<sup>6</sup>.

## **4. Scope of work and evaluation questions**

The evaluation will focus on Danish ‘Programmatic’ and ‘Project -type’ multi-bi contributions for development purposes, which are ‘Country specific’ (see section 1). Multi-bi to humanitarian purposes will only be considered to the extent that it is relevant for the assessment of multi-bi contributions for development purposes.

As a background for the assessment of the four evaluation questions (EQs) (see next section), the Evaluation Team must establish an overview of Danish multi-bi support to countries which have received Danish multi-bi support 2013-2019. The overview should include (i) type of aid and degree of earmarking; and (ii) sector composition of the Danish multi-bi support. The overview should also include an assessment of the extent to which the Danish multi-bi portfolio complements Danish bilaterally managed development assistance in the partner countries as well as of the complementarity between Danish ‘Country-specific’ and ‘Global, regional or sub-regional’ multi-bi contributions. It is expected that the OECD Creditor Reporting System will be used as a basis for this quantitative overview of the Danish multi-bi portfolio.

In the evaluation context, the countries that have received Danish multi-bi contributions in the period 2013-19 have been divided into three groups:

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<sup>6</sup> For layout guidelines, see Ministry of Foreign Affairs of Denmark. Evaluation Department, Danida (2016). Layout guidelines for evaluation reports. [https://um.dk/~media/UM/Danish-site/Documents/Danida/Resultater/Eval/Layout%20guidelines\\_www\\_2013.pdf](https://um.dk/~media/UM/Danish-site/Documents/Danida/Resultater/Eval/Layout%20guidelines_www_2013.pdf)

- Four countries have been pre-selected as case countries. The countries are Bangladesh, Ethiopia, Kenya, and Somalia. These countries will be analysed in more depth, including field visits, with Somalia covered by the visit to Kenya.
- Five countries have been selected for virtual interviews and analyses. It is envisaged that interviews will at least include the relevant Danish Embassy/representation. These countries, which have received a relatively substantial level of multi-bi support over the years, are Afghanistan, Mali, Niger, Palestine and Ukraine.
- Other countries which have received Danish multi-bi contributions 2013-19.

The evaluation will focus on the following four evaluation questions, which should be addressed both for past and current activities:

**EQ1: What was the context and rationale, which led to the use of multi-bi and the specific multi-bi modality?**

The evaluation will consider the following sub-questions:

- Why was a multilateral channel selected?
- Did the decision to use a multi-bi channel rely on the country strategy/program?
- How and why was the specific multilateral organization selected?
- To which degree were Ministry of Foreign Affairs of Denmark (MFA) in Copenhagen and Danish multilateral representations consulted?
- Why was the specific modality (including degree and type of earmarking) applied?

**EQ2: What role, if any, was (is) Denmark playing in the management and implementation of the multi-bi funded activities?**

The evaluation will consider the following sub-questions:

- Did/does the Danish Embassy/Representation have a formal or only informal role in the management and implementation of the multi-bi activity?
- Was/is there /any contact between the Embassy/Representation, MFA in Copenhagen, and relevant Danish multilateral representations regarding the implementation of the Danish funded multi-bi activities?
- Was/is there any contact between the Embassy/Representation, MFA in Copenhagen Denmark, and headquarters of multilateral organizations regarding the implementation of the Danish multi-bi activities?
- How were/are the multi-bi activities being monitored?

**EQ3: What are the strengths and weaknesses of the Danish multi-bi contributions?**

The evaluation will consider the following sub-questions:

- Were/are the multi-bi funded activities relevant?

- Were/are the Danish multi-bi contributions effective and efficient – for instance in terms of administrative costs?
- Were/are the multi-bi contributions flexible as an instrument – for instance to ensure coherence with other activities (e.g., humanitarian assistance) and to adapt to situations like COVID-19?
- Were/are multi-bi contributions an effective instrument to promote Danish interests (e.g. in relation to reforms of the multilateral organizations, and in the policy dialogue with partner countries)?
- Were/are information sharing and learning sufficiently addressed in the Danish funded multi-bi activities?
- Were/are multi-bi contributions an instrument to ensure sharing of risks?
- Which criteria were applied for selection of modalities of multi-bi (for instance types and degrees of earmarking)?

**EQ4: What lessons learned and recommendations can be made for future multi-bi contributions?**

The evaluation will consider the following sub-questions:

- Were/are multi-bi activities more relevant and effective in specific contexts and sectors?
- Were/are some forms of collaboration and engagement in multi-bi activities more relevant and effective?
- Were/are some modalities (for instance types of earmarking) more relevant and effective?
- Was/is the guidance from MFA in Copenhagen level on multi-bi activities sufficiently detailed?