



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the
United Nations Office for
Project Services**

Distr.: General
3 May 2019

Original: English

Annual session 2019

30 May, 3-4 and 6-7 June 2019, New York

Item 6 of the provisional agenda

Evaluation

Management response to the independent review of the UNDP evaluation policy

I. Context and background

1. As custodian of the evaluation policy,¹ the Executive Board mandated the Independent Evaluation Office (IEO) of UNDP to facilitate an independent review of the revised evaluation policy that the Board endorsed at its second regular session in 2016.² An independent team of evaluators carried out this review from January to March 2019.
2. This is the third review of the UNDP evaluation policy to be presented to the Executive Board. The first,³ conducted in 2010, focused particularly on the structure and role of the Evaluation Office, while the second review,⁴ conducted in 2014, considered the overall UNDP evaluation function, independent evaluations and decentralized evaluations.
3. UNDP made considerable efforts to invest in becoming a results-oriented, evidence-based organization during the period of the previous Strategic Plan, 2014-2017, including by revising the evaluation policy through a highly consultative process together with the IEO and the Executive Board. The adoption of the 2016 evaluation policy marked a major milestone for the UNDP evaluation function by establishing evaluation principles and standards, defining the institutional evaluation architecture for UNDP and its associated funds and programmes, and by safeguarding independence. The policy was founded on the premise that independent evaluations play a particular and crucial role in informing decision-making at UNDP and by the Executive Board.
4. UNDP and the IEO welcome the evaluation policy review report, and the opportunity it provides to engage internally as well as with the Executive Board on ways to continue strengthening the credibility and utility of the UNDP evaluation function, promoting evidence-informed policymaking.

¹ DP/2016/23.

² Executive Board decision 2016/17.

³ DP/2010/20.

⁴ DP/2015/5.

19-07400X (E) 070519



Please recycle The recycling symbol, consisting of three chasing arrows forming a triangle.



II. Findings, conclusions and recommendations

5. While recognizing that implementation of the policy is still at an early stage, the independent review concluded that the policy is well crafted, clear and useful; has enabled the consolidation of an independent evaluation office with a strengthened role and quality of work, and a source of credibility for its evaluations; and has helped to build an evaluation architecture with arrangements for the United Nations Capital Development Fund and the United Nations Volunteers programme that are functioning well. The review also stated that the policy, together with the newly revised evaluation guidelines (launched in January 2019) and the Charter of the IEO (December 2018), provides UNDP with a solid framework.

6. The independent review formulated for consideration 11 recommendations related to aspects of the policy's principles, evaluation architecture, procedures and quality assurance. While the review brings some opportunities to fine-tune the evaluation policy, UNDP and the IEO will comment on the following issues.

7. The first issue pertains to the quality of decentralized evaluations. UNDP acknowledges that there are weaknesses with regard to the quality of the decentralized evaluations, with around 24 per cent of all quality-assessed evaluations being rated unsatisfactory by the IEO. The decentralized evaluation function and its quality has been a recurring theme of discussion within UNDP and with the Board. However, efforts have been undertaken to enhance the quality of evaluations, which over time has increased. In 2018, 76 per cent of evaluations were rated satisfactory or better, compared to 52 per cent in 2014.⁵ Out of the 76 per cent, 25 per cent were considered satisfactory or above and 50 per cent moderately satisfactory⁶.

8. UNDP agrees that high-quality evaluations that are successfully undertaken and generate useful insights require an adequate investment of human and financial resources. UNDP and the IEO have jointly undertaken efforts to improve the decentralized evaluation process, including through a strengthened quality assessment process for decentralized evaluations, the upgrade of the Evaluation Resource Centre, the conduct of regional workshops and webinars and the issuance of revised evaluation guidelines in 2019.

9. The review also raises the issue of the independence and impartiality of decentralized evaluations, particularly with regard to the current evaluation arrangement where monitoring and evaluation are combined, and identifies this as a potential root cause of inconsistent quality. Noting that a deep country-informed analysis of this issue was outside the scope of the review and in order to address these ongoing concerns, UNDP and the IEO are jointly considering establishing a cadre of IEO (P4/P5) evaluation advisers (and support staff) located at the UNDP regional hubs to further strengthen the evaluation function. The establishment of a regional IEO infrastructure, with evaluation advisers reporting directly to the IEO Director/Deputy Director, would be similar to that of the Office of Audit and Investigations.

10. In addition, UNDP will take further steps to strengthen the evaluation function including through: establishing an annual review by the Organizational Performance Group of evaluation performance; investigating the feasibility of establishing a reporting mechanism to accurately capture evaluation expenditures; considering the establishment of a vetted evaluation roster to help address issues related to quality, planning and oversight; and, as recommended by the review, actively seek to acquire funding and develop new partnerships with bilateral development agencies. The Swiss Agency for Development and Cooperation is acknowledged for its financial contribution, which has helped to build staff capacity.

11. UNDP agrees with the importance of adequately resourcing the evaluation function. However, in response to recommendation 9, allocations for decentralized evaluations are required to be included in

⁵ Integrated results and resources framework for the Strategic Plan, 2014-2017.

⁶ Annual report on evaluation, 2018 (DP/2019/16).

programme and project budgets, as per the UNDP cost-recovery policy and procedures. The requirement to include evaluation within programme and project budgets is fully incorporated within the revised UNDP programme and project manual. The funding of IEO regional posts and activities noted above would be included in the institutional budget (as agreed with management) and be covered within the envelope of 1 per cent combined programmatic (core and non-core (regular and other)) resource allocations for evaluation, as stipulated in the evaluation policy.

12. Another key issue raised in the review relates to the role of the Audit and Evaluation Advisory Committee (AEAC). UNDP management and the IEO do not accept this recommendation (10) for several reasons.

13. The AEAC is an independent advisory body, not a governance body. Without detriment to the principle of the direct accountability of IEO to the Executive Board, the AEAC assists the Administrator in fulfilling his/her responsibilities regarding oversight, financial management and reporting, internal audit and investigation, external audit, risk management, the evaluation and ethics functions and systems of internal control and accountability. With regard to evaluation, its role is to provide oversight to the IEO office work programme as well as advice to the Administrator and the IEO Director.

14. As part of the negotiations on the 2016 evaluation policy revisions, the Board approved the establishment of AEAC by way of augmenting the membership of the earlier Audit Advisory Committee with two esteemed evaluators, in order to safeguard the independence of IEO and provide a forum where it could present its issues and work to an impartial body.

15. The existence of AEAC has been beneficial in cementing the 2016 policy; establishing an impartial body to review oversight at the overall organizational level; promoting joint work between IEO and the Office of Audit and Investigations; ensuring greater transparency and accountability for UNDP as whole; and bringing efficiency and synergy to several oversight assignments. The Administrator and IEO therefore value the work of the AEAC and consider it an important part of the UNDP oversight function, although its focus on evaluation issues is still evolving.

16. Upon consultation, the members of AEAC believe that the structure of the oversight arrangements are appropriate and that they, through their collective deep experience of oversight functions and governance issues, have helped to safeguard the independence of IEO. The IEO and UNDP agree that it would be premature to make changes to its oversight architecture and committee structure at this moment. In the forthcoming period, both UNDP and IEO will examine other ways to strengthen evaluation coverage within the work of the committee.

17. The responses of UNDP and IEO to all recommendations, including planned actions, are addressed in detail in the annex below. The detailed proposal for a revised text of the evaluation policy will be presented to the Executive Board at its second regular session 2019 for text review and eventual adoption.

Annex. Key recommendations and management response

Recommendation 1. An amendment to the 2016 UNDP evaluation policy should include a reference to the Charter of the Independent Evaluation Office and to the 2019 evaluation guidelines.				
Management response The proposal to include a reference to the Charter of the IEO and the revised evaluation guidelines to the Evaluation Policy is welcomed.				
Key action(s)	Time frame	Responsible unit(s)	Tracking*	
			Status	Comments
1.1. Prepare inputs to the revised evaluation policy	June 2019	Bureau for Policy and Programme Support, IEO		
Recommendation 2. The principles of the evaluation policy should include an explicit reference to the 2030 Agenda for Sustainable Development, gender equality, diversity, inclusion, human rights and the private sector.				
Management response Inclusion of a reference to the 2030 Agenda into the policy is supported. However, the policy already references sustainable development and the private sector (in section 'Purpose of evaluation', paragraph 6) and gender equality, equity and human rights (in section 'Evaluation Principles', paragraphs 7 and 10). UNDP and the IEO will carefully review the current language of the policy adding additional references only if necessary.				
2.1. Prepare inputs to the revised evaluation policy	June 2019	Bureau for Policy and Programme Support, IEO		
Recommendation 3. The planning process should involve consultation with stakeholders, and in all phases of the evaluation process it is important that evaluators engage with stakeholders and ensure not only that the national context is considered but also that the purpose, relevance and messages of the evaluations are communicated clearly and using a language that does not create unnecessary tensions.				
Management response This is a useful and welcomed proposal. Stakeholder engagement is emphasized in the recently revised UNDP evaluation guidance and is highlighted as well in United Nations Evaluation Group norms and standards.				
Recommendation 4. The decision on what to evaluate should be made with an explicit statement of the purpose and potential use of the evaluations for strategic decision-making.				
Management response UNDP and IEO agree that this is a useful proposal. As pertains to IEO corporate/thematic evaluations, such explicit statements are included in the brief notes on each planned thematic evaluation included in the multi-year evaluation plan which the IEO submits to the Executive Board following the launch of each new UNDP strategic plan. The revised evaluation guidelines require that all evaluation plans submitted to the Programme Appraisal Committee for review be accompanied by a brief text explaining the rationale for the evaluations in the plan (i.e., how they contribute to accountability, learning and the achievement of strategic results and how they will provide sufficient and balanced coverage of the programme unit's areas of engagement).				

Recommendation 5. A technical reporting line of regional monitoring and evaluation (M&E) specialists to the IEO Director on evaluation issues would contribute to enhance the quality of decentralized evaluations. Additional funding from evaluation partnerships may be instrumental in developing arrangements to strengthen the oversight and support to decentralized evaluations and to make the Evaluation Resource Centre more useful, with a better use of quality assurance scores. The evaluation responsibilities of the regional M&E specialists should be enhanced.

Management response

UNDP and the IEO consider that creating a matrix management system for the current regional M&E focal points is untenable. The recommendation of having a direct reporting line of existing focal points will not work as these are not evaluation personnel, and dual reporting lines are problematic as they have multiple roles that would be in conflict with serving also as an independent evaluator.

Instead, in order to address the ongoing concerns about the decentralized evaluation system, UNDP and the IEO will consider extending IEO coverage and positions from headquarters to the regional hubs with the creation of a cadre of P4/P5 posts plus support staff. Regional IEO personnel will rotate across the system, meaning that expertise will be fully infused into the evaluation architecture.

To address the issues of quality and capacity, UNDP will continue to undertake capacity-building efforts together with the IEO, including through training and awareness-raising on the revised guidelines, in particularly with respect to the management process of evaluation; oversight and quality assurance responsibilities of regional M&E staff; and the accountability of senior management.

UNDP management will actively seek funding opportunities and new partnerships going forward. Resource mobilization is a prerequisite to allocate additional funding as requested in the recommendation, especially for small country offices which are already stretched in terms of human and financial resources. A resource mobilization strategy to guide such efforts will be developed.

5.1. Prepare inputs to the revised evaluation policy	June 2019	Bureau for Policy and Programme Support, IEO		
5.2. Organizational Performance Group to review evaluation performance annually to guide a programme of continuous improvement and enhance management/leadership awareness and accountability	December 2021	Regional bureaux, Bureau for Policy and Programme Support		
5.3. Develop online courses on evaluation for managers, M&E staff and project staff (in IEO workplan for 2018-2019) and make them mandatory for appropriate categories of staff (UNDP).	August 2019	IEO, Executive Office		
5.4. Conduct training workshops and online webinars for M&E and other staff on the new evaluation guidelines	December 2019	Bureau for Policy and Programme Support, Regional bureaux, IEO		
5.5. Develop a resource mobilization strategy for the evaluation function	December 2019	Bureau for Policy and Programme Support, Bureau of External Relations and Advocacy, IEO		

Recommendation 6. The use of different and new types of evaluations and data-collection methods should be encouraged, including whenever appropriate a complexity and systems approach and paying attention to innovation and scaling -up.				
Management response UNDP and the IEO welcome this recommendation. There have been significant changes made to UNDP programming approaches, and it is important that the evaluation approaches are able to recognize the different initiatives and approaches (such as for example portfolios, acceleration labs, etc.). The evaluation guidelines contain useful prescriptive guidance in this regard. UNDP welcomes the use of new methodologies by the IEO, and for evaluations to be forward-looking to inform future programming directions. UNDP highlights the importance of considering the country contexts, recognizing that there is a need to be flexible and use innovative evaluation approaches in crisis countries.				
Recommendation 7. After producing evaluations, efforts should be made to elaborate messages derived from the evaluations, including syntheses, showing trends/patterns based on granular data, that may be of interest to different audiences.				
Management response The recommendation is welcomed, and UNDP is committed to undertaking more analysis for organizational learning going forward.				
7.1. Annual analysis on evaluation-related issues – results achieved/lessons learned/ strengths and weaknesses – included as part of the management commentaries to the annual reports on evaluation	June 2020	Bureau for Policy and Programme Support		
Recommendation 8. The requirement in the evaluation policy that a management response should be prepared for all evaluations and in a fixed period of time could be changed so as to alleviate the stress on management’s absorptive capacity. In the case of independent country programme evaluations (ICPEs), the new country programme could be considered as an option of a management response, whereas the Executive Board could allow extensions in the submission of management responses.				
Management response Management responses are an integral part of the evaluation process to contribute to programme/project implementation effectiveness and organizational accountability. UNDP maintains a high level of management response compliance at around 95 per cent or above for both independent and decentralized evaluations with a rolling implementation rate of agreed actions of around 70 per cent. UNDP will consider the capture of its response to ICPE recommendations through new country programme documents. UNDP management reiterates its commitment that all independent thematic and decentralized evaluations have a management response.				
Recommendation 9. As country programme evaluations are no longer mandatory, whereas ICPEs are in the process of arriving at 100 per cent coverage, there could be some flexibility in the overall 1 per cent of allocation of funds for evaluation, by introducing a link between the 0.8 per cent for non-IEO evaluations and the evolution of the UNDP portfolio of activities and funds. This would be facilitated if UNDP were to introduce a budget line to accurately capture funds allocated to evaluation. The ambivalence regarding the funding level should be eliminated by deleting the last part of the sentence in paragraph 26, “subject to availability”.				
Management response UNDP and the IEO do not agree with this recommendation, which is not clear and contains some inaccuracies. Programme units are required to submit a costed and timed evaluation plan to the Executive Board with each country, regional and global programme document considered for approval. Information regarding evaluation planning, budgeting and which evaluations are mandatory is noted in the UNDP evaluation guidelines, launched in January 2019. Consistent with the UNDP cost-recovery policy and procedures, allocations for decentralized evaluations are required to be included in programme and project budgets. The requirement to include evaluation within programme and project budgets is fully incorporated within the revised UNDP programme and project manual. Per paragraph 26 of the evaluation policy, “at the organizational level, UNDP will aim at allocating 1 per cent of combined programmatic (core and non-core) resources to the evaluation function: with no less than 0.2 per cent reserved for the work of Independent Evaluation Office, subject to availability of resources”. The funding of IEO regional posts and activities noted in paragraph 11 of this response should be included in the IEO annual workplan as a specific segment and this segment would be funded from the relevant line in programmes and project budgets, to a maximum of 0.3 per cent (i.e., the combined total of 0.2 per cent from the UNDP institutional budget reserved for the work of the IEO				

and 0.1 per cent from programme and project budgets), and this maximum of 0.3 per cent would be within the envelope of 1 per cent combined programmatic (core and non-core) resources allocation for the evaluation function, as stipulated in the evaluation policy.

UNDP will investigate the feasibility of establishing a reporting mechanism to accurately capture evaluation expenditures, both human resources and evaluation costs. There are no objections towards revising the evaluation policy to delete the last phrase “subject to availability”.

9.1. Prepare inputs to the revised evaluation policy	June 2019	Bureau for Policy and Programme Support, IEO		
9.2. Investigate the feasibility of a reporting mechanism for evaluation expenditures	December 2019	Bureau for Management Services		

Recommendation 10. Given the structural problem with respect to independence posed by the existence of an AEAC that reports to the Administrator, potentially compromising the independence of the IEO Director, the AEAC should no longer be part of the UNDP evaluation architecture

Management response

Both IEO and UNDP management recognize the importance of having an oversight body for evaluation and value the AEAC in terms of providing advisory and oversight support. The recommendation is therefore not accepted. However, it is recognized that the Committee is still evolving in its focus and will in the forthcoming period examine ways to strengthen the evaluation coverage within its work.

Recommendation 11. An independent and external review of the evaluation function should be conducted every four years by an external team reporting to the Board.

Management response

UNDP and IEO concur with the recommendation and note that the evaluation policy has been reviewed twice since 2010 (this is the third review) while the evaluation function receives United Nations Evaluation Group peer reviews every four years.