

**Annex I
Terms of Reference**

1. BACKGROUND

Unlocking the power of innovation for social good and sustainable growth is a dedicated goal in the Agenda 2030 and it is a vehicle to achieve all 17 SDGs. In 2014, UNDP set up a dedicated Innovation Facility with the support of the Government of Denmark. The Facility supports our partners – governments, civil society organizations, the private sector as well as UNDP Country Offices – in finding more effective solutions to development challenges.

The UNDP Innovation Facility (IF), hosted in the Development Impact Group, Bureau of Policy and Programme Support (BPPS), supports initiatives that a) strengthens UNDP’s position as a leading advisor on innovation for development; b) enables national development actors to co-create value; c) increases understanding of the role and value of innovation for development; d) supports social innovators both within the organization and from the broader development community; and finally, e) enhances UNDP’s own performance through innovative practices.

OUR APPROACH TO INNOVATION

UNDP’s presence in more than 170 countries and territories across the globe, allows us to experiment with different innovation methods, rapidly learn what works, and catalyze the right partnerships to bring what works to scale. Our approach to innovation is iterative: we test, evaluate and build new solutions and services based on practical experiments.

Our services help partners and UNDP to refine responses and develop new solutions. They include:

| | |
|--|--|
| Reframing policy issues and redesign programming by identifying key insights into the needs of users through methods such as human-centered design, behavioural insights and social innovation camps | Connecting and co-designing with citizens, government, academia, and private sector organizations – leveraging local solutions and co-creating new solutions |
| Testing hypotheses by running rapid prototypes, parallel field tests and experiments | Partnering with new actors, including start-ups, innovation hubs, think tanks and the private sector, on building ‘shared value’ |

Between 2014 and 2017, the Innovation Facility supported over 142 initiatives in 85 countries with seed-funding awarded through a competitive process. To be successful a proposal needs to iterate pathways to reach a better understanding of a given development problem and then design a solution together with partners and people affected by the challenge. Winning submissions must also carefully pay attention to the scaling potential of the solution. Across 2014 and 2015, our partners -- Governments, private sector, and Country Offices – took up well over 60% of the initiatives we funded.

To achieve these results, the UNDP Innovation Facility works with all parts of the organization to foster skills, iteratively develop methods and tools based on concrete interventions, to identify and share lessons and to remove organizational bottlenecks for innovation.

UNDP is also an active participant in the UN Innovation Network, a collaborative network of UN bodies that have established innovation teams. As a member of this Network, UNDP has also endorsed the 9 Principles of Innovation, which guide the implementation of the Innovation Facility.

UNDP’s new Strategic Plan spanning 2018 to 2021 emphasizes the need to innovate – to identify, test, evaluate and scale up novel approaches across UNDP’s subject areas, in programme development, management and

review. The Strategic Plan identifies 6 results related to innovation including an indicator on: Percentage of country offices that pilot and/or scale innovative tools and methodologies.” This provides a vital opportunity for

the Innovation Facility to review what it has achieved and position itself for the next phase of UNDP’s innovation journey.

UNDP would to conduct a light evaluation of the initiative. This light evaluation is intended to improve performance as well as inform the strategic course and engagement of the Innovation Facility moving forward.

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

The objectives of the evaluation are:

- Provide key lessons and inputs to UNDP management regarding the implementation of the UNDP Innovation Facility (2014 to 2017): with special focus to assess whether the current approach and investments trigger organizational change and innovation in UNDP’s country-level programming in the best way possible, given the organizational set up.
- Inform the implementation and positioning of the next phase of the UNDP Innovation Facility (2019 – 2021), with regards to the 2018-2021 UNDP Strategic Plan and the larger UN Reform Agenda including the Innovation Lab that is being proposed (as of early 2018) at the Secretary General’s Office and the UN Innovation Network.
- Provide recommendations to improve programme design, processes, and systems (including the monitoring and evaluation plan) for the operationalization of the next iteration of the Innovation Facility (2019 to 2021).

The evaluation will have 2 components. It will review the implementation and processes of the UNDP Innovation Facility (2014 to 2017) with regards to:

- a. *Change management.*
- b. *Development impact.*

The evaluation will take place in 2018 to inform the Innovation Facility’s next Project Document. This will shape its approach and operationalization. It will cover country, regional and corporate levels through a case

study approach including desk reviews and strategic (virtual) interviews with select staff based in programme countries and regional hubs at different phases of their innovation journey, as well as colleagues at HQ on change management.

Specifically, with regard to the scope, the evaluation will:

- Review the implementation and processes of the Innovation Facility: 2014 to 2017.
- Recognizing that as originally formulated the Innovation Facility ProDoc did not contain an explicit TOC, review the appropriateness of the conceptual framework of the initiative, determining whether the objectives, the implicit theory of change and the results framework articulated were put sufficiently into action, revisited and updated and whether relevant, reliable and valid indicators, measures, tools and mechanisms are in place.
- Assess the management, processes, and structure of the Innovation Facility including how effectively and efficiently the innovation could be translated in implementing the 2018-2021 UNDP Strategic Plan.
- Assess whether the processes, structures, and implementation plans are sufficient to foster innovation at UNDP, in-line with the 9 UN Principles of Innovation for Development, the 2014-2017 UNDP Strategic Plan, and in-line with the objectives of the project.
- Provide key insights on successes, failures and lessons of the UNDP Innovation Facility programmatic investments and advisory services in UNDP HQ, Regional Hubs and Country Offices reflecting on strategic objectives related to improved development impact, more inclusive processes as well as enhanced staff capacities, new service lines, additional resources mobilized and new partnerships created.
- The assessment will culminate with recommendations for improvements and operational suggestions for the Innovation Facility. These proposed improvements will be based on and derive from the findings of the assessment, and will be in the context of implementing the 2018-2021 UNDP Strategic Plan.

Users

The key users of the light evaluation will be the Innovation Facility team, the UNDP Innovation Board as well as the Government of Denmark as funding partner.

EVALUATION APPROACH AND METHODOLOGY

The 'light' evaluation will be conducted by an international evaluator. The evaluation will be transparent, inclusive, and conducted in a participatory manner. The evaluation will utilize mixed methods approach, drawing on both primary and secondary, quantitative and qualitative data to come up with an overall assessment backed by clear evidence. The evaluation is expected to use a case study approach as one of its data gathering tools to capture in more detail the importance of context in explaining variations in results per country and regions. The evaluation will also utilise a theory-based approach taking into consideration strategic and planning documents. The evaluation will also be informed by the project QA, the recent evaluations of UNDP's institutional effectiveness and of the Strategic Plan (2014-2017).

The evaluation consultant will develop the design for the evaluation including the approach, the evaluation criteria and questions contained in a matrix, and methodology for data collection and analysis. The criteria should draw from the UN/OECD-DAC's 5 evaluation criteria: For example: **Relevance:** *How well designed is the project to meet its broader objective to promote innovation across UNDP?*; **Effectiveness & Efficiency:** *How*

*well has the project delivered the expected results?; **Impact & Sustainability:** To what extent is the project on track to influence the broader system in the countries or initiatives that have received funding?*

Indicative methods for data collection will include document review and interviews with key informants.

Evaluation consultants will be held to the highest ethical standards and are required to sign a Code of Conduct (Annex) upon acceptance of the assignment. UNDP evaluations are conducted in accordance with the principles outline in the UNEG 'Ethical Guidelines for Evaluations'.

EVALUATION PROCESS, DELIVERABLES AND TIMETABLE:

The evaluation will include 4 main phases, each with distinct milestones and deliverables.

Main deliverables:

The final evaluation report and PowerPoint are expected by June 2018, across 30 to 40 working days. The proposed timeframe and expected deliverables will be discussed with the Evaluation consultant and refined during the inception phase. The final schedule of deliverables will be presented in the inception report. The Evaluation Unit reserves the right to request several versions of the report before sharing the report with other stakeholders and until it meets the quality standards set by UNEG.

The Evaluation consultant will be responsible for preparing and submitting the following deliverables:

1. Inception report;
2. Draft and final evaluation report;
3. PowerPoint presentation of key findings and recommendations.

| Phase | Deliverables | General Timeframe |
|--------------------|---|-------------------|
| Preparatory | The Innovation team will collect relevant documents, background for case studies, including surveys, and create a repository in google drive for the Evaluator. | 1 Feb- 4 April |
| | The Innovation team will prepare a preliminary interview list for the Evaluator. | |
| Inception | The Evaluator will review documents and survey results | 9 April – 3 May |
| | The Evaluator will draft inception report should include (up to 5 pages): <ol style="list-style-type: none"> 1. Evaluation design including a fully-fleshed out methodology; 2. Time-table for the exercise. 3. Relevant annexes: including questions for the interviewees; data collection methods and information sources. | |
| | The draft inception report will be reviewed by the Innovation team before the Evaluation expert moves to the next phase. | |

| | | | |
|-------------------------------|---|-----------------------|--|
| <p>Data Collection</p> | <p>The Evaluator will draft 3 case studies to assess development impact:</p> <ul style="list-style-type: none"> • Remote interviews with innovation focal points in countries and at regional hubs (no travel required). <p>Change management:</p> <ul style="list-style-type: none"> • Select interviews at HQ and regional hubs. | <p>4-29 May</p> | |
| <p>Reporting</p> | <p>Draft final report: should outline clear evidence-based conclusions and findings. It should include focused, actionable recommendations (SMART), and a clear, standalone Executive Summary. (Maximum 40 pages including annexes).</p> <p>It should include:</p> <ol style="list-style-type: none"> 1. Short description of the Innovation Facility and organizational context within UNDP, findings of the review of the implementation and processes of the Facility 2014 to 2017. 2. Description of the methodology utilized; 3. Findings of (issues identified under ‘scope’, page 2): <p>*Whether the conceptual framework was appropriate, actioned and updated with relevant, reliable and valid indicators, measures, tools and mechanisms.</p> <p>*How effectively and efficiently the innovation could be translated in implementing the 2018-2021 UNDP Strategic Plan.</p> <p>*The ability of the project to foster innovation at UNDP, in-line with the 9 UN Principles of Innovation for Development, and in-line with the objectives of the project.</p> <p>*The assessment of the value of the current approach in triggering organizational change and innovation in UNDP’s country-level programming in the best way possible, given the organizational set up.</p> <ol style="list-style-type: none"> 4. Lessons learned from the implementation of the Innovation Facility. This includes -- successes, failures and lessons of the UNDP Innovation Facility programmatic investments and advisory services in UNDP HQ, Regional Hubs and Country Offices reflecting on strategic objectives related to improved development impact, more inclusive processes as well as enhanced staff capacities, new service lines, additional resources mobilized and new partnerships created. 5. Forward-looking recommendations including actions to operationalize these for the consideration of management. | <p>30 May-18 June</p> | |

| | | | |
|--|---|--|--|
| | 6. Relevant annexes. | | |
| | Comments from the global Innovation team | | |
| | Final report: includes comments from the Innovation team and partners. | | |
| | A PPT summarizing the main findings and recommendations to be used by the Innovation team leader in the final de-briefing to the Innovation board and UNDP leadership. Preferably the consultant (team) delivers the final presentation onsite or virtually to UNDP's Innovation Board. | | |

Key Evaluation Questions: The evaluation should seek to answer the following questions organised according to the 5 UN/OECD/DAC evaluation criteria.

Please note this is an evaluation of the Innovation Facility project, not an evaluation of the ‘innovation function’ at UNDP.

| UN/OECD/DAC CRITERIA ¹ | Sub Questions |
|--|--|
| <p>1 Relevance</p> <p><i>How well designed is the project to meet its broader objective to advance innovation across UNDP?</i></p> | <ul style="list-style-type: none"> • Are we doing the right things? • To what extent is the overall project framework aligned with the broader strategic goals of the organization? • How has the Innovation Facility supported UNDP in achieving its strategic results? |
| <p>2 Effectiveness</p> <p><i>How well has the project delivered the expected results?</i></p> | <ul style="list-style-type: none"> • Have the objectives of the project been achieved – or to what extent will the objectives of the intervention be (most likely) achieved? • Were the initial objectives ambitious enough to advance radical changes within the organization? • Are the beneficiaries target groups (Country Offices) clearly identified/defined? • What were some of the outstanding features of how the Innovation Facility operates? • What are shortcomings / flaws in the setup? • What should the next iteration of an Innovation Facility do differently, how should it operate to be more effective? |
| <p>3 Efficiency</p> <p><i>To what extent is the project on track to catalyze innovation at UNDP?</i></p> | <ul style="list-style-type: none"> • Are the objectives achieved in a cost-efficient manner by the development intervention? • Is the relationship between input of resources and results achieved appropriate and justifiable? What is the cost-benefit ratio? • Are there any alternatives for achieving the same results with less inputs/funds? → Specifically, is a cost-sharing project, as opposed to a dedicated trust fund, the most efficient vehicle? • Is the current location of the IF (BPPS) the most efficient one to drive results and trigger organizational change? |
| <p>4 Impact</p> <p><i>To what extent is the project on track to influence the broader corporate system in the uptake of innovation in</i></p> | <p><i>The positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended:</i></p> <ul style="list-style-type: none"> • What has happened as a result of the programme or project? • What real difference has the activity made to the Country Offices? • How many Country Offices have been affected? |

¹ <https://www.oecd.org/development/evaluation/dcdndep/47069197.pdf>



Empowered lives.
Resilient nations.

| | |
|--|--|
| <i>contexts where it has invested in innovation?</i> | <ul style="list-style-type: none">• What is or are the impact(s)/effects of the interventions? |
| 5 Sustainability <i>To what extent has the project shown to be sustainable and/or scalable?</i> | <ul style="list-style-type: none">• To what extent is a dedicated Innovation Facility sustainable and/or able to catalyze sustainable continued long-term benefits?• Are the positive effects sustainable and scalable? How is the sustainability or the continuity of the intervention and its effects to be assessed/measured?• What should the next iteration of an Innovation Facility do differently, how should it operate to be more sustainable? |