

**METHODOLOGY FOR THE EVALUATION OF
OFFICIAL DEVELOPMENT ASSISTANCE PROJECTS
OF THE CENTRE FOR INTERNATIONAL COOPERATION AND
DEVELOPMENT**



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The Methodology for the evaluation of official development assistance projects of the Centre for International Cooperation and Development (CMSR) was adopted by the CMSR Council on 26 October 2015 pursuant to the CMSR Rules for the provision official development assistance.

I. METHODOLOGY FOR THE SELECTION OF PROJECTS

The evaluation of a particular project shall be made according to the following criteria:

- | | |
|-------------------------------------------------------------|----------------|
| - quality of content design | max. 55 points |
| - compliance with the principles of sustainable development | max. 25 points |
| - quality of the finance structure | max. 20 points |

The threshold to include a project in the CMSR's financing programme, approved by the CMSR Council, shall be at least 65% of points.

	CRITERION	No. of points	Total maximum No. of points	Score
CONTENT CRITERIA				
1	<u>Project compliance with the needs of the partner country or local community and activities of other donors</u>		15	
	<ul style="list-style-type: none"> - improves the quality of living and welfare - creates new and quality jobs - promotes economic growth and enhances the competitiveness of the economy - has multisectoral effects - is important for accelerated integrated development of the region - promotes the development of good governance and institution-building - complies with the activities of other donors 	<ul style="list-style-type: none"> 0 or 4 0 or 2 0-2 0 or 2 0 or 2 0 or 2 0 or 1 		
2	<u>Project relevance</u>		14	
	<p>OBJECTIVES</p> <ul style="list-style-type: none"> - are relevant and justified - are defined by indicators (with the relevant information sources enclosed) <p>RESULTS</p> <ul style="list-style-type: none"> - are specific and clearly defined - are sensible and realistically set - are defined by indicators <p>ACTIVITIES</p> <ul style="list-style-type: none"> - are relevant for the attainment of the planned results - are properly timed 	<ul style="list-style-type: none"> 0 or 2 0-2 0 or 2 0 or 2 0 or 2 0 or 2 		
3	<u>Project feasibility</u>		12	
	<ul style="list-style-type: none"> - the recipient of the funds will co-fund the project in the minimal amount of 49% of the total value - the project will be feasible within the submitted time frame - the recipient of the funds has sufficient resources for project implementation - the project has identified risks - the project has defined scenarios to respond to identified risks 	<ul style="list-style-type: none"> 0 or 4 0 or 2 0 or 2 0 or 2 0 or 2 		

4	<u>Technology transfer</u>		9	
	<ul style="list-style-type: none"> - the project involves innovative solutions, the transfer of new technologies and knowledge - technology transfer includes training for its use - technology transfer increases economic growth 	0-4 0 or 3 0-2		
5	<u>Project management</u>		5	
	<ul style="list-style-type: none"> - the contractor and its partners are qualified - the contractor and its partners have the necessary references 	0 or 3 0-2		
PROJECT COMPLIANCE WITH THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT				
6	<u>Project compliance with the principles of sustainable development</u>		25	
	ENVIRONMENTAL impacts: <ul style="list-style-type: none"> - conserves nature and sustainable use of the natural features of an area - increases the use of renewable energy sources or reduces the consumption of fossil energy sources - reduces energy consumption - reduces environment pollution and waste - reduces harmful emissions 	0 or 3 0-3 0-2 0-2 0-2		
	FINANCIAL sustainability: <ul style="list-style-type: none"> - the foreseen project revenues suffice for project maintenance in the medium term or project maintenance has been ensured by the state 	0-4		
	SOCIAL sustainability: <ul style="list-style-type: none"> - facilitates improved living conditions - facilitates better access to healthcare or education - contributes to improved living conditions for women, children or marginalised groups 	0-3 0-3 0-3		
PROJECT FINANCE STRUCTURE				
7	<u>Financial plan of the project</u>		20	
	<ul style="list-style-type: none"> - the financial plan includes properly defined all investment costs - the financial plan includes the specification of goods or services - a share of goods and services originating in Slovenia - financing sources are stated - the specification of costs enables a feasibility study - the finance structure is presented in the form of a summary table 	0-3 0-3 0-7 0-3 0 or 3 0 or 1		
	Total		100	

