

The Roles and Responsibilities of the Independent Assessor in Accordance with UNDP/UNCDF Programme and Operations Policies and Procedures (POPP)

1. An independent assessor is required for performance-based payments of over \$300,000. The assessor provides a neutral, impartial and independent assessment of whether the agreed development result has been achieved prior to issuing the agreed payment. The selection of the assessor must be competitive and agreed between UNCDF and the development partner benefitting from a performance-based payment. The process is guided by the following criteria:
 - The independent assessor must be an internationally recognized institution of repute, with no commercial relationship with any of the other parties that may impair its objectivity, impartiality or independence.
 - The institution should have no affiliation to UNCDF or the development partner.
 - In case a project provides for a dedicated project evaluation, the decentralized evaluation and the independent assessment functions can be combined into one contract (see also [UNDP Evaluation Guidelines](#)).
2. UNCDF engages the independent assessor through a separate agreement once consensus has been reached on the choice of an institution. The independent assessor must acknowledge its role in the performance-based payment agreement as a non-party to the agreement.
3. The independent assessor, prior to the signature of the performance-based payment agreement, validates key aspects, including: (a) the theory of change explaining how the result(s) are expected to be achieved; (b) the definition of the result(s); (c) objectively verifiable indicators to measure the achievement of the result(s) as well as performance targets against these indicators that will trigger payments; (d) the adequacy of risk management measures, including for compliance with social and environmental standards; and (e) the payment terms linked to the validation of the result(s), which can include:
 - Financial incentives in case the result(s) are achieved early or are surpassed;
 - Provisions for reduced or graded payments in case the result(s) are partially achieved or incomplete (i.e., 'near miss'); and
 - Any other incentives and payment conditions related to the quality and sustainability of the result(s).
4. The independent assessor, in consultation with UNCDF and the responsible party, will develop a validation methodology attached to the performance-based payment agreement as an annex. It will help verify the achievement of milestones and targets reported by the development partner to validate that agreed levels of quantity, quality and sustainability were delivered. Result(s) validation must be based on independent data collection or validation of existing data on the specified indicators.
5. Since the cost of the independent assessor is programmatic and chargeable to a project budget, an advance authorization or specific provision as part of the initiation plan might be necessary. The independent assessor's validation of the theory of change may precede formal approval of the project (see [Accountability and Delegation of Authority](#)).

6. In light of changes in risk, simplified substantive monitoring can be stipulated in the project document and the performance-based payment agreement in line with the methodology validated by the independent assessor.