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Evaluation activities

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Report by the Director of the Office of Evaluation and Internal Oversight

The present document provides information on the evaluation activities in accordance with decisions IDB.29/Dec.7 and IDB.44/Dec.3 and complements the information provided in the Annual Report 2018

I. Background

1. In decisions IDB.29/Dec.7 and IDB.44/Dec.3, the Board, inter alia, affirmed the importance of Member States receiving objective and credible feedback on the performance of UNIDO country-level programmes based on the findings and lessons learned from independent evaluations.

2. The Office of Evaluation and Internal Oversight (EIO) is responsible for the oversight functions, which include independent evaluation, internal audit and investigation. The independent evaluation function provides evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations, and lessons learned into the decision-making processes at organization, programme, and project level. EIO also assesses the extent to which UNIDO's programmes and projects, as well as thematic areas, correctly address and effectively achieve the stated objectives of the Organization.

3. EIO is composed of two divisions: the Independent Evaluation Division (EIO/IED) and the Internal Oversight Division (EIO/IOD).

4. The UNIDO evaluation function derives its roles and responsibilities from the EIO Charter and the UNIDO evaluation policy.[1] According to this policy, evaluation

[1] As per Director General Bulletins DGB/2019/07 and DGB/2018/08, respectively.

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serves three purposes: assure accountability; support management; and drive learning and innovation.

II. Evaluation activities in 2018

5. The UNIDO Executive Board considered the EIO Evaluation work programme and provisional budget 2018–2019, and approved a budget of €232,000 for the implementation of the work programme in 2018. During 2018, the budget allocations were used to conduct one country and one thematic evaluation, and to implement other evaluation-related activities.

6. Quality assurance for independent project and programme evaluations continued to be provided. Project evaluations were financed from the respective project budgets.

7. EIO confirms that during 2018, in performing its evaluation activities, it functioned independently and objectively without any interference and/or influence from any internal or external parties. However, operational limitations due to budget constraints should be noted.

Evaluation Trust Fund initiative

8. To address and mitigate to some extent those operational limitations, EIO is proposing the establishment of an Evaluation Trust Fund. The purpose of this trust fund is to further strengthen the evaluation function of UNIDO by pooling together project evaluation budgets for the creation of synergies and increasing the operational capacity of EIO. This would provide adequate evaluation management support in order to conduct all required independent evaluations and to develop further evaluation products. This proposal has been welcomed by UNIDO senior management, Member States and the external auditor. However, some financial and administrative issues would need to be adapted to allow the operationalization of this approach. EIO will continue to explore the feasibility and options to implement this initiative.

Evaluations in 2018

9. The thematic evaluation on UNIDO's Staff Competency Development and two reviews, "Strengthening knowledge and institutions and policy advice" and "UNIDO Operations' integration" were issued. The impact evaluation of UNIDO's industrial energy efficiency-related programmes and these Synthesis of independent evaluations from 2015–2018 were conducted in 2018.

10. Two country-level evaluations were completed and issued (Colombia and India).

11. In addition, more than 30 independent project evaluations were managed and quality assurance was provided.

12. All UNIDO independent evaluation reports are available on the UNIDO website (https://www.unido.org/resources/evaluation).

Evaluation recommendations, briefings and capacity-building

13. Through a management response system, acceptance and implementation of evaluation recommendations continued to be monitored. During the 2018 reporting period, a total of 222 recommendations were issued. The acceptance rate (fully or partially accepted) of recommendations remained high, with an average of 94 per cent. More information on the level of implementation for recommendations issued in 2017/18 will be provided in a future report to the Board.

14. Briefings to Member States were held to cover the findings of thematic and country evaluations.

15. As a contribution to building and strengthening national evaluation capacities in Member States, a regional evaluation workshop was held in Dakar from 26 February to 1 March 2018, for UNIDO counterpart ministries in West Africa, with the participation of 17 representatives from nine countries.

III. Key findings from country and thematic evaluations issued in 2018

16. The independent country evaluation of UNIDO activities in Colombia was carried out as a learning and results accountability exercise to assess the achievements of UNIDO operations in the country, identify its strengths and weaknesses, and draw lessons that can be incorporated in future interventions, as well as in other UNIDO programmes and projects. The evaluation found, inter alia, that UNIDO has strong relevance and credibility in Colombia at all levels, and has been playing a catalytic role with its partners. Ministries, representatives of the industrial sector and bilateral donors appreciate the Organization as a neutral broker, recognizing that UNIDO is the only United Nations agency with a mandate clearly focused on industrial development. UNIDO projects were found to be relevant, efficient and consistent with the Organization's mandate.