II. DESCRIPTION OF THE CRITERIA

1. Name of criterion: Project compliance with the needs of the partner country or local community and activities of other donors on site

Improving the quality of life and welfare

The quality of life is an economic concept that is defined by the indicators: amount of income and access to healthcare services, personal safety, clean environment, and other goods and services. OECD measures the quality of life using the following indicators: life expectancy, infant mortality, mental health, obesity, suicide rates, subjective perception of the quality of life, volunteering, inactivity of the youth, leisure activities, recreation and culture, number of overnight stays at hotels, crime rates and the number of fatalities on roads.

Creating new and quality jobs

New jobs are the sum of increased numbers of employees in existing and new companies. Job quality means concern for safety at work, permanence of employment, etc.

Promoting economic growth and enhancing the competitiveness of the economy

The project proposal includes the estimate of the impact of the project on the economic growth of the partner country or local community. Economic growth is measured with the gross domestic product (GDP) growth rate calculated in the prices of the selected base year.

The competitiveness of the economy refers to the ability of domestic entities to compete with foreign entities in given operating conditions, while maintaining and increasing the real income of the national population in the long run. The competitiveness and openness of the economy are, therefore, intrinsically linked with the living standard of the population. The competitiveness of the economy is most often measured with economic performance, efficiency of public administration, business efficiency and infrastructure.

Multisectoral and cross-sectoral effects

Multisectoral and cross-sectoral effects are achieved when players from various sectors of the local economy participate in a project, and when the project affects several sectors of the economy and consequently the development of new sectors in the long term.

Relevance to accelerated integrated development of an area or region

The key elements for the integrated development of an area or region are: reducing differences in the economic development and living possibilities of residents between individual areas in the country; preventing the emergence of new areas with major development problems; promoting polycentric development of settlement and polycentric economic development; developing and increasing the competitiveness of the economy in all development regions taking into account their specific features; reducing unemployment rates in development regions or increasing employment and eliminating structural inconsistencies in the labour market; increasing the well-being of residents in development regions taking into account the principles of sustainable development and their specific features; strengthening social capital and innovation potential in development regions; preserving and developing cultural identity by creating conditions for cultural creativity and diversity, sustainable development of cultural heritage and access to cultural goods in development regions; promoting lifelong learning to contribute to a raised level of education of the population and better access to education and training for everybody; enforcing a comprehensive approach to rural development; reducing differences in the quality of life and economic and social welfare taking into account environment protection, protection from natural and other disasters and reducing healthcare differences; enforcing integrated regional strategies of an information society.

Promoting the development of good governance and institution-building

Good governance helps strengthen democracy and respect for human rights, promotes economic development and social cohesion, reduces poverty, strengthens environment protection and sustainable use of natural resources, and builds trust in the government and public administration.

Good governance is noted for the following characteristics: focus on the search for consensus, participation, compliance with the rule of law, efficiency and effectiveness, responsibility, transparency, responsiveness, and equity and inclusion (UN).

Compliance with the activities of other donors

The compliance of project activities with the activities of other donors is an important contribution to work sharing, reducing administrative costs, addressing the needs of the partner country and, consequently, achieving more efficient development assistance. Compliance with the activities of donors is expressed with joint analyses of needs, planning and project implementation.

Scoring

Every criterion is worth 2 points, except for the criterion “Improving the quality of life and welfare”, which may be worth 4 points, and the criterion “Compliance with the activities of other donors”, which may be worth 1 point. If a particular criterion is not met, it is awarded 0 points. The criterion “Promoting economic growth and enhancing the competitiveness of the economy” may be awarded 2 points if it meets both categories or 1 point if it meets only one category of the criterion.

The maximum number of the points awarded to the criterion “Project compliance...” is 15.

2. Name of criterion: Project relevance

Relevance refers to the importance of the problem to be resolved by the proposed project.

