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Evaluation

Management response to the review of the UNDP evaluation policy

Context, background and findings

1. UNDP considers evaluation to be a critical function, one that drives results, effectiveness, efficiency and learning within the organization, strengthening its development impact and its role as a lead development actor. UNDP welcomes every opportunity to work with the Executive Board, Member States, the Independent Evaluation Office, and other partners, to strengthen evaluation performance and evidence-based programming.
2. The second review of the UNDP evaluation policy (summarized in DP/2015/5) offers guidance on how to improve the policy to meet the required standards of independence, credibility and relevance of evaluation outcomes. UNDP is committed to meeting these standards in performing its decentralized evaluation function. To that end, it will work with the Executive Board and the Independent Evaluation Office to revise the policy accordingly, and will take the necessary steps to implement the revised policy fully and effectively. In particular, we are working to see quality assurance of decentralized evaluations firmly established, while ensuring that the quality standards of the Independent Evaluation Office are observed.
3. Review findings highlight three main issues, namely, (a) the operational independence of the Independent Evaluation Office; (b) the relevance, credibility and use of independent evaluations; and (c) the reliability and credibility of decentralized evaluations, including organizational capacity to undertake them.
4. On the independence of the Independent Evaluation Office, the review recommends an amendment to the evaluation policy that makes specific the term of the appointment of the director. UNDP has no objection to such a revision, and has already been appointing the director with a four-year term contract, renewable once.
5. On financial resources allocations, the review identifies a disparity between the amount of core resources approved by the Executive Board in the overall integrated



budget of UNDP and the amount actually received by the Independent Evaluation Office. The review report itself clarifies that the integrated budget comprises the estimated funding levels for oversight and assurance activities covering the costs of both the Office of Audit and Investigations and the Independent Evaluation Office, and that UNDP must adjust its institutional budget downwards when voluntary contributions fall short of estimated levels. UNDP is pleased that the report recognizes that, to the extent possible, UNDP has consistently protected the Independent Evaluation Office from the negative effects of unavoidable downward budget adjustments, and that no further action is recommended in this regard.

6. The review report points out that “connections between independence of evaluation methodology and finance have not always been appreciated or observed by managers in the finance function”, whom some Independent Evaluation Office managers interviewed identified as having made cost control suggestions that could narrow down methodology choices for independent evaluators. UNDP wishes to point out that the evaluation policy is clear in that management of the financial resources of the Independent Evaluation Office lies within the discretion of its director, and that the UNDP Administrator has given strict instructions to financial officers not to discuss the methodology of any evaluation conducted by the Independent Evaluation Office. All departments in UNDP need to be aware of the prevailing atmosphere of austerity in their management practices.

7. Finally, the report highlights the absence of specific provisions in the policy regarding the timeliness of the release of independent evaluation reports in cases of disagreement as to their findings, conclusions and recommendations. UNDP agrees that the policy could be more specific in this regard, and will work with the Independent Evaluation Office to achieve that result.

8. With respect to independent evaluations, the review report presents five main findings, four of which relate to UNDP management. The first finding, pertaining to independence, quality and credibility, is that “the majority of [independent] evaluations fall in the ‘satisfactory’ category” – and therefore constitute a robust basis for accountability. UNDP is aware of some weaknesses in reconstructing underlying logic models and theories of change, acknowledges the limitations of some of the evaluation methodologies adopted, and is working to identify lessons that should be learned. UNDP is pleased that the final report of the review has excluded a finding included in the draft final report that independent evaluations had shown “inconsistent use of the cross-cutting issues of gender equality and environmental sensitivity, which are recognized as essential characteristics of good evaluations in the context of the United Nations system”. UNDP will nevertheless seek to strengthen the evidence base for independent evaluations of gender equality and environmental sensitivity so as to better capture these cross-cutting aspects of UNDP interventions. The Independent Evaluation Office should fully integrate the United Nations Evaluation Group gender standards by 2017, as this is a requirement of the United Nations system-wide action plan. ‘Gender equality and women’s empowerment’ already features prominently as one of the three overarching policies and principles of the recently issued UNDP social and environmental standards.