17. The evaluation of the UNIDO country programme (CP), 2013–2017 in India assessed the results and performance of the CP and explored to which extent its contribution to inclusive and industrial development results has triggered transformational change. The CP consisted of 24 projects, with an overall budget of $96 million and an additional $377 million co-financing by the Government and private sector in India, which represents the second largest UNIDO country portfolio. Findings and recommendations of the evaluation were also to feed into the design and implementation of a new country programming framework 2018–2022 between the Government of India and UNIDO. The evaluation found that UNIDO has a strong reputation in the country, largely based on trusted, added-value technical expertise, and relevant work related to ISID in India. A key finding was that UNIDO's most important results build on interventions that started years, sometimes decades ago, with good evidence of UNIDO delivering transformational change.

18. An independent thematic desk review of "UNIDO operations' integration" was conducted to provide insights, to distil and take stock of institutionalized and informal best practices, lessons learned, and recurrent issues or areas for improvement from past evaluations and audits, as regards enhancing the operations and integration of UNIDO's work. The review was based on 22 reports from the period 2010 to 2018, comprising independent country and thematic evaluations, internal audits and one external audit.

19. An independent thematic desk review on "Strengthening knowledge and institutions and policy advice" was conducted to inform UNIDO management on UNIDO's strategic and policy advice services and contribute to strengthening the Organization's results-based management systems to guide preparation and quality assessment of the medium-term programme framework (MTPF). In this regard, the findings of this report emphasize UNIDO's needs in terms of further adjustments to integrate and aggregate results and performance, and to enable consistent monitoring of progress towards the achievement of MTPF outcomes and priorities at the corporate level. This includes the transition from a project-based log frame approach to a more holistic UNIDO theory of change model. The review focused on eight recent thematic and country studies and was complemented by drawing on recent international sources and key concepts, to tell a development performance story related to strengthening knowledge and institutions and policy work, including what may be called impact pathways.

20. The "Synthesis of UNIDO independent evaluations from 2015–2018" is currently ongoing with the aim to take stock and aggregate evaluation findings from that period. It also concentrates on the specific learning theme of monitoring that was

recurrently found in independent evaluations and that has been identified as an area for improvement.

21. The “Impact evaluation of UNIDO industrial energy efficiency programmes” is being conducted to assess the extent to which the impact of UNIDO interventions was geared towards measurable and sustainable changes related to industrial energy efficiency (IEE). The scope of the evaluation included projects that were completed between 2010 and 2018 and that dealt with IEE, resource efficient and cleaner production, and the phase-out of ozone depleting substances. The evaluation, inter alia, mapped the framework conditions for replication and autonomous scale-up, and analysed conditions that are not within the sphere of control, but only of influence, for UNIDO to achieve the sustainable scale-up of energy efficiency results.

IV. Outlook

22. EIO will continue its efforts to fulfil its independent evaluation function mandate and continuously improve its ability to provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations, and lessons learned into the decision-making processes at the organization-wide, programme, and project level.

23. The independent evaluation work programme for 2019 would include a thematic evaluation of UNIDO’s field network, one country evaluation, and possibly the first PCP terminal evaluation(s). In addition, more than 30 mandatory project terminal evaluations will be managed and conducted.

24. Including the evaluation function in the scope of the review of the AAC terms of reference will enhance the value of the AAC to the overall governance of UNIDO and strengthen its oversight functions.

V. Action required of the Board

25. The Board may wish to consider adopting the following draft decision:

“The Industrial Development Board:

(a) Takes note of the report on the evaluation activities (IDB.47/23);

(b) Reiterates its support to the evaluation function for accountability, learning and contribution to development effectiveness;

(c) Encourages outcome- and impact-driven evaluations on results and the incorporation of information on performance and lessons learned into management and strategic planning processes;

(d) Encourages exploring synergetic approaches, such as the creation of an evaluation trust fund, or other possibilities, to ensure adequate operational funding for evaluation and internal oversight activities, as one key element for increased coverage and enhanced independence of oversight functions.”