OBJECTIVES

Relevance and validity of objectives

Objectives must be relevant and valid with respect to the identified development needs, in line with the development policy and priorities of the recipient country and the identified target groups (target groups differ with respect to the type of project); the project must be urgent from the standpoint of the recipient country. Expected benefits in the specified target groups are clearly defined by objectives during and after the implementation of the project.

Scoring

If the criterion is met, it is awarded 2 points, otherwise it is awarded 0 points.

Specification with indicators and enclosure of sources for indicators

Objectives must be defined by indicators and information sources for the latter must be enclosed.

Scoring

If a criterion is met, it is awarded 2 points; if sources for indicators are missing, it is awarded 1 point, and if both indicators and sources for them are missing, it is awarded 0 points.

RESULTS

Specific nature and clarity of results

Results are specific and clear; direct benefits and effects are foreseen; the project brings specific improvements and changes.

Sensible and realistic results

The results of the project are urgently needed and realistically attainable; the foreseen solutions fit into the environment and lifestyle of the target group; they are technologically appropriate (without unwanted side effects).

Definition by indicators

Project results must be defined by indicators, i.e. for baseline and final values.

Scoring

If the criterion is met, it is awarded 2 points, otherwise it is awarded 0 points.

ACTIVITIES

Relevance for the attainment of the planned results

The activities planned are in line with project results; the activities are planned in a proper sequence to achieve the results set and hence project objectives.

Proper specification in terms of time

The activities planned include detailed planning of work packages, responsibility, division of tasks and a time schedule for the execution of tasks.

Scoring

If the criterion is met, it is awarded 2 points, otherwise it is awarded 0 points.

The maximum number of the points awarded to the criterion "Project relevance" is 14.

3. Name of criterion: Project feasibility

Feasibility means that the project objectives may be efficiently realised.

Provision of funds in the minimal amount of 49% of the total project value

Funds are financial means for the implementation of a project that fully ensure the coverage of the finance structure. The criterion is measured with the level of assurance provided by the partner country for such funds (inclusion in the budget, government guarantee, etc.)

Proposed time frame

The time frame is a detailed time schedule of the project implementation and detailed information about the actual course of project implementation (action plan).

Sufficient resources

Human resources:

Human resources are people, their knowledge and skills.

Natural resources:

Natural resources are assets that are valued in their relatively unchanged natural condition; resources may be broken down to renewable and non-renewable.

Energy sources:

Important energy sources include fossil fuels, nuclear fuels, geothermal sources, flowing water, accumulated water, wind, ocean waves. Energy sources may be further broken down to sustainable and non-renewable sources. The former continue to renew, while the latter have limited stocks and will be depleted sooner or later by mankind. Sources that humans consider sustainable include the sun, biomass, geothermal sources, flowing and accumulated water, wind and ocean waves. Non-renewable sources on the other hand include fossil fuels and nuclear fuel.

Identified risks

A risk analysis is prepared; internal and external risks to the realisation of the project are foreseen, and critical points are clearly defined.

Foreseen scenarios to respond to the identified risks

With respect to the identified risks, possible solutions for their prevention or mitigation of consequences are developed; expectations are realistic.

Scoring

If a particular criterion is met, it is awarded 2 points, otherwise it is awarded 0 points, except in the criterion "Provision of funds in the minimal amount of 49% of the total project value", where it is awarded 4 points if it is met, otherwise it is awarded 0 points.

The maximum number of points awarded to the criterion "Project feasibility" is 12.

4. Name of criterion: Technology transfer

Innovative solutions, the transfer of new technologies and knowledge

Innovative solutions, new technologies and new knowledge are a new feature in the partner country; they involve the transfer of good practice from the donor country to the recipient country; it is not merely the repetition of existing practices; the project enables the generation of new added value in the environment; the knowledge, technology or information developed in one organisation, in one area or with one purpose is used or exploited in some other organisation, some other area or with some other purpose. In the transfer of new technology, innovative solutions bring original, innovative changes to the environment.