9. The second finding relates to “obstacles to the smooth conduct, completion and finalization of several (although a minority) of independent evaluations,” a broad variety of which are recognized to be beyond the control of UNDP managers. The review does highlight some challenges stemming from lack of timely response to Independent Evaluation Office requests for comments and feedback on draft reports,

preparation of management responses, or arranging meetings with relevant stakeholders to present findings, detected in two (or 10 per cent) of 20 assessments of development results examined by reviewers. UNDP is committed to strengthening oversight and support to the conduct, completion and finalization of all independent evaluation reports; rendering assistance; responding to and following up on recommendations in a timely manner; and taking the steps necessary to address any challenges. The revised evaluation policy will enhance the monitoring of assessments of development results and establish time limits for the finalization of reports and management responses to prevent delays in the process.

10. A third finding concerns the use of independent evaluations. UNDP disagrees with the observation that “tracking and follow-up responsibility for the management responses is not officially part of any central bureau’s mandate”, and would like to note that prior to the structural review, this responsibility resided with the Operations Support Group. Following the structural review, it now resides with the Development Impact Group in the Bureau for Policy and Programme Support. UNDP management will ensure that mandates are clearly defined in the programme and operations policies and procedures and duly communicated to relevant units.

11. The fourth and final UNDP management-related finding pertains to measures to promote national ownership and capacity. UNDP is pleased with the recognition expressed in the report that “a number of UNDP programme units have taken the lead in providing support (particularly to national governments) for (monitoring and) evaluation capacity development”, and stands ready to support the Independent Evaluation Office in its role of strengthening national evaluation capacities and ensuring that lessons from evaluations can be applied in national contexts. This is also part of the UNDP response to the Quadrennial Comprehensive Policy Review priority areas and mandates (OP 175).

12. Several observations made in the review report related to decentralized evaluations. The first concerns the inadequate and decreasing resourcing of decentralized evaluations, both in terms of the number and capacities of monitoring and evaluation specialists and in terms of evaluation budgets. At the same time, UNDP notes the finding that “the most noticeable change over the three years of reporting is a decline in the proportion of moderately unsatisfactory reports and an increase in the proportion of satisfactory reports”, as rated by the Independent Evaluation Office itself. To ensure that the organization is fit for purpose to deliver on its strategic plan, major organizational changes are being implemented to better support regional country offices in programme implementation to deliver results. This includes ensuring effective and strengthened results-based human and financial resource capacities. Forty-two per cent of country offices had at least one monitoring and evaluation specialist, compared to 23 per cent in 2012. As part of its efforts to strengthen results-based management capacities at country and regional levels, UNDP has set global benchmarks to be met during the strategic plan period, as follows:

- (a) Two full-time dedicated monitoring and evaluation specialists per country office for programmes worth over \$50 million.
- (b) One full-time monitoring and evaluation specialist per country office for programmes over \$10 million and under \$50 million.
- (c) For programmes under \$10 million, capacity must be in place for monitoring and evaluation, but this need not imply a full-time dedicated staff member.

13. A second and more serious observation relates to the independence and impartiality of decentralized evaluations. The review report finds that “about

38 per cent of consultants who responded to a survey [...] reported some form of unacceptable interference by management.” UNDP notes that 12.2 per cent of responses regarded “payments for services denied or delayed”, which is not unusual and can be justified by a poor-quality draft report. The remaining 25.6 per cent, however, represents a serious issue, which UNDP notes with concern and is committed to addressing. The new evaluation policy will clarify roles and responsibilities at all levels to firmly establish the quality assurance of decentralized evaluations while ensuring that the quality standards of the Independent Evaluation Office are observed. Additionally, UNDP will take necessary action to enforce regulations and procedures that protect evaluators from undue interference and to promote an evaluation culture that nurtures transparency, acceptance of criticism and a commitment to learn from evaluation.

14. A third observation relates to the quality of consultants contracted to conduct decentralized evaluations. Recognizing that sourcing insufficiently skilled consultants has a negative effect on the quality of evaluations, UNDP calls on the Independent Evaluation Office to assist in strengthening its rosters to secure high-quality expertise and professional input at all levels in the evaluations conducted.

15. UNDP notes a number of other important observations. The first concerns the levels of satisfaction expressed by consultants in their engagement with UNDP. UNDP notes with satisfaction that the report acknowledges the “substantial efforts [made by UNDP senior management] to make quantitative analysis and use of the information of evaluations” available across the organization. The evaluation knowledge base, which UNDP has constructed for learning purposes – by extracting findings, conclusions and recommendations from evaluation reports, to complement the accountability and compliance orientation of the Evaluation Resource Centre – is considered by the review as too complex, but has proved to be highly useful for performance management.

16. UNDP established a technical team comprising internationally recognized, independent evaluation advisers to work with the Independent Evaluation Office with the goal of ensuring that the findings and recommendations of the review fully inform the draft evaluation policy. UNDP also ensured that Executive Board members were informed on proposals as they were being developed, and that they had the opportunity to provide feedback throughout the process.

17. The review report concludes by identifying five issues to be addressed for the future UNDP evaluation policy: (a) the reliability of decentralized evaluations; (b) unreasonable disputes over some independent evaluations; (c) vagueness of policy on issues central to the operational independence of the Independent Evaluation Office; (d) lack of assurance of independent evaluations by associated funds; and (e) the relevance of the concepts delineated in the policy.

18. Those five issues are addressed in detail in the response to the recommendations, tabulated in the annex, below.

Annex. Key recommendations and management response

Evaluation recommendation 1. The evaluation policy should require management to introduce and enforce effective quality assurance systems for decentralized evaluations, with verification by the Independent Evaluation Office (IEO) and penalties on units that do not comply with standards. This should be supported by updated and additional guidelines and an assessment by the Executive Board of the value added to available management information by large numbers of low budget evaluations of variable quality.

Alternative approaches suggested by the review:

- (a) ***Remove decentralized evaluations from management information systems.*** At the opposite end of the scale in terms of management information and resource requirements is the option of simply removing all decentralized evaluations from reporting to the Executive Board. They would be treated as part of the management process at country office (or other entity) level, but not verified or aggregated centrally. Those that are mandatory because of funder requirements might be aggregated by the relevant offices (such as the UNDP-Global Environment Facility Office), but would not be presented to the Board;
- (b) ***Give the Independent Evaluation Office overall responsibility for the quality of decentralized evaluations.*** Under this approach, a unit would be established within the Independent Evaluation Office to provide support and quality assurance for decentralized evaluations. It would assist commissioning units in recruiting consultants, formulating terms of reference, defining appropriate resources and commenting on draft reports. Responsibilities would therefore be shared between the commissioning unit (usually a country office) and IEO, with no role for the regional offices. The most effective structure would probably comprise a small IEO unit in New York, with other IEO staff posted in regional service centres, reporting to the IEO Director, in close liaison with the regional manager.
- (c) ***Require UNDP management to introduce and enforce effective quality assurance systems.*** The Executive Board would require management to effectively fulfil the role and responsibilities it already has under the policy. It would be left to management to decide how to do this, presenting its proposal to the Board, including additional human and financial resource needs. Given the poor performance of management in this area to date, it would be necessary for the Board to instigate a system of regular independent reviews of progress to ensure that the desired improvements are actually being made.

Management response

UNDP recognizes that despite consistent improvements to the evaluation policy over the past several years, there are weaknesses to be addressed in the current system for decentralized evaluations. UNDP welcomes the recommendation to further strengthen the provisions for effective quality assurance for decentralized evaluations. UNDP is committed to supporting further substantial improvements in the decentralized evaluation function. Challenges to be addressed include the evaluability of programmes, the independence of evaluations, the credibility and utility of decentralized evaluations, and the system for quality assurance. UNDP will address these challenges using a three-pronged approach:

- (a) The Evaluation Policy will be revised to safeguard independence and impartiality so as to improve the credibility and hence the utility of decentralized evaluations. The new policy will clarify roles and responsibilities at all levels and introduce checks and balances. In revising the policy the alternative approaches suggested by the review, and other options, will be carefully considered.
- (b) UNDP will ensure that regulations and procedures are in place to protect evaluators from undue interference and promote an evaluation culture that nurtures transparency, acceptance of criticism and willingness to learn from evaluation. UNDP recognizes that what external consultants consider ‘challenges’, such as inadequate time and resources, are normal challenges facing all evaluations. UNDP will work to enforce a zero-tolerance policy towards any undue interference in the work of independent evaluation consultants. Among the tools being considered are: systematic monitoring of the evaluation process by regional evaluation specialists; a written record of all stakeholders’ comments on draft reports (much of which is verbal today); assurance that any delay in payment is fully justified; assurance that reports are not ‘edited’ by UNDP; and the establishment of a ‘hotline’ where inappropriate behaviour and actions can be reported. The latter two are already being implemented pursuant to

instructions from the Administrator

(c) UNDP will continue and strengthen its initiatives to invest in institutional and human capacities so as to further improve the quality of evaluations. UNDP management and IEO will together identify what should be done to enhance the capacity of UNDP staff to design, commission, and manage evaluations and ensure that contracted consultants have the ability to conduct credible evaluations of high quality. Monitoring will be designed to provide reliable information for day-to-day management, performance assessment, and evaluations. Training of evaluation specialists and managers will be intensified, and a certification and accreditation system will be instituted for evaluation specialists. External evaluation consultants will be drawn from a roster kept and quality-assured by IEO. UNDP will continue to train staff in results-based management, using the approaches and commitments made in the new *Handbook on Planning, Monitoring and Evaluating for Development Results*, which will be updated periodically to take account of evolving concepts and methods. Systems, tools and practices will be further revised, with clear accountability mechanisms built in to hold senior managers in country offices, regional centres and headquarters units accountable for improvements and results focus across the whole programming cycle. Special emphasis will be placed on systematically integrating the gender-related norms and standards of the United Nations Evaluation Group (UNEG) into decentralized evaluations in order to meet the requirements of the United Nations system-wide action plan by 2017.

(d) In addition to the above measures, UNDP will consider whether producing 300 decentralized evaluations per year, many with small budgets, is appropriate. One option might be to replace several of these with 'project completion reports' or 'end-of-project reviews', and conduct a limited number of strategically important evaluations.

Key actions	Time frame	Responsible units	Tracking*	
			Comments	Status
1.1 Prepare inputs to the joint drafting process of the new evaluation policy aimed at safeguarding and strengthening the independence and impartiality of decentralized evaluations, including specific provisions for effective quality assurance systems.	By May 2015	UNDP Bureau for Policy and Programme support (BPPS) UNDP regional bureaus In consultation with IEO		
1.2 Develop and integrate new provisions on simplified recruitment of evaluation consultants from an IEO roster to support decentralized evaluations ensuring that evaluation consultants have competencies to apply the UNEG gender standards, among other requirements.	By May 2015	UNDP Bureau of Management (BOM)/Office of Human Resources (OHR) UNDP/BPPS In consultation with IEO		
1.3 Develop and adopt provisions to mandate the establishment of an advisory group (of IEO staff and UNDP country- regional- and headquarters-level evaluation specialists) to provide quality assurance and ensure compliance of decentralized evaluations.	By May 2015	UNDP/BPPS UNDP regional bureaus In consultation with IEO		
1.4 Continuously develop and update results-based management-related training programmes; update the online course for evaluation practitioners. The advisory group will integrate gender expertise.	By December 2015	UNDP/BPPS UNDP/BOM/Learning Resources Centre		