Scoring

4 points: innovative solutions, new technology and new knowledge represent a novelty on global scale

3 points: innovative solutions, new technology and new knowledge represent a novelty in the contractor's country

2 points: innovative solutions, new technology and new knowledge represent a novelty in the partner country

1 point: innovative solutions, new technology and new knowledge represent a level above the existing technology and knowledge in the partner country

0 points: it involves the transfer of technology and knowledge on the same or an inadequate level with respect to the development of the partner country

Technology transfer includes training in its use

Technology will also be used, not merely transferred.

Scoring

If the criterion is met, it is awarded 3 points, otherwise it is awarded 0 points.

Technology transfer increases economic growth

The transfer of technology increases economic growth in partner countries (economically, it is important that the country uses state-of-the-art technologies and innovations).

Scoring

2 points: the transfer of technology has a direct impact on economic growth

1 point: the transfer of technology has an indirect impact on economic growth

0 points: the transfer of technology has no impact on economic growth

The maximum number of points awarded to the criterion "Technology transfer" is 9.

5. Name of criterion: Project management

Project management is an assessment of the qualifications and references of the project investor or contractor and its partners.

Qualification of the contractor and its partners

The contractor and its partners are registered to pursue activities relating to the project, dispose with the necessary human resources, knowledge and technology needed for the management and implementation of the project.

Scoring

If the criterion is met, it is awarded 3 points, otherwise it is awarded 0 points.

Relevant references of the contractor and its partners

The references of the contractor and its partners are experiences and knowledge for the implementation of the project; the contractor and its partners possess references in investment activities and with respect to the size of the investment, references relating to project content, references and experiences in business operations in the recipient country, etc.

Scoring

2 points: the contractor and its partners possess references in investment activities, references relating to project content, and references and experiences in the recipient country.

1 point: the contractor and its partners possess references in investment activities or references relating to project content or references and experiences in the recipient country.

0 points: the contractor and its partners possess no references in investment activities, references relating to project content, nor references and experiences in the recipient country.

The maximum number of points awarded to the criterion "Project management" is 5.

6. Name of criterion: Project compliance with the principles of sustainable development

ENVIRONMENTAL IMPACTS

Nature conservation and sustainable use of the natural assets of an area

The project includes measures and restrictions preventing environmental damage and degradation, including the sustainable use of natural resources (conservation of natural assets and cultural landscape along with improved conditions for the local population by conserving endangered habitats, flora and fauna, and by supporting the development of the area).

Scoring

If the criterion is met, it is awarded 3 points, otherwise it is awarded 0 points.

Increasing the use of renewable energy sources or reducing the consumption of fossil energy sources

The project contributes to the use of renewable energy sources and reduced consumption of non-renewable energy sources (coal, oil, natural gas, etc.).

Scoring

3 points: the project is in its essence focused on the use of renewable energy sources and on reducing the consumption of non-renewable energy sources

2 points: the project significantly reduces the consumption of non-renewable energy sources

1 point: the project has a neutral impact on reducing the consumption of non-renewable energy sources

0 points: the project significantly increases the consumption of non-renewable energy sources

Reducing energy consumption

The project reduces energy consumption and provides low energy intensity. Energy intensity is ratio between the amount of energy (energy supply or final energy consumption) and gross domestic product expressed in constant prices. Energy intensity decreases with improved energy efficiency.

Scoring

2 points: the project is in its essence dedicated to reducing energy consumption

1 point: the project significantly reduces energy consumption

0 points: the project has no impact on reduced energy consumption or increases it

Reducing environment pollution and waste

Environment pollution means reducing direct or indirect changes to chemical, thermal, biological and radiological characteristics of the environment, so that the change has a negative impact on the health and life of any living being. Reducing waste by integrating production and consumption patterns and habits, living habits, technological improvements, economic activities and measures, demographic changes with the purpose of clearly defining integration and mutual interactions between: the emergence and prevention of waste, management of resources and integral economic policy; reducing waste by taking into account and including partial policies and objectives, such as chemicals, motor vehicles, electric and electronic equipment and similar, promoting waste prevention, promoting waste recycling, determining missing standards and shares of waste recycling.

Scoring

3 points: the project is in its essence dedicated to reducing environment pollution and waste

2 points: the project significantly contributes to reducing environment pollution or waste

1 point: the project indirectly contributes to reducing environment pollution or waste

0 points: the project has no impact on environment pollution or increases environment pollution and waste

Reducing harmful emissions

The project has a positive impact on climate change by reducing greenhouse gas emissions, and on reducing air and water pollution.

Scoring

2 points: the project is in its essence dedicated to reducing harmful emissions

1 point: the project reduces harmful emissions

0 points: the project has no impact on reducing harmful emissions or even increases them

FINANCIAL SUSTAINABILITY

The sufficiency of foreseen project revenues for project maintenance in the medium term or project maintenance has been ensured by the state

Project revenues will suffice for the maintenance of the project, including after project financing ceases; the state has ensured project maintenance in the coming medium term (at least five-year period) by way of a legislative or implementing instrument. The recipient has ensured an adequate governance structure for sustainable management.

Scoring

If the criterion is met, it is awarded 4 points, otherwise it is awarded 0 points.

SOCIAL SUSTAINABILITY

Ensuring improved living conditions

Social factors that need to be taken into account in sustainable development are: employment, poverty rate, human rights and equal opportunities, crime rates and the availability and quality of living facilities.

Ensuring better access to healthcare or education

Social factors that need to be taken into account in sustainable development are: possibilities for education and training, access to healthcare.

Contribution to improved living conditions for women, children or marginalised groups

The project places special attention on improving living conditions for women, children or marginalised groups.

Scoring

If the criterion is met, it is awarded 3 points, otherwise it is awarded 0 points.

The maximum number of points awarded to the criterion "Project sustainability" is 25.

7. Name of criterion: Financial plan of the project

Proper indication of all investment costs

Investment costs are expenses incurred in the preparatory and implementation stages of the project.

Scoring

3 points: all investment costs are indicated and structured by project stage and type of cost
2 points: all investment costs are indicated, but are not structured by project stage and type of cost
1 point: only a share of investment costs is indicated, while the remaining share includes estimates
0 points: investment costs are not indicated

Specification of goods or services

The specification of goods or services defines the requested characteristics of the goods or service, such as quality level, level of environmental fitness, description of all requirements and the assessment of conformity, applicability and safety of the product or service.

Scoring

3 points: all necessary goods or services are specified, including the foreseen prices
2 points: all necessary goods or services are specified, but include no foreseen prices
1 point: only a share of necessary goods or services is specified, while an estimate is provided for the remaining share
0 points: the necessary goods or services are insufficiently specified, which is why the project cannot be evaluated

A share of goods originating in Slovenia

- 40–80%
- 80–90%
- 100%

Scoring

A share of goods originating in Slovenia:

- *40–80% (If the criterion is met, it is awarded 3 points; if the share of goods originating in Slovenia falls under 40%, the criterion is awarded 0 points)*
- *80–90% (If the criterion is met, it is awarded 6 points)*
- *100% (If the criterion is met, it is awarded 7 points)*

Indication of financing sources

Financing sources are own funds, donor funds, loans, etc.

Scoring

3 points: to co-fund the project, the recipient of funds has ensured sufficient own funds, which are attested by an official document
2 points: to co-fund the project, the recipient of funds has ensured sufficient own and donor funds, which is expressed with its own and the donor's letter of intent
1 point: the recipient of funds is still in the procedure of obtaining the necessary funds to co-fund the project
0 points: the recipient has ensured no sources to co-fund the project at the time of evaluation

The specification of costs provides a feasibility study

The cost specification contains all necessary data and calculations to be able to make a comprehensive assessment of energy, environmental, financial and other (technical, technological, spatial) impacts, and the eligibility of the investment.

Scoring

If the criterion is met, it is awarded 3 points, otherwise it is awarded 0 points.

Finance structure in the form of a summary table

The finance structure is elaborated and transparent in the form of a table.

Scoring

If the criterion is met, it is awarded 1 point, otherwise it is awarded 0 points.

The maximum number of points awarded to the criterion "Financial plan of the project" is 20.

IV. INDICATIVE AMOUNT AND SHARE OF FUNDS TO CO-FUND PROJECTS

The maximum share of co-funding for investment projects is no more than 51% of the total project value.