Evaluation recommendation 2. In the absence of timely feedback from management parties, IEO should be given clear authority to proceed according to the pre-established timetable with all steps in the independent evaluation process. Enduring objections by management to evaluation findings or recommendations should be reserved for inclusion in the management response and should not be allowed to delay national workshops or report publication. UNDP units (such as country offices) that hinder the progress or completion of independent evaluations should be penalized through a “red flag” system.				
Management response: UNDP management acknowledges that there have been instances of delay in finalizing IEO evaluation reports. The revised policy will specify time limits for the finalization of reports and management responses. The establishment of timelines for commenting on drafts and preparing management responses will prevent UNDP units from delaying the finalization of reports.				
Key action	Time frame	Responsible units	Tracking	
			Comments	Status
2.1 Prepare inputs to the new evaluation policy, spelling out precise timelines for the finalization of reports and related management responses.	By May 2015	UNDP BPPS UNDP regional bureaus In consultation with IEO		
Evaluation recommendation 3. The Executive Board should amend the evaluation policy to specify the lead role of the Board in recruitment procedures for the Director of IEO, the duration of the post (subject to performance assessment), renewal processes and duration, and power of the Director to report directly to the Board as necessary. These measures would strengthen the structural independence of the Office, in keeping with its new title.				
Management response The present UNDP evaluation policy states that “[t]he Executive Board of UNDP/UNFPA is the custodian of the evaluation policy” and stipulates that the Executive Board: (a) approves the evaluation policy and considers the annual reports on its implementation; (b) ensures the independence of the evaluation function by (i) approving annually the costed programme of work for the Evaluation Office and (ii) reviewing and advising on the appointment, renewal and dismissal of the Director of the Evaluation Office”. While these provisions already provide for the lead role of the Board in recruitment procedures for the IEO Director, UNDP senior management is committed to reviewing these provisions as part of the revision of the UNDP evaluation policy.				
Key action	Time frame	Responsible units	Tracking	
			Comments	Status
3.1 Prepare inputs to the new evaluation policy that further clarify the lead role of the Executive Board in recruitment, performance assessment, the duration and renewal of the post, and dismissal processes for the Director of IEO, as well as direct reporting of the IEO Director to the Board.	By end February 2015	UNDP/BPPS, in consultation with IEO		
Evaluation recommendation 4. The review notes that the evaluation units of the associated funds and programmes have developed in quite different ways and recommends that the policy should incorporate new and flexible approaches as follows: evaluation units should be required <i>either</i> to submit their independent evaluations to IEO for quality assurance (to ensure comparable “best international evaluation standards”); <i>or</i> to collaborate directly with IEO to manage and report on their independent evaluations. Associated with these measures, it is also recommended that the policy should require IEO to pay more systematic attention to the contribution of the associated funds and programmes to UNDP results in all of its independent evaluations.				

Management response: UNDP management and UNCDF welcome the proposals to formalize a quality assurance for UNCDF evaluations. UNDP management and UNV welcome the proposal to establish a mechanism for direct collaboration with IEO to manage and report on UNV independent evaluations. UNV further welcomes the proposal to systematically review UNV contributions to UNDP results in all of its independent evaluations.				
Key actions	Time frame	Responsible units	Tracking	
			Comments	Status
4.1 Prepare inputs to the new evaluation policy further clarifying the roles and responsibilities of UNCDF senior managers for evaluation.		UNCDF Evaluation Unit UNV Results Management Support Section		
4.2 Prepare inputs to the new evaluation policy establishing new mandatory criteria for UNCDF and UNV evaluations.		UNCDF Evaluation Unit UNV Results Management Support Section		
4.3 Prepare inputs to the new evaluation policy establishing mandatory quality assurance mechanisms for UNCDF evaluations.		UNCDF Evaluation Unit		
4.4 Prepare inputs to the new evaluation policy establishing working arrangements for IEO to manage and report on UNV independent evaluations.		UNV Results Management Support Section		
Evaluation recommendation 5. The section of the policy on definitions should be replaced by a more general text indicating that IEO will periodically update and disseminate current evaluation topics and definitions on the basis of best international standards, through operational handbooks and other appropriate means.				
Management response: UNDP welcomes the recommendation to revise the section on definitions. UNDP recognizes the need to update the section and will ensure that the new evaluation policy is in line with UNEG definitions, norms and standards.				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
5.1 Prepare inputs into joint drafting process of the new evaluation policy (provisions related to definitions, norms and standards).	By May 2015	UNDP/BPPS		

*The status of implementation is tracked electronically in the Evaluation Resource Centre